OTP Bank Rt.

2004 Stock Exchange Report

(English translation of the original report submitted to the Budapest Stock Exchange)

Budapest, February 14, 2005

OTP Bank's 2004 Stock Exchange Report contains the HAR and IFRS (former IAS) non consolidated and consolidated balance sheet and profit and loss account for the 12 months ending December 31, 2004. For the sake of easier analysis by international investors, we present both the HAR non-consolidated and consolidated figures in a format that is closer to the international format. HAR and IFRS data for 2004 in the report are non-audited.

HIGHLIGHTS

CONSOLIDATED

HAR

Total assets for the group were HUF4,185,216 million on December 31, 2004, which represented a year-on-year growth of 19.5%, and it was 37.5% higher than total assets of the Bank on December 31, 2004.

OTP Group's consolidated pre-tax profits were HUF151,624 million, an increase of 47.6% over 2003 and 22.7% higher than the figure of the Bank. OTP Group's consolidated after-tax profits were HUF125,969 million for 2004, an increase of 51.7% over 2003, and 20.2% higher than the figure of the Bank. Consolidated ROA was 3.28% (2.66% in 2003) and consolidated ROE was 36.3% (30.6% in 2003).

IFRS

Total assets for the group were HUF4,166,630 million on December 31, 2004, which represented a year-on-year growth of 20.4%, and it was 36.4% higher than total assets of the Bank on December 31, 2004.

OTP Group's consolidated net profit was HUF140,067 million for 2004, increase of 68.1% over 2003, and 9.9% higher than the figure of the Bank. Consolidated ROA was 3.67% (2.70% in 2003) and consolidated ROE was 37.6% (31.1% in 2003).

	MSZSZ		Financial highlights		IFRS	
2003	2004	change	Consolidated	2003	2004	change
3,502.7	4,185.2	19.5%	Total assets (HUF bn)	3,460.8	4,166.6	20.4%
2,025.7	2,511.5	24.0%	Total loans and advances (HUF bn)	1,982.6	2,506.8	26.4%
2,697.8	2,910.6	7.9%	Total deposits (HUF bn)	2,689.8	2,902.6	7.9%
75.1%	86.3%	11.2%	Loan/deposit ratio	73.7%	86.4%	12.7%
305.1	389.4	27.6%	Shareholders' equity (HUF bn)	311.8	433.9	39.2%
11.5	10.7	-6.4%	Balance sheet gearing	11.1	9.6	-13.5%
42.8%	37.4%	-5.3%	Share of non interest income in total income	47.5%	40.9%	-6.6%
62.0%	55.7%	-6.3%	Cost to income ratio	65.2%	58.1%	-7.1%
102.8	151.6	47.6%	Pre-tax profits (HUF bn)	102.7	165.9	61.6%
83.0	126.0	51.7%	After tax profits (HUF bn)	83.3	140.1	68.1%
322	484	50.3%	EPS undiluted (HUF)	320	534	66.8%
297	450	51.7%	EPS fully diluted (HUF)	319	531	66.7%
2.66%	3.28%	0.62%	Return on Assets	2.70%	3.67%	0.98%
30.6%	36.3%	5.7%	Return on Equity	31.1%	37.6%	6.4%
25.9%	29.5%	3.6%	Real Return on Equity	26.4%	30.8%	4.3%
3,118.4	3,843.9	23.3%	Average assets (HUF bn)	3,088.7	3,813.7	23.5%
177.1	251.2	41.9%	Net interest income (HUF bn)	176.1	261.1	48.3%
5.68%	6.54%	0.86%	Net interest margin	5.35%	6.45%	1.10%

BANK

HAR

Over the 12 months period ending December 31, 2004, total Bank assets grew to HUF3,044,545 million or by 10.4%, and this figure is 5.4% higher than 3 months earlier. For 2004 OTP Bank's HAR pre-tax profits were HUF123,538 million, 42.5% higher than in 2003. OTP Bank's HAR after-tax profits for 2004 were HUF104,832 million, HUF33,270 million or 46.5% higher than in 2003.

IFRS

Over the 12 months period ending December 31, 2004, total IFRS Bank assets grew to HUF3,054,248 million or by 11.8%. OTP Bank's IFRS after-tax profits for 2004 were HUF127,502 million, HUF57,361 million or 81.8% higher than in 2003.

	MSZSZ		Financial highlights		IFRS	
2003	2004	change	Bank	2003	2004	change
2,758.6	3,044.5	10.4%	Total assets (HUF bn)	2,731.6	3,054.2	11.8%
1,088.3	1,272.4	16.9%	Total loans and advances (HUF bn)	1,070.4	1,276.5	19.3%
2,234.9	2,318.5	3.7%	Total deposits (HUF bn)	2,264.5	2,340.9	3.4%
48.7%	54.9%	6.2%	Loan/deposit ratio	47.3%	54.5%	7.3%
261.8	325.0	24.1%	Shareholders' equity (HUF bn)	276.2	389.4	41.0%
10.5	9.4	-11.1%	Balance sheet gearing	9.9	7.8	-20.7%
42.0%	43.3%	1.3%	Share of non interest income in total income	49.8%	49.5%	-0.3%
54.1%	47.9%	-6.2%	Cost to income ratio	57.5%	46.1%	-11.4%
86.7	123.5	42.5%	Pre-tax profits (HUF bn)	84.5	148.3	75.4%
71.6	104.8	46.5%	After tax profits (HUF bn)	70.1	127.5	81.8%
269	391	45.1%	EPS undiluted (HUF)	260	470	80.4%
256	374	46.5%	EPS fully diluted (HUF)	261	472	80.4%
2.78%	3.61%	0.83%	Return on Assets	2.74%	4.41%	1.67%
30.6%	35.7%	5.1%	Return on Equity	29.2%	38.3%	9.1%
25.9%	28.9%	3.0%	Real Return on Equity	24.5%	31.5%	7.0%
2,550.0	2,785.4	9.2%	Average assets (HUF bn)	2,560.8	2,892.9	13.0%
118.2	148.0	25.2%	Net interest income (HUF bn)	111.5	151.1	35.5%
4.64%	5.31%	0.68%	Net interest margin	4.08%	4.92%	0.85%

MAJOR TENDENCIES FOR THE FOURTH QUARTER OF 2004 – HAR NON-CONSOLIDATED

Below we summarize and present the major performance data for 4Q 2004 and compare it to the performance of the bank during the previous quarters:

Balance Sheet

Financial highlights				Dec 31, 2004/	
Non-Consolidated HAR (HUF bn)	Dec 31, 2003	Sep 30, 2004	Dec 31, 2004	Dec 30, 2003	Sep 30, 2004
Total assets	2,758.6	2,889.9	3,044.5	10.4%	5.4%
Average assets[1]	2,666.7	2,755.4	2,887.7	8.3%	4.8%
Total loans and advances	1,088.3	1,195.1	1,272.4	16.9%	6.5%
Corporate loans	691.2	744.7	806.6	16.7%	8.3%
Municipal loans	78.9	88.5	94.6	19.9%	6.8%
Housing loans	183.6	169.9	170.4	-7.2%	0.3%
Consumer loans	134.6	192.0	200.9	49.2%	4.7%
Retail loans	318.2	361.9	371.3	16.7%	2.6%
Total deposits	2,234.9	2,189.4	2,318.5	3.7%	5.9%
Corporate deposits	421.4	359.3	421.1	-0.1%	17.2%
Municipal deposits	157.2	159.9	159.7	1.6%	-0.2%
Retail deposits	1,656.3	1,670.2	1,737.8	4.9%	4.0%
Loan/deposit ratio	48.7%	54.6%	54.9%	6.2%	0.3%
Shareholders' equity	261.8	318.5	325.0	24.1%	2.0%
Balance sheet gearing	10.5	9.1	9.4	-11.1%	3.3%

[1] Quarterly average

Total assets of the Bank increased by HUF154.6 billion (5.4%) during fourth quarter 2004. This rate was 4.7% during the fourth quarter of 2003.

Among the assets the 20.4% increase in cash (HUF67.7 bn) and 9.6% decline (HUF31.1 bn) in government securities were noticeable. Loans to credit institutions increased by 29.7%.

Customer receivables grew by HUF77.3 billion or 6.5% mainly due to the 8.3% growth of loans to corporate customers and the 6.8% growth of municipal loans. Retail loans grew by 2.6% in the fourth quarter, within this the volume of consumer loans (without mortgage-based home equity loans) grew by 5.7%, volume of housing loans remained at the same level. The volume of in July introduced FX housing loans exceeded HUF9.9 billion in the bank's balance sheet at the end of December 2004.

Liabilities to credit institutions increased by 17.1%, within this liabilities at sight were 71.3% or HUF6.5 billion higher, liabilities with defined maturity increased by HUF36.1 billion or 21.9%. Liabilities to customers increased by 5.9% or by HUF129.1 billion, within this retail deposits increased by HUF67.6 billion, corporate deposits by HUF61.8 billion and municipal deposits decreased by HUF241 million compared to September 30, 2004. After having generated the dividend base for the period, the Bank's shareholders' equity increased by HUF6.5 billion or 2.0% since September 30, 2004.

Profit and Loss account

Non-consolidated HAR (HUF million)	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q %	4Q 2004 Y-o-Y %
Total interest income	58,641	70,868	74,741	5.5%	27.5%
Total interest expense	27,136	33,077	36,773	11.2%	35.5%
Net interest income	31,505	37,791	37,968	0.5%	20.5%
Non interest income	23,838	29,253	29,913	2.3%	25.5%
Share of non interest income in total income	43.1%	43.6%	44.1%	0.5%	1.0%
Total income	55,343	67,044	67,881	1.2%	22.7%
Operating costs	35,962	27,460	43,609	58.8%	21.3%
Operating income	19,381	39,584	24,272	-38.7%	25.2%
Dividend received	0	425	0	-100.0%	
Diminution in value, provisions and loan losses	5,756	3,087	1,811	-41.3%	-68.5%
Accounting for acquisition goodwill	-1,829	-1,982	-2,077	4.8%	13.6%
Pre-tax profits	11,796	34,940	20,384	-41.7%	72.8%
After tax profits	9,118	29,412	16,909	-42.5%	85.4%
EPS undiluted (HUF)	34	109	63	-42.6%	83.8%
EPS fully diluted (HUF)	33	105	60	-42.5%	85.4%
Cost to income ratio	65.0%	41.0%	64.2%	23.3%	-0.7%
Return on Assets (ROA)	1.35%	4.17%	2.28%	-1.89%	0.93%
Return on Equity (ROE)	14.1%	38.1%	21.0%	-17.0%	7.0%
Net interest margin	4.73%	5.49%	5.26%	-0.23%	0.53%

In the fourth quarter of 2004 the net interest income reached HUF37,968 million, which was 20.5% higher than a year earlier and 0.5% higher than in the third quarter of 2004. Compared to the fourth quarter of 2003 interest income grew by 27.5% and interest expenses by 35.5%. Compared to the third quarter of 2004 interest income increased by 5.5% and interest expenses increased by 11.2%. In the fourth quarter of 2004, yield on average interest earning assets represented 11.55% rate and interest paid on interest bearing liabilities represented 6.09% rate. The interest spread between average interest bearing liabilities and interest earning assets was 5.47% 7 bps higher than a year earlier. Average assets were 8.3% higher than a year earlier, average yield on assets increased by 156 bps to 10.35%; and average cost of funds grew by 109 bps to 5.16%. Interest margin over total average assets was 5.26% an increase of 53 bps from a year earlier and was 23 bps lower than in the third quarter of 2004.

Non-interest income grew by 25.5% to HUF29,913 million compared to the fourth quarter of 2003 and increased by 2.3% compared to the third quarter of 2004. Net fees and commissions were 17.7% higher than in fourth quarter 2003, and 1.3% higher than in the third quarter of 2004. The Bank earned HUF1,247 million on securities trading in the fourth quarter of 2004. Within this the profit on trading activities was HUF192 million, the profit on exchange rate was HUF1,046 million and the profit from realized and accrued depreciation of premium amounted to HUF9 million. The proportion of non-interest income in total income reached 44.1%, which was 43.1% in the same period of 2003. Total income of the Bank grew by22.7% to HUF67,881 million compared to the fourth quarter of 2003.

The overall quality of the loan portfolio was better in the **fourth quarter of 2004** than in the third quarter. Qualified portion of total receivables represented 4.8%, on December 31, 2004 while it was 5.6% on September 30, 2003. This is due to the fact that while increase in total loans was 8.9% in 4Q

2004 and no-problem loans grew by 9.8%, qualified loans decreased by 6.6% to HUF71.6 billion. Problem loans (which do not include to-be-monitored loans) decreased by HUF4,021 million or by 10.1% in the fourth quarter. The ratio of non performing loans was 2.4% compared to the 2.9% on September 30, 2004.

	Sep 30, 2004		Dec 31, 2004		change		
	HUF million	Proportion	HUF million	Proportion	HUF million	%	Proportion
Total receivables	1,370,947	100.0%	1,492,955	100.0%	122,008	8.9%	0.0%
No problem loans	1,294,363	94.4%	1,421,399	95.2%	127,036	9.8%	0.8%
Total qualified	76,584	5.6%	71,556	4.8%	-5,028	-6.6%	-0.8%
To-be-monitored loans	36,903	2.7%	35,896	2.4%	-1,007	-2.7%	-0.3%
Non-performing loans	39,681	2.9%	35,660	2.4%	-4,021	-10.1%	-0.5%
Below average	14,852	1.1%	14,591	1.0%	-261	-1.8%	-0.1%
Doubtful	16,464	1.2%	12,185	0.8%	-4,279	-26.0%	-0.4%
Bad	8,365	0.6%	8,884	0.6%	519	6.2%	0.0%

HUF million	Sep 30, 2004	Dec 31, 2004	Q-o-Q %
Total qualified	76,584	71,556	-6.6%
Provision	22,369	20,762	-7.2%
Coverage (%)	29.2%	29.0%	-0.2%

Within total qualified loans, to-be-monitored loans declined by 2.7% or HUF1,007 million, volume of doubtful loans by 26.0% or by HUF4,279 million, below-average loans were by 1.8% or HUF261 million lower than on September 30, 2004. Bad loans increased by 6.2% or HUF519 million. During the fourth quarter, within total receivables, customer receivables increased by 6.5%.

In the corporate business there was a 8.6% increase in receivables during the fourth quarter, while the qualified volume was 7.3% of HUF4.2 billion lower and within this doubtful loans declined by 40.1%, bad loans grew by 39.5%.

In the retail business, receivables increased by 2.8%, qualified receivables decreased by 3.4% to HUF18.1 billion. To-be-monitored loans decreased by 14.9% or HUF767 million, bad loans by 4.8% or HUF277 million. Below average loans increased by 15.1% or HUF333 million and doubtful loans grew by 1.3% or by HUF75 million.

In the municipality business, receivables were higher by 4.7% and qualified receivables were lower by HUF26 million compared to September 30, 2004. There was no qualified loans with credit institutions at the end of December 2004.

Change of qualified loans by business lines between September 30, 2004 and December 31, 2004:

	Total receivables	Performing loans	To-be-monitored	Below-average	Doubtful	Bad	Total qualified
Corporate	8.6%	9.9%	-0.8%	-4.7%	-40.1%	39.5%	-7.3%
Retail	2.8%	3.2%	-14.9%	15.1%	1.3%	-4.8%	-3.4%
Municipal	4.7%	4.7%	-	-	-38.0%	100.0%	-36.1%

The bank has continued reserve generation for the loans sold to the Mortgage bank which are covered by repurchase guarantee, in a way that the on loans in delay of payment, including those expected to be repurchased after a 60 days of delay (the cut-off date of guarantee), it generates 10% provisions. On December 31, 2004 HUF38.8 billion loans were in delay, of which HUF10.0 billion were more than 30 days overdue. In connection with the decrease in overdue volumes the Bank wrote back HUF250 million provisions in 4Q 2004. Such method of provisioning shall be continued in future quarters. On December 31, 2004 from the total volume of HUF773.1 billion loans to the amount of 5.02% were qualified, compared to 4.03% on December 31, 2003 and 5.53% on September 30, 2004.

Fourth quarter 2004 pre-tax profits for the Bank were the result of HUF24,272 million operating income, HUF1,811 million provisioning and loan losses, HUF-2,077 million accounting for acquisition goodwill. Compared to the same period in 2003 this represented a 25.2% increase in operating income, HUF68.5 billion lower provisioning and higher accounting for acquisition badwill.

OTP Bank's pre-tax profit for the fourth quarter of 2004 was HUF20,384 million, a 72.8% increase from fourth quarter of 2003, and 41.7% less than in the third quarter of 2004. After tax profit of the bank in the fourth quarter 2004 was HUF16,909 million, a 85.4% increase compared to the fourth quarter 2003, and by 42.5% lower than in the third quarter 2004. (Not counting the dividend income, pre-tax profit of the bank was 40.9% lower, after tax profit was 41.7% lower than in the third quarter of 2004.)

Undiluted earning per share (EPS) for the period was HUF63, and diluted was HUF60. US dollar equivalents are USD0.33 and USD0.32 respectively, based on the central banks average middle exchange rate between September 30 and December 31, 2004 (190.06 HUF/USD).

Annualized return on average assets for the period was 2.28%, on average equity 21.0%, 93 bps and 696 bps higher than for the same period in 2003, and 189 bps and 1,704 bps lower than in the third quarter of 2004. (Not counting the dividend income average ROA was 183 bps and ROE 1,649 bps lower than in the third quarter of 2004.)

NON AUDITED CONSOLIDATED PRELIMINARY HAR FIGURES AS OF DECEMBER 31, 2004

The guiding principle in consolidating the balance sheets and profit and loss accounts prepared by OTP Bank's fully integrated non-banking, non-financial and non investment services subsidiaries - in line with the Bank's consolidation accounting policy - was to report the subsidiaries' asset, liability, income and expense items under non-banking, non-financial and non investment services activities.

2003 and 2004 consolidated data of the OTP Group in HUF million:

	Shareholders' Equity		Total assets		Pre-tax profits	
	31-Dec-03	31-Dec-04	31-Dec-03	31-Dec-04	2003	2004
OTP Bank Ltd.	**261,776**	**324,992**	**2,758,606**	**3,044,545**	**86,701**	**123,538**
Subsidiaries total	148,871	176,642	1,550,021	2,012,973	25,200	39,570
Total (non consolidated)	410,647	501,634	4,308,627	5,057,518	111,901	163,108
Consolidated	**305,120**	**389,448**	**3,502,663**	**4,185,216**	**102,751**	**151,624**

Compared to the same period of the previous year, the circle of fully consolidated subsidiaries has changed, since 3Q 2004 the Romanian RoBank S.A. and OTP Card Manufacturing is also consolidated.

In preparing the Stock Exchange Report of December 31, 2004, the bank applied the following methodology:

Fully consolidated subsidiaries	25
Equity consolidated companies	21
of which	
- daughter companies	20
- mutually managed companies	1
- associated companies	--

CONSOLIDATED BALANCE SHEET

Total assets of the group as at December 31, 2004 were HUF4,185.2 billion, 37.5% higher than total assets of the Bank. Preliminary market shares of the OTP Banking Group based on aggregate balance sheet are;

	Dec 31, 2003		Sep 30, 2004		Dec 31, 2004	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Total assets	26.2%	24.5%	25.3%	23.7%	25.8%	24.2%

The consolidated balance sheet total for the Group increased by HUF682.6 billion or 19.5% from a year earlier. Compared to December 31, 2003, excluding the consolidation steps, the HUF212.2 billion growth of OTP Mortgage Bank's balance sheet total and the newly consolidated DSK Group (HUF86.6 billion) was the largest contributor. Due to its booming finance leasing business and foreign currency denominated loans, Merkantil-Car's assets rose by HUF45.8 billion. OTP Banka Slovensko's (OBS) total assets, expressed in HUF, grew by HUF55.2 billion. Balance sheet total of OTP-Garancia Insurance increased by HUF17.8 billion. RoBank is consolidated with total assets of HUF44.5 billion.

The change in the consolidated balance sheet on the asset side was the result of the increase of the current assets (HUF289.7 billion), the growth of the invested assets (HUF382.4 billion).

In the consolidated balance sheet as of December 31, 2004, the proportion of the current assets is 39.2% and invested assets are 59.7%. A year ago, these values were 38.5% and 60.4%, respectively.

In the consolidated report, the increase of current assets was a result of the increase of cash (HUF148.5 billion), short term receivables (HUF171.8 billion). Within the 53.7% increase of consolidated cash and balances with banks, the most significant amounts were the HUF149.7 billion expansion of the balances with NBH at OTP Bank.

The 11.8% decrease in consolidated volume of trading securities was mostly caused by the HUF48.8 billion fall in government securities, at OTP Bank. The securities portfolio grew at OTP Building Society by HUF16.1 billion; and at OTP Mortgage Bank by HUF12 billion. Of the HUF25.9 billion volume of own shares, OTP Bank holds 53.4% according to the book value, while the rest is owned by three subsidiaries.

In the consolidated balance sheet of December 31, 2004, the volume of short-term receivables increased by HUF171.8 billion compared to 2003. Receivables from customers rose by HUF73.6 billion (14.5%) while other receivables grew by HUF35.6 billion (134.5%).

The change of the consolidated receivables from credit institutions reflects the increase at OTP Bank, the consolidation of RoBank, and the volume increase at the Mortgage Bank and OBS.

In short-term receivables from customers, the largest growth was caused by the consolidation of DSK Group (HUF24.2 billion) and RoBank (HUF14.0 billion). Besides sizeable growth was generated at OBS (HUF14.3 billion), OTP Mortgage Bank (HUF12.3 billion).

Compared to December 31, 2003, the volume of investments was 18.1% higher in the consolidated balance sheet.

The receivables from customers maturing over a year grew by HUF412.3 billion, the change was influenced considerably by the OTP Bank (HUF164.4 billion), by OTP Mortgage Bank (HUF153.2 billion) and by DSK (HUF80.5 billion).

On December 31, 2004 within the consolidated loan portfolio of HUF2,582.4 billion the corporate customers represented 36.0% (HUF928.9 billion); retail clients 60.3% (HUF1,557.2 billion) and municipality loans 3.7% (HUF96.3 billion). 17.2% of all loans (HUF445.4 billion) were carried on the books of the foreign subsidiaries of OTP Bank as opposed to 14.1% (HUF293.7 billion) at the end of December 2003.

Based on aggregate volumes of the domestic Group members, part of the Hungarian banking system, the group's estimated market shares were:

	Dec 31, 2003		Sep 30, 2004		Dec 31, 2004	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Loans	20.9%	20.0%	21.1%	20.1%	21.4%	20.3%
Retail loans	47.8%	42.1%	46.7%	41.2%	45.1%	40.1%
Housing loans	57.3%	52.9%	54.7%	50.8%	53.5%	49.7%
HUF	58.0%	53.6%	57.7%	53.3%	57.7%	53.3%
FX	0.0%	0.0%	2.7%	2.7%	6.9%	6.9%
Consumer loans	28.2%	22.6%	33.9%	28.4%	28.4%	23.2%
Corporate loans	12.7%	12.3%	12.1%	11.8%	12.7%	12.3%
Municipal loans	55.9%	54.4%	53.9%	52.4%	53.4%	52.0%

In spite of the 5.9% growth since September 30, 2004, the quality of the loan portfolio on a consolidated basis improved. In the loan portfolio, the no-problem loans grew by 6.5% and represented 87.0% (86.6% on September 30, 2004) while 8.9% (9.1% on September 30, 2004) belongs to the to-be-monitored category, the volume of which grew by 3.2%. From the HUF106 billion problem loans representing 4.1% (4.3% on September 30, 2004), HUF25.1 billion is below-average, HUF19.9 is doubtful and HUF61 billion is qualified as bad. Consolidated provisions created on HUF334.6 billion qualified loans was HUF83.9 billion, which meant 25.1% coverage ratio. 13.8% of qualified and 13.7% of problem loans was on the books of foreign subsidiaries (15.4% and 13.7% at the end of September 2004).

On the liability side, the increase of the consolidated balance sheet total compared to the previous period was the result of HUF558.1 billion increase of liabilities, HUF19.4 billion increase in provisions, HUF84.3 billion increase of shareholders' equity, and HUF20.8 billion increase in accrued liabilities.

Within liabilities, short-term liabilities increased by 11% (HUF305.1 billion) and long-term liabilities by 97.5% (HUF253 billion).

Growth of short term liabilities to customers was caused mainly by DSK and subsidiaries (HUF66.6 billion) and the change in OTP Bank's deposits volume (HUF137.2 billion) and the growth of deposits at OBS (HUF38.2 billion) and consolidation of RoBank (HUF35.4 billion). Short term liabilities declined ar OTP Mortgage Bank (HUF85.3 billion and Merkantil Bank (HUF8.9 billion). Short term liabilities to customers grew by HUF198.7 billion.

The change in long-term liabilities was due to a larger increase at OTP Bank (HUF76.2 billion), Merkantil Car (HUF42.3 billion) and at OTP Mortgage Bank (HUF264.8 billion), which was decreased by impact of HUF130.2 billion increase of consolidation effect on mortgage bonds that were issued and subscribed within the consolidation circle. The proportion of customer liabilities within total liabilities on a consolidated level was 80.8% as at December 31, 2004 and 88.6% as at December 31, 2003.

On December 31, 2004 within the consolidated deposits of HUF2.914,7 billion (increase of 6.3% since September 30, 2004) the corporate customers represented 18.5% (HUF538.6 billion; a growth of 17.9% in 4Q 2004); retail clients 75.1% (HUF2,190.4 billion and increase of 4.5% in 4Q 2004) and municipality deposits 6.4% (HUF185.8 billion; a decline of 1.8% in 4Q 2004 - due partially to seasonality reasons). 17.2% of all deposits (16.7% on September 30, 2004) were carried on the books of the foreign subsidiaries of OTP Bank. Growth of deposits at foreign subsidiaries reached 8.9% in 4Q 2004, producing 23.6% of the consolidated quarterly growth.

Based on aggregate volumes of the domestic Group members, part of the Hungarian banking system, the group's estimated market shares were:

	Dec 31, 2003		Sep 30, 2004		Dec 31, 2004	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Deposits	32.3%	29.0%	30.3%	27.2%	30.8%	27.5%
Retail deposits	44.9%	37.8%	42.6%	35.9%	42.4%	35.4%
HUF	46.4%	38.1%	43.7%	36.0%	43.4%	35.4%
FX	35.9%	35.9%	36.1%	36.1%	36.0%	36.0%
Sight	53.8%	49.2%	49.8%	45.9%	50.2%	46.2%
Term	33.8%	31.5%	34.9%	32.0%	34.5%	31.3%
Corporate deposits	15.0%	14.5%	12.6%	12.1%	13.8%	13.3%
Municipal deposits	78.8%	74.9%	70.4%	66.5%	70.5%	66.2%

Liability side provisions rose by HUF19.4 billion from December 31, 2003. The growth came from the following sources: provisions for pensions and severance payments declined by HUF0.8 billion, general risk provisions grew by HUF5.9 billion and other provisions increased by HUF14 billion. Within the latter, HUF14.8 billion growth in reserves of OTP-Garancia Insurance were important.

Consolidated shareholders' equity was HUF389.4 billion (27.6% growth) at the end of December 2004 representing 9.3% of balance sheet total compared to 8.7% on December 31, 2003.

CONSOLIDATED RESULTS

Consolidated *pre-tax profit* for 2004 was HUF151.6 billion, 47.6% higher than in 2003 and 22.7% higher than pre-tax profit of the parent company.

Consolidated *after-tax profit* for 2004 was HUF126 billion, 51.7% higher than consolidated after-tax profit for 2003 and 20.2% higher than after-tax profit of the parent company.

Consolidated *after tax earnings per share* calculated for 2004 were HUF478 undiluted, whereas diluted EPS was HUF449.89. US dollar equivalents were USD2.36 and USD2.22 respectively, based on the National Bank's average middle exchange rate between January 1, and December 31, 2004 (i.e. 202.64 HUF/USD).

Consolidated net interest income for 2004, reached HUF251.2billion, 41.9% higher than in 2003 and 69.7% more than at the Bank. This can be explained mainly by interest income of OTP Mortgage Bank from retail mortgages and securities, the interest income of loan and leasing receivables of Merkantil Group, the successful operation of the parent Bank, and the consolidation of DSK Bank (1 quarter in 2003, full year in 2004).

Consolidated interest income was 52.1% higher and expenses grew by 69.8% compared to 2003.

Within consolidated interest income of HUF424.4 billion, retail accounts hold the biggest part (HUF152.3 billion). Interest income from corporate accounts and from securities was considerable as well. To the growth of the consolidated interest income compared to the previous year, the retail interest income growth (HUF59.1 billion); interest income growth from securities (HUF29.2 billion) and from interbank placements (HUF29.1 billion) made the largest contribution.

Within interest expenses of HUF173.2 billion, the interests paid on retail deposits represented the largest part (HUF98.6 billion) and also represented bulk of the increase (HUF38.7 billion)

Consolidated non-interest income increased by 13.6%. Within this, consolidated net fees and commissions grew by 15% which is lower that at the parent bank, due to deconsolidation of commissions from the Mortgage Bank to OTP. Insurance income declined by 8.9% from HUF60.2 billion in 2003 to HUF54.8 billion in 2004. Compared to 2003 both income from security trading (HUF7.7 billion) and from FX transactions (HUF4.7 billion) increased significantly due to different interest and exchange rate environment.

Consolidated total income amounted to HUF401.5 billion in 2004, a 29.8% increase year on year.

The year-on-year growth in non interest expenses was 16.5%. Within this, personnel expenses rose by 23.8% to HUF76.2 billion, that was influenced, beside the salary increase, by the expansion of the Group and growth of the average personal income due to qualitative improvement in employment. Other non interest expenses increased by 22.2%. Insurance expenses were 2.7% lower, depreciation 14.3% higher than in 2003. Due to consolidation of DSK Bank and RoBank, purchased at a premium, goodwill depreciation increased from 2003.

The consolidated cost/income ratio improved from 62% in 2003 to 55.7% in 2004.

Consolidated operating income was HUF178 billion, 51.4% higher than a year earlier; provisioning and loan losses were HUF18.3 billion (36.3% increase). In the 2004 provisioning and loan losses represented 10.3% of the operating income; in 2003 these were 11.4%.

Consolidated annualized ROAA in 2004 reached 3.28% (2.66% in 2003). Meantime consolidated ROAE was 36.3% (30.6% in 2003), that, based on an average annualized inflation of 6.8% in 2004, means a 29.5% real ROAE (25.9% in 2003).

MAJOR NON-CONSOLIDATED PRELIMINARY HAR FIGURES FOR 2004

OTP Bank's **pre-tax profit** for 2004 was HUF123,538 million, a 42.5% increase from a year earlier. This profit was obtained as a result of HUF136,045 million **operating income**, HUF13,344 million of diminution in value and provisions, HUF-7,663 million acquisition goodwill and HUF8,500 million dividend income. Compared to the base period, this represents 45.5% increase in operating income, 0.6% higher diminution in value and provisioning expenses and dividend income grew by 10.5%. The acquisition goodwill (OBS, DSK, Robank) was HUF6.4 billion higher compared to 2003 (OBS, DSK).

After tax profit was HUF104,832 million, HUF33,270 million, or 46.5% higher than in 2003. (Not counting the dividend income, pre-tax profit of the bank was HUF115,038 million, after tax profit was HUF96,332 million, 45.6% and 50.8% higher than in 2003.)

After having generated the HUF10,484 million of general reserves and the dividend fund for the period, representing 39.5% payout ratio (estimated at HUF146 per share for the full year), the Bank's retained earnings for 2004 were HUF53,143 million, an increase of 11.6% over the year earlier.

Earnings per share for the period were HUF391 undiluted, HUF374 diluted, which is 45.1% and 46.5% higher than for 2003. US dollar equivalents are USD1.93 and USD1.85 respectively, 60.7% and 62.2% higher than in 2003, based on the central banks average middle exchange rate between January 1, 2004 and December 31, 2004 (202.64 HUF/USD). (Not counting the dividend income the undiluted EPS was HUF359, diluted EPS was HUF344 (49.4% and 50.8% increase year-on-year), and USD1.77 and USD1.70 in 2004.)

Annualized return on average equity (ROE) for 2004 was 35.7%, on average assets (ROA) 3.61% (30.6% and 2.78% resp. in 2003). Non consolidated real ROE (ROE less inflation) reached 28.9% - as a result of the growth in equity - and was higher than in 2003 and exceeded the long term target of the Bank. (Not counting the dividend income, ROA was 3.32%, ROE was 32.8% for 2004, were 84 bps and 552 bps higher than in 2003.)

NET INTEREST INCOME

The bank's net interest income for 2004 was HUF148.0 billion, 25.2% higher than in 2003. The net interest income was a result of HUF288.2 billion interest income (40.1% increase) and HUF140.2 billion interest expenses (60.3% increase).

Interest earned on interbank accounts was 91.7% higher due to the decline of the average placement and the increase of the inter-bank interest rate level. In interbank interest incomes HUF27.6 billion FX and interest swap income was accounted compared to the HUF10.8 billion income in 2003. Income from securities increased by 28.4% accompanied by the increase of their average volumes and of the yields compared to 2003. OTP Bank's portfolio of almost HUF518.8 billion from the mortgage bonds issued by the OTP Mortgage Bank contributed to the growth of interest income and volume, too. In line with the 7.7% increase in average volume and with the increase in rates, interest income from retail accounts grew by 29.4%. The interest income increased by 34.6% in corporate lending and by 32.5% in municipal lending, meanwhile the interest level grew in corporate and declined in municipal lending and the growth in volume was 17.4% in corporate business and 44.0% in municipal volume. 22.0% of interest incomes came from retail accounts, 21.1% form corporate accounts and 28.5% from securities.

The volume of customer liabilities is growing, interest expenses increased by 61.6% on retail accounts in line with the increase in the interest rate level and the liability structure, and increased by 41.6% on corporate and by 75.3% on municipal accounts. Interest paid on interbank accounts grew both in HUF and in foreign exchange. The growth was caused, in HUF, by the HUF13.5 billion loss on interest swap deals and, in foreign currency, by the interest expenses of the syndicated loans and by swap losses. Interest expenses on securities fell by 42.5%. Share of interest paid on retail accounts was 63.2% correspondently with the liability structure.

The result of the FX and interest swap deals – accounted in interbank interest incomes and expenses – improved the net interest income of the Bank by HUF12.2 billion, HUF9.4 billion higher than in 2003), and improved the net interest margin by 44 bps. The profit of the swaps charged in HUF was HUF11.4 billion, charged in FX was HUF1.2 billion while interest swaps decreased the net interest income by HUF443 million.

Changes in average volume of customer receivables, customer liabilities, of interest income and expense and yield compared to 2003:

	Average volume	Yield (bps)	Interest income/expense
Customer receivables	+16.3%	+140	+32.0%
Total assets	+9.2%	+228	+40.1%
Customer liabilities	+4.9%	+185	+58.8%
Total liabilities	+8.8%	+162	+60.3%

In 2004, yield on average interest earning assets represented 11.63% rate and interest paid on interest bearing liabilities represented 5.96% rate. The interest spread between average interest bearing liabilities and interest earning assets was 5.68% 57 bps higher than a year earlier. Average assets were 9.2% higher than a year earlier. Interest margin over total average assets was 5.31% an increase of 68 bps from a year earlier.

QUALITY OF LOAN PORTFOLIO, PROVISIONS

Compared to December 31, 2003, total receivables increased by 17.3% (customer receivables by 18.0%), total qualified outstanding was 28.3% higher (increase in customer qualified receivables reached 28.8%), thus portion of qualified receivables changed from 4.4% to 4.8% over December 31, 2003. To-be-monitored loans increased by HUF21.9 billion during the year, from this the HUF19.8 billion was in corporate business. Problem loans decreased from HUF41.7 billion as on December 31, 2003 to HUF35.7 billion or by 14.6%, mainly due to the HUF6.2 billion decrease in below average loans, to the HUF5.4 billion decline of doubtful loans and the increase in corporate bad loans and retail below average and doubtful loans. For HUF71.6 billion of qualified outstanding, total provisions created were HUF20.8 billion resulting, in harmony with the structural change of the qualified portfolio, in a falling coverage ratio to 29.0% (36.9% at the end of December 2003). Provisions created on HUF35.7 billion problem loans was HUF18.3 billion, which means 51.4% coverage ratio (47.2% at the end of December 2003).

	December 31, 2004		December 31, 2003		Change		
	HUF mn	Distribution	HUF mn	Distribution	HUF mn	%	Distribution
Total receivables	1,272,442	100.0%	1,492,955	100.0%	220,513	17.3%	0.0%
No problem loans	1,216,685	95.6%	1,421,399	95.2%	204,714	16.8%	-0.4%
To-be-monitored loans	14,015	1.1%	35,896	2.4%	21,881	156.1%	1.3%
Below average	19,267	1.5%	14,591	1.0%	-4,676	-24.3%	-0.5%
Doubtful	14,885	1.2%	12,185	0.8%	-2,700	-18.1%	-0.4%
Bad	7,591	0.6%	8,884	0.6%	1,293	17.0%	0.0%
Total qualified	55,758	4.4%	71,556	4.8%	15,798	28.3%	0.4%
Provision	20,593	1.6%	20,762	1.4%	169	0.8%	-0.2%
Coverage (%)	36.9%		29.0%			-7.9%	
NPL	41,743	3.3%	35,660	2.4%	-6,083	-14.6%	-0.9%
Provision	19,710	1.5%	18,342	1.2%	-1,368	-6.9%	-0.3%
Coverage (%)	47.2%		51.4%			4.2%	

Since December 31, 2003, the share of the corporate business in the qualified portfolio declined from 78.8% to 74.7%, and, parallel with this, the proportion of retail business line in the qualified portfolio grew from 20.6% to 25.2%. At the same time 58.7% of the provisions were generated in the corporate and 41.2% in the retail business.

The breakdown of receivables, qualified loans and provisions by businesses were at December 31, 2004 and 2003 as below:

December 31, 2004	Retail	Corporate	Interbank	Municipal
Total	25.3%	54.7%	12.4%	7.7%
No problem	25.3%	53.6%	13.0%	8.1%
Qualified	25.2%	74.7%	0.0%	0.1%
Provisions	41.2%	58.7%	0.0%	0.1%

December 31, 2003	Retail	Corporate	Interbank	Municipal
Total	25.2%	53.9%	12.9%	8.0%
No problem	25.5%	52.8%	13.5%	8.3%
Qualified	20.6%	78.8%	0.3%	0.2%
Provisions	32.3%	66.5%	0.9%	0.3%

The provisioning and loan losses on customer receivables for 2004 were HUF9,326 million (decrease of 10.7% from a year earlier).

The HUF7.9 billion loan loss provisioning represented 0.67% (annualized) of the average customer receivables (HUF1,170.5 billion) compared to 0.76% for 2003.

Provisions/loan losses in HUF millions:

HUF million	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q %	4Q 2004 Y-o-Y %	2003	2004	2004 Y-o-Y %
Provision/depreciation and loan losses	5,756	3,087	1,811	-41.3%	-68.5%	13,261	13,344	0.6%
HAR mandatory	4,366	2,064	1,006	-51.3%	-77.0%	10,448	9,326	-10.7%
From this provision on loans at OTP Mortgage Bank with repurchase guarantee	1,400	-388	-250	-	-	2,400	1,434	-40.2%
General risk provision	917	991	1,492	50.6%	62.7%	2,803	4,509	60.9%
Provision on uncovered derivative positions (without options)	-737	64	-153	-339.1%	-79.2%	-708	395	-155.8%
Provision on option deals	-5	0	0	-	-	0	0	-
Provision for early retirements and severance payments	1,072	-32	-569	-	-153.1%	545	-806	-247.9%
Other provision	143	0	35	-	-75.5%	173	-80	-146.2%

NON-INTEREST INCOME

During the year of 2004 non-interest income was 32.2% higher than in 2003, and reached HUF113,135 million. Net fees and commissions represented HUF103,940 million, a 22.1% increase (fees and commissions received increased by 18.3% or HUF17,587 million, fees and commissions paid were 11.2% or HUF1,216 million lower).

The fees on loans grew by 36.6% to HUF47.1 billion. Corporate lending growth positively influenced HUF and FX related fee income. Meanwhile in the retail lending, the growth was sizeable from fees concerning the mortgage loans from own and consortia funding, and also from fees related to the repurchase obligations and besides the agent fees received from the Mortgage Bank, but fees from loans transferred to Mortgage Bank decreased. On the level of the Bank, HUF40.9 billion fee income is mortgage-related, from this HUF37.4 billion (HUF25.1 billion in 2003) is from OTP Mortgage Bank, from which the transfer fee for the loan sold was almost HUF22.8 billion (HUF12.2 billion in 2003). The fees from the card business were 26.4% higher than in 2003 and was more than HUF27 billion. Cash withdrawal (from ATM and POS) and merchant fees increased significantly as a result of the increased turnover. Fee income from retail current accounts increased by 13.6% to HUF10.7 billion. Deposit business fee income increased by 10.5% to HUF6.0 billion, mainly due to the growth of corporate account fees. Securities transaction fees declined by 3.8% to HUF7.5 billion mainly because of the decrease in depository fees and in securities' issuing organizing fees.

Net result on securities trading in 2004 was HUF2,976 million compared to HUF938 million loss in 2003. In 2004 the Bank realized HUF129 million profit from the Hungarian Government Bonds compared to the loss of HUF2,148 million a year earlier. From this, HUF348 million came from the trading activities and HUF219 million loss from realized and accrued depreciation of premium on government bonds purchased above face value. The Bank realized HUF535 million profits on the Treasury Bills HUF200 million higher than in 2003. From the mortgage bonds the profit was HUF277 million, HUF43 million more than in 2003. All in all, the Bank posted HUF1,961 million profits on shares and stakes, and HUF861 million profits on trading activities. Meanwhile accrued HUF154 million premiums on the portfolio.

Foreign exchange profits totalled at HUF4,540 million for 2004, in 2003 the loss was HUF1,402 million. The result on the revaluation of the asset-liability items were HUF1,971 million compared to HUF4,405 million loss in 2003. The Bank held a significantly larger long average FX position in its balance sheet (HUF116.4 billion average volume in 2004, HUF57.1 billion in 2003). The overall net FX open position was also higher, it reached HUF17 billion average, compared to HUF13.7 billion averages in 2003.

Losses on real estate transactions were HUF116 million compared to the HUF129 million loss in 2003.

Other non interest income of HUF1,795 million was 38.4% lower than in 2003. From this, income of the mortgage loans sold to OTP Mortgage Bank was HUF436 million in 2004.

Non-interest income represented 43.3% of total income, 1.3%-point higher than a year earlier.

Total income for the Bank reached HUF261,121 million, a 28.2% increase; well above the inflation.

NON-INTEREST EXPENSES

During the year 2004, non-interest expenses reached HUF125,076 million, 13.5% higher than a year earlier and below the growth rate of the income.

Personnel expenses were 19.3% higher than in 2003. The growth was caused by carry-over effect of salary raises of the employees and of the management in 2003 and the 10% salary increase effective March 1, 2004 to the employees; by the expenses related to personnel cuts, by the increased business activity. The significant part of additional expenses is related to extra performance. Also different, linear accrual of bonuses and the cost of the share option program (which in itself increase due to share price appreciation) were also important. Personnel expenses represented 20.0% of total income compared to 21.5% during 2003. Depreciation was HUF9,646 million, HUF247 million or 2.5% lower than a year ago reflecting the impact of the outsourced IT equipments.

The other non-interest expenses were by 11.7% or HUF6,632 million higher than a year earlier. Within these, the most important items are the material type of costs that grew by HUF2,825 million or by 7.6%. The material costs increased by HUF533 million, technical equipments service fees grew by HUF582 million, fees of data processing was HUF496 million higher and fees paid for domestic other services increased by HUF686 million. Fees paid for foreign specialists declined by HUF268 million or by 53.2%. Other rental expenses decreased by HUF77 million, real estate rental fees by 29.0% or by HUF721 million. Advertising expenses grew in line with the competition and activities by 11.9% year on year. Local taxes increased by 17.6% to HUF5.6 billion, value added tax on the result was HUF1,099 million or 17.2% lower than a year earlier.

The Bank's cost/income ratio for 2004 was 47.9%, 620 bps lower than in 2003, and lower than the projected figure for the year.

NON-CONSOLIDATED HAR BALANCE SHEET AS AT DECEMBER 31, 2004

OTP Bank's total assets as at December 31, 2004 were HUF3,044,545 million, 10.4% higher than a year earlier. The increase is higher than the inflation resulting in real asset growth for the preceding 12 months, but the growth did not reach the average growth rate of the banking sector.

Estimated market shares of OTP Bank are:

	Dec 31, 2003		Sep 30, 2004		Dec 31, 2004	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Total assets	20.4%	19.1%	19.1%	17.9%	19.4%	18.1%

Since December 31, 2003 within banking assets, cash and banks increased by 57.8% driven by the increase of short-term HUF placements with NBH by 109.0%, and the growth account balance with NBH by 35.7% and by the decrease of HUF cash by 3.3%, and of foreign currencies by 11.6%.

The volume of government securities on December 31, 2004 was HUF294.8 billion, 26.8% lower than a year earlier. Trading securities decreased by HUF48.8 billion, or 36.2% to HUF86.2 billion, investment securities fell by HUF58.9 billion or 22.0% to HUF208.6 billion. From the above-mentioned, the HUF55.3 billion decrease in the Hungarian Government Bonds was sizeable.

The volume of the interbank placements increased by 13.7% since the December 31, 2003 and represented 6.2% of total assets. Within this the increase of short term HUF loans with domestic banks, of FX deposits with foreign banks and of short term FX loans with foreign banks and the decrease of FX deposits with domestic banks represented the most significant part.

Within total assets, **receivables from customers** represented 41.8% (39.5% on December 31, 2003), and were HUF1,272.4 billion, which was 16.9% higher than a year earlier. Within the commercial loan portfolio, in the last 12 months, retail lending grew by 16.7%, corporate lending also by 16.7%. Loans to municipalities increased by 19.9%. In the loan portfolio, the share of retail loans was 29.2% corporate loans represented 63.4% and municipal loans 7.4%.

Within **corporate lending** reaching HUF806.6 billion by the end of December 2004, loans extended to economic entities was 9.4% higher than a year earlier reaching HUF603.4 billion. Loans for investment purposes fell by 38.1% to HUF47.0 billion, the share of investment loans changed to 7.8%. Current asset financing loans fell by 12.1% and represented a 15.8% proportion in loans to economic entities. Housing loans for companies reached HUF31.7 billion at the end of 2004, which means a 34.9% growth year on year. Foreign currency loans grew by 28.2% to HUF267.5 billion and represented 44.3% of total compared to 37.8% a year earlier. Overdrafts decreased by 0.6% to HUF47.3 billion during the past 12 months. Loans granted to other financial agents grew by 52.5% to HUF142.2 billion from HUF93.2 billion as it was at the end of December 2003. Loans granted to small businesses and individual entrepreneurs increased by 85.9% or by HUF17.8 billion, the share of loans to small and individual businesses within the corporate loan portfolio was 4.8%, compared to the 3.0% share a year earlier.

Retail loans increased by HUF53.1 to HUF371.3 billion from a year earlier. Within this, the volume of housing loans declined by 7.2% to HUF170.4 billion. The volume of in July introduced FX housing loans exceeded HUF9.9 billion at the end of December 2004. The volume of mortgage loans remaining with the Bank (Forrás loans and 2003 and 2004 condition loans) amounted to HUF51.7 billion on December 31, 2004. The volume of 2000 condition loans decreased by 15.5% to HUF59.2 billion during 12 months to December 2004. Old loans continued to decline, all in all, to HUF29.9 billion. The granted building society loans grew from HUF10.1 billion on December 31, 2003 to HUF19.6 billion on December 31, 2004. Volume of mortgage-based home equity loans fell by 22.5% to HUF24.2 billion over last 12 months.

Consumer loans were 70.9% higher and reached HUF176.7 billion at the end of December 2004. Loans financing consumer purchases increased from HUF2.5 billion to HUF7.1 billion, personal loans – due to the in the spring introduced new product – increased vigorously from HUF4 million a year earlier to HUF73.7 billion at the end of December 2004. Within consumer loans current account related loans decreased by 9.4% reaching HUF82.4 billion. Volume of lombard loans declined from HUF8.8 billion as on December 31, 2003 to HUF8.4 billion as on December 31, 2004.

The volume of **municipal loans** increased further and reached HUF78.9 billion from HUF94.6 billion. Loans to budgetary organizations decreased to HUF0.6 billion by the end of December 2004.

Market shares of the Bank in lending are:

	Dec 31, 2003		Sep 30, 2004		Dec 31, 2004	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Loans	13.1%	12.5%	12.9%	12.3%	13.1%	12.5%
Retail loans	16.1%	14.2%	15.2%	13.4%	14.7%	13.0%
Housing loans	13.3%	12.3%	10.2%	9.4%	9.7%	9.0%
HUF	13.5%	12.4%	10.6%	9.8%	9.9%	9.2%
FX	0.0%	0.0%	2.7%	2.7%	6.9%	6.9%
Consumer loans	21.9%	17.5%	28.6%	24.0%	24.6%	20.0%
Corporate loans	12.3%	12.0%	11.8%	11.5%	12.4%	12.1%
Municipal loans	55.9%	54.3%	53.9%	52.3%	53.4%	52.0%

On December 31, 2004, **customer deposits** represented 76.2% of the Bank's liabilities. Their volume was HUF83.7 billion or 3.7% higher than a year earlier and reached HUF2,318.5 billion. The increase in retail business was HUF81.4 billion, in municipal business was HUF2.5 billion, deposits in corporate business fell by HUF0.3 billion.

Volume of **retail deposits** increased by 4.9% to HUF1,737.8 billion during 12 months, their share within customer deposits represented 75.0%. HUF retail deposits increased by HUF95.9 billion or by 6.8%, while FX deposits expressed in HUF declined by HUF14.5 billion or by 5.9%.

Within HUF deposits, passbook deposits decreased by 11.5%. Current account deposits, the leading retail product of the Bank increased significantly - in line with the business policy announced by the management - from HUF996.2 billion to HUF1,130.4 billion or by 13.5% and their share in retail deposits grew from 70.6% to 75.1%.

Volume of **corporate deposits** decreased by 0.1% to HUF421.1 billion from a year earlier. Deposits of legal entities decreased by 2.9% in HUF and grew by 63.3% in foreign currencies. HUF deposits of small businesses and individual entrepreneurs declined by 22.4%, and foreign currency deposits grew from HUF0.4 billion to HUF5.1 billion year on year.

Municipal deposits increased by 1.6% and were HUF159.7 billion on December 31, 2004.

Market shares of the Bank in deposits are:

	Dec 31, 2003		Sep 30, 2004		Dec 31, 2004	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Deposits	31.0%	27.9%	29.0%	26.0%	29.5%	26.4%
Retail deposits	42.5%	35.8%	40.3%	34.0%	40.2%	33.6%
HUF	43.7%	35.8%	41.0%	33.8%	40.8%	33.3%
FX	35.9%	35.9%	36.1%	36.1%	36.0%	36.0%
Sight	53.6%	49.0%	49.7%	45.8%	50.1%	46.1%
Term	33.7%	31.4%	34.8%	31.8%	34.4%	31.2%
Corporate deposits	14.9%	14.4%	12.4%	12.0%	13.6%	13.2%
Municipal deposits	78.8%	74.9%	70.4%	66.5%	70.4%	66.2%

Within the Bank's liabilities the volume of provisions grew from HUF26.8 billion at the end of December 2003 to HUF32.6 billion on December 31, 2004.

SHAREHOLDERS' EQUITY

Shareholders' equity of OTP Bank on December 31, 2004 reached HUF325.0 billion, an increase of 24.1% compared to the same period a year ago. The increase of HUF63.2 billion was a result of an additional HUF10.5 billion in general reserves, as well as a HUF46.9 billion increase in retained earnings, a HUF0.3 billion increase in fixed reserves and a HUF5.5 billion growth in net profits. Non-audited book value of 1 share on December 31, 2004 was HUF1,161.

On December 31, 2004, the HAR **guarantee capital** of the Bank stood at HUF186,663 million (HUF193,027 million including after tax profits for the period).

With HUF1,725.7 billion risk weighted assets (a 26.5% growth compared to December 31, 2003) the **capital adequacy ratio** - calculated according to Hungarian regulations with "intra-year method" (but it includes the results of the first 9 months of 2004) - was 10.82% as at December 31, 2004 (11.19% including after tax profits for the period), in excess of the 8% required by the Banking Act.

OTHER

The number of **retail current accounts**, the leading product of the Bank, was 3,086 thousand at the end of December 2004. In December 2004 2,854 thousand salary and pension transfers have been sent to the accounts. The number of issued retail **bank cards** exceeded 3.3 million on December 31, 2004, compared to 3.1 million (4.6% growth) at the end of December 2003. Within this number, the identification cards issued for current account owners was 151 thousand, the number credit cards was almost 280 thousand on December 31, 2004. Including corporate and FX based cards, the total number of cards issued approached 3,716 thousand, an increase of 3.2% over 2003. The Bank's estimated market share of cards issued was almost 60%.

The number of the Bank's **ATMs** expanded from 1,305 a year earlier to 1,400, the number represented approximately 40% of ATMs operating in Hungary and almost half of the ATMs operated by banks. The number of transactions executed by the Bank's card owners, performed through the Bank's ATMs, reached 67.9 million in 2004, while the turnover of these transactions was HUF1,777.2 billion, an increase of 4.3% and 11.5%, resp. over 2003. The number of **POS terminals** on December 31, 2004 stood at 21,744, 1,292 more than one year earlier. Out of them 2,990 were operating in the Bank's branches and 13,812 at commercial establishments, which include gas stations as well. The number of withdrawal transactions on the Bank's own POS network was 5.5 million, the turnover was HUF979.3 billion. The number of purchases on POS terminals at merchants was 32.3 million (19.2% increase) valuing HUF237.2 billion (19.6% increase). The number of client terminals operating through telephone lines reached 12,804 on December 31, 2004. At the end of December 2004 the number of contracted customers for the telephone banking service surpassed 613,000, for mobile banking service 270,000 and for internet banking service 319,000. The number of transactions arranged through the electronic distribution network of the Bank in 2004 was 133.2 million valuing HUF3,484.6 billion.

More than 60% of the turnover in withdrawal transactions and almost half of the purchases in the country were arranged through the network of OTP Bank.

The closing number of OTP Bank staff was 7,777 persons on December 31, 2004, 2.5% or 203 persons lower than at the end of December 2003 and 4.2% or 343 persons less than at the end of September 2004. In the fourth quarter of 2004 the staff in the branch network decreased by 382 persons owing to the staff reduction process and to the natural fluctuation. In the Headquarters the staff increased by 39 persons.

Number of OTP Bank's staff[2]	Dec 31, 2003	Sep 30, 2004	Dec 31, 2004	Change Over Dec 31, 2003
Employees at the end of period	7,980	8,120	7,777	-2.5%

[2] Trend in the number of OTP Bank staff based on the newly modified method of the Hungarian Central Statistical Office

SUBSIDIARIES

The pre-tax profits of the fully consolidated major subsidiaries affecting the profit figures of the consolidated report are as follows for the 12 months ending on December 31, 2004 (in HUF millions):

	2003	2004	Change
Merkantil Bank Ltd.	*2,646*	*3,115*	*17.7%*
Merkantil-Car Ltd.	*1,452*	*1,458*	*0.4%*
Merkantil Bérlet Ltd.	*159*	*368*	*131.4%*
NIMO 2002 Ltd.	*-37*	*6*	--
Merkantil Group	**4,220**	**4,947**	**17.2%**
OTP Building Society Ltd.	360	783	117.5%
OTP Mortgage Bank Ltd.	8,548	13,272	55.3%
OTP Banka Slovensko a. s.[3]	-207	-58	--
DSK Bank EAD	*1,587*	*11,032*	--
DSK subsidiaries	*-14*	*-165*	--
DSK Group[4]	1,573	10,867	590.8%
RoBank S.A.	--	70	--
OTP-Garancia Insurance Ltd.	2,604	4,005	53.8%
OTP Fund Management Ltd.	4,338	3,313	-23.6%
HIF Ltd.	259	175	-32.4%
OTP Real Estate Ltd.	1,347	1,008	-25.2%
OTP Factoring Real Estate Ltd.	*1,321*	*723*	*-45.3%*
OTP Factoring Ltd.	*64*	*20*	*-68.8%*
OTP Factoring Group	**1,385**	**743**	**-46.4%**
Bank Center No. l. Ltd.	81	138	70.4%
OTP Fund Servicing and Consulting Ltd.	225	101	-55.1%
OTP Mérleg Ltd.	196	-36	-118.4%
Inga Ltd.'s	104	142	36.5%
Concordia Info Ltd.	167	56	-66.5%
OTP Card Manufacturing Co.	--	43	
Subsidiaries total	**25,200**	**39,569**	**57.0%**

The aggregated balance sheet total of ***Merkantil Group*** surpassed HUF198.9 billion on December 31, 2004. Pre-tax profit of the Group reached close to HUF5 billion; an increase of 17.2% over 2003. Members of the Group have financed 60,447 car purchases during 2004 (an increase of 5,817 contracts over 2003) at HUF94.9 billion value (a 27.3% increase), of which 10.253 were bank loans at Merkantil Bank, 49,901 were FX loans; 97 financial leases at Merkantil Car and 196 operating leases at Merkantil Bérlet. HUF denominated new loans represented 9.4% of total during 2004.

On December 31, ***Merkantil Bank Ltd.*** had total assets over HUF59.4 billion and 2004 pre-tax profits of HUF3,115 million. Net interest income for the 2004 reached HUF6.6 billion. Cost income ratio fell to 48% from 48.1% a year earlier. ROA reached 4.42% while ROE was 25.6%.

Within total assets car loans represented 65%, dealer financing 12.9%. Outstanding balances of car loans reached HUF38.9 billion a decline of HUF10.4 billion. On the liability side Stabil and Mobil CDs represented HUF35.1 billion. Equity of the Bank grew by 11.4% to HUF13.5 billion. Capital adequacy under HAR reached 17.80%, compared to 15.52% at the end of 2003.

Main financial data of Merkantil Bank:

HUF Million	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q %	4Q 2004 Y-o-Y %	2003	2004	2004 Y-o-Y %
Total interest income	2,608	2,426	2,367	-2.4%	-9.2%	9,752	10,154	4.1%
Total interest expense	833	860	795	-7.6%	-4.6%	2,886	3,583	24.2%
Net interest income	1,775	1,566	1,573	0.5%	-11.4%	6,866	6,570	-4.3%
Net fees and commissions	-471	-235	-199	-15.4%	-57.8%	-1,908	-1,000	-47.6%
Non interest income	-456	-18	-86	383.1%	-81.2%	-990	-388	-60.8%
Total income	1,319	1,548	1,487	-3.9%	12.8%	5,876	6,183	5.2%
Non interest expense	672	791	614	-22.4%	-8.7%	2,824	2,968	5.1%
Cost/income ratio	51.0%	51.1%	41.3%	-19.3%	-19.0%	48.1%	48.0%	-0.1%
Operating income	646	757	873	15.4%	35.1%	3,053	3,214	5.3%

[3] Pre-tax profits of OBS according to Slovakian GAAP for 2004 reached HUF522 million and HUF81 in 2003.

[4] Pre-tax profits of DSK Group, consisting of DSK Bank, POK DSK-Rodina, DSK Trans Security EOOD and DSK Tours EOOD were for 2004 according to Bulgarian GAAP HUF10,997 million.

Diminution in value, provisions and loan losses	-102	54	149	173.6%	-246.2%	429	450	4.9%
Income before income taxes	748	702	725	3.2%	-3.1%	2,646	3,115	17.7%
After tax profits	653	618	623	0.7%	-4.7%	2,359	2,758	16.9%
Average balance sheet	64,998	62,030	58,200	-6.2%	-10.5%	63,981	62,433	-2.4%
Average equity	10,757	11,930	9,544	-20.0%	-11.3%	9,877	10,771	9.1%
ROAA	4.02%	3.99%	4.28%	0.29%	0.26%	3.70%	4.42%	0.72%
ROAE	24.3%	20.7%	26.1%	5.4%	1.8%	23.9%	25.6%	1.7%

Total assets of ***Merkantil Car*** were above HUF136.6 billion at the end of December 2004 and increase of 47% year-to-year, of which financial leasing of cars was HUF7.5 billion (decrease of 52.5%), FX car loans HUF115.5 billion (up 84.9%) and leasing of equipment remained 7 billion. Net interest income was HUF10.6 billion an increase of 32.7% over 2003. Cost/income ratio was 33.1% compared to 36.5% in 2003. Pre-tax profit of the period reached HUF1,458 million. In the 12 months to December 31, 2004 the company's shareholders' equity rose by 32.9% to HUF1.9 billion.

OTP Building Society granted 3,847 loans until December 31, 2004, the volume of the loans issued in 2004 amounted to HUF2,255 million. The volume of customer deposits was more than HUF59.5 billion on December 31, 2004.

Total assets surpassed HUF65.9 billion. Net interest income was over HUF3.6 billion. Cost income ratio reached 65.2%. The company generated close to HUF783 million pre-tax profits.

Main financial data of OTP Building Society:

	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q %	4Q 2004 Y-o-Y %	2003	2004P	2004P Y-o-Y
Interest income	1,056.3	1,336.1	1,428.7	6.9%	35.3%	3,914.0	5,291.6	35.2%
Interest expenses	345.3	404.0	583.4	44.4%	68.9%	1,314.5	1,732.8	31.8%
Net interest income	711.0	932.0	845.4	-9.3%	18.9%	2,599.5	3,558.9	36.9%
Non interest income	-262.8	-333.9	-118.4	64.5%	-55.0%	-817.4	-1,245.6	-52.4%
Total income	448.2	598.2	727.0	21.5%	62.2%	1,782.1	2,313.3	29.8%
Non interest expenses	496.8	304.4	562.8	84.9%	13.3%	1,458.9	1,508.7	3.4%
Cost/income ratio	110.9%	50.9%	77.4%	26.5%	-33.5%	81.9%	65.2%	-16.7%
Operating income	-48.7	293.7	164.2	-44.1%	-437.4%	323.2	804.6	148.9%
Provisions and loan losses	-37.0	7.7	11.3	47.2%	-130.5%	-37.0	21.7	158.5%
Pre-tax profit	-11.6	286.1	152.9	-46.5%	-1413.6%	360.2	782.9	117.3%

On December 31, 2004 ***OTP Mortgage Bank's*** receivables from customers were HUF770.2 billion purchased totally from OTP Bank's loan portfolio. The number of loans was close to 179,3 thousand, of which close to 122 thousand was below HUF5 million each. Meanwhile, by December 31, 2004, the face value of the Bank's issued mortgage bonds reached HUF789.5 billion, of which HUF598.5 billion were purchased by the parent bank.

Total assets of OTP MB were over HUF886.4 billion and its pre-tax profit reached HUF13.3 billion, a 55.3% increase. Net interest income was over HUF39.4 billion, producing net interest margin of 5.08% (during 2003 it was 5.34%). Part of the decline was for accounting reasons. In 2004 the bank booked HUF11.4 billion (HUF7.4 billion in 2003) account management fees paid to the parent Bank as interest expense. Yield of loans was over 15.7%, but funding cost increased from 8.4% to 9.2% due to higher interest rate environment. During 2004 Mortgage Bank paid to the parent bank fees and commissions to the tune of HUF37.5 billion, an increase of 77.6% over 2003; HUF11.4 billion account management fees (+54.5%) and HUF1.1 billion cost remuneration and transfer fees (-20%). Cost/income ratio was 22% (27.6% in 2003), capital adequacy was maintained at 8.9%. For 2004 annualized ROA was 1.43% (1.59% in 2003), nominal ROE reached 39.5% (46.7% in 2003) while real ROE stayed at 32.7%.

Loan volume at the bank grew by HUF26 billion during 4Q 2004 of which HUF5.8 billion carried both asset and liability side subsidies, while HUF20.2 billion was the liability subsidized new volume. The volume of loans on it book issued based on post December 22, 2003 conditions reached HUF18 billion.

It market share among the mortgage banks based on bonds issued reached 64.7%.

Selected balance sheet data of OTP Mortgage Bank's balance sheet in HUF millions

	Dec 31, 2003	Sep 30, 2004	Dec 31, 2004	Q-o-Q	Y-o-Y
TOTAL ASSETS	674,221	811,615	886,422	9.2%	31.4%
Customer receivables	604,672	744,255	770,245	3.5%	27.4%
Retail	604,672	744,255	770,245	3.5%	27.4%

TOTAL LIABILITIES	674,221	811,615	886,422	9.2%	31.4%
Securities	599,000	727,942	789,456	8.5%	31.8%
Shareholders' Equity[5]	24,717	34,996	31,902	-8.8%	29.1%
Capital adequacy	9.19%	9.40%	8.95%	-0.45%	-0.24%
Guarantee capital	25,054	28,605	28,615	0.0%	14.2%
Risk weighted assets	272,533	304,107	319,783	5.2%	17.3%

Selected financial data of OTP Mortgage Bank in HUF millions

	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q	4Q 2004 Y-o-Y	2003	2004	2004 Y-o-Y
Net interest income	3,195.5	10,629.1	12,160.2	14.4%	280.5%	23,691.3	39,480.6	66.6%
Non interest income	308.9	-5,935.8	-6,853.6	15.5%	-2318.8%	-11,890.7	-22,444.9	88.8%
Total income	3,504.4	4,693.4	5,306.6	13.1%	51.4%	11,800.6	17,035.7	44.4%
Personnel expenses	265.2	271.0	196.5	-27.5%	-25.9%	573.6	717.5	25.1%
Depreciation	10.4	20.8	22.1	6.4%	113.5%	24.8	74.1	199.3%
Other non interest expenses	721.9	755.8	818.5	8.3%	13.4%	2,654.6	2,951.5	11.2%
Non interest expenses	997.5	1,047.6	1,037.1	-1.0%	4.0%	3,252.9	3,743.1	15.1%
Cost/income ratio	28.5%	22.3%	19.5%	-2.8%	-8.9%	27.6%	22.0%	5.6%
Pre-tax profit	2,506.9	3,645.8	4,249.5	16.6%	69.5%	8,547.6	13,272.5	55.3%
After-tax profit	2,109.9	3,062.4	3,606.2	17.8%	70.9%	7,063.3	11,185.5	58.4%
ROA	1.32%	1.54%	1.64%	6.49%	24.24%	1.59%	1.43%	-0.16%
ROE	37.3%	36.6%	37.2%	1.6%	-0.3%	46.7%	39.5%	-7.2%

DSK Bank is a fully owned subsidiary of OTP Bank since the beginning of October 2003, where a transformation program was started by the parent bank. At the end of December 2004 the market share of DSK by total assets stood at 13.1%. The Bank managed for 3.7 million clients 6.1 million retail and 246 thousand corporate accounts.

During 4Q 2004 DSK realized HUF8.7 billion interest income and HUF1.7 billion interest expenses, resulting in net interest income of HUF7.0 billion and an interest margin (according to HAR) of 7.73% (6.52% in 2003). Pre-tax profit for the same period reached HUF2.6 billion.

On December 31, 2004 total assets of DSK reached HUF408.4 billion, of which 66.2% or HUF270.6 billion were customer receivables.

Following are the main data of DSK for the 2004 under HAR (in HUF million):

	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q	4Q 2004 Y-o-Y	2004P
Total interest income	6,519.0	8,070.5	8,681.4	7.6%	33.2%	30,849.4
Total interest expense	1,698.7	1,511.4	1,669.5	10.5%	-1.7%	6,108.3
Net interest income	4,820.3	6,559.1	7,011.9	6.9%	45.5%	24,741.2
Net fees and commissions	1,006.2	1,817.2	1,616.0	-11.1%	60.6%	6,439.7
Non interest income	1,823.8	2,011.7	1,793.2	-10.9%	-1.7%	7,577.9
Share of non interest income in total income	27.4%	23.5%	20.4%	-3.1%	-7.1%	23.4%
Total income	6,644.1	8,570.8	8,805.0	2.7%	32.5%	32,319.0
Personnel expenses	1,952.3	1,606.3	1,722.2	7.2%	-11.8%	6,353.6
Depreciation	828.5	909.5	858.9	-5.6%	3.7%	3,499.1
Other non interest expenses	1,594.4	2,787.9	3,076.4	10.3%	92.9%	9,268.7
Non interest expense	4,375.3	5,303.7	5,657.5	6.7%	29.3%	19,121.4
Cost/income ratio	65.9%	61.9%	64.3%	2.4%	-1.6%	59.2%
Operating income	2,268.8	3,267.2	3,147.6	-3.7%	38.7%	13,197.6
Diminution in value, provisions and loan losses	695.8	664.8	542.7	-18.4%	-22.0%	2,330.3
Pre-tax profits	1,573.2	2,602.4	2,604.8	0.1%	65.6%	10,867.4
After tax profits	1,153.8	2,253.5	2,040.0	-9.5%	76.8%	8,622.0

On December 31, 2004 IFRS total assets of DSK were 10.9% higher than at the end of September 2004 and 34.8% above the figure of December 31, 2003. Net loans were 13.8% and 74.4% higher resp. Loan to assets ratio grew to 66.2%. Retail loans stood at BGN1,681.3 million (an increase of 12.9% and 68.3% resp.), representing 77.1% of total loans. Corporate loans grew by 15.9% and 94.2% resp. and reached BGN497.5 million. Quality of the loan book is very good, on December 31, 2004; there was BGN2.9 million provisioning charge during the quarter; mainly in retail business, in line with loan growth. The BGN14.8 million provisioning during 2004 represented 2.2% annualized ratio of average loans. (2.8% in 2003)

[5] After paying HUF7 billion dividend to the parent bank on 2004 results.

Customer deposits were BGN2,622 million representing an increase of 28.3% y-o-y and 9.5% q-o-q. Annual growth of retail deposits was 29.3% (BGN deposits by 26%; FX deposits by 40.3%) while corporate deposits were 53.6% higher than a year earlier with an increase of 17.3% during 4Q 2004.

Loan to deposit ratio of DSK changed to 59.8% from 81.3% at the end of December 2003.

IFRS balance sheet of DSK is presented below in BGN million:

	31-Dec-03	31-Sep-04	31-Dec-04	Q-o-Q	Y-o-Y
Cash, due from banks and balances with the National Bank of Bulgaria	224.2	202.0	343.2	69.9%	53.1%
Placements with other banks	264.3	185.3	147.4	-20.5%	-44.2%
Repo receivable	13.3	4.7	2.8	-40.4%	-78.9%
Securities held for trading and available-for-sale	118.0	110.7	86.0	-22.3%	-27.1%
Debt securities held-to-maturity	390.0	369.6	353.5	-4.4%	-9.4%
Loans, net of allowance for possible loan losses	1,222.0	1,872.8	2,131.2	13.8%	74.4%
Assets held-for-sale	0.2	0.1	0.2	100.0%	0.0%
Equity investments	19.1	16.4	16.3	-0.6%	-14.7%
Other assets	4.6	12.7	8.6	-32.3%	87.0%
Premises, equipment and intangible assets, net	133.0	130.0	131.6	1.2%	-1.1%
TOTAL ASSETS	2,388.8	2,904.3	3,220.8	10.9%	34.8%
Due to banks and deposits from the National Bank of Bulgaria and other banks	7.4	72.8	160.6	120.6%	2070.3%
Deposits from customers	2,044.3	2,395.4	2,621.9	9.5%	28.3%
Other liabilities	32.8	76.1	55.6	-26.9%	69.5%
TOTAL LIABILITIES	2,084.5	2,544.3	2,838.1	11.5%	36.2%
TOTAL SHAREHOLDERS' EQUITY	304.3	360.0	382.7	6.3%	25.8%
Share capital	94.0	94.0	94.0	0.0%	0.0%
Retained earnings and reserves	121.8	196.1	215.8	10.0%	77.2%
Revaluation of intangible assets	88.5	69.9	72.8	4.1%	-17.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,388.8	2,904.3	3,220.8	10.9%	34.8%

2004 IFRS results of DSK were outstanding. Interest income grew by 31.6% and interest expenses were 1.9% below 2003 figures. Net interest income jumped by 43.2% to BGN201.6 million. Yield on interest earning assets reached 11% while cost of funding at interest bearing liabilities was 2.1% resulting in a spread of 8.86% and margin over total assets of 7.73% (6.52% in 2003). Non interest income grew by 57.0% y-o-y partially as a result of repricing in February 2004 and the dynamically increasing loan volumes.

Below we present IFRS main financial data of DSK Bank in BGN million:

	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q %	4Q 2004 Y-o-Y %	2003	2004	2004 Y-o-Y %
Interest income	50.5	65.7	71.5	8.9%	41.5%	189.3	249.2	31.6%
Interest expense	12.7	11.9	13.3	11.6%	4.8%	48.5	47.6	-1.9%
Net interest income	37.9	53.8	58.2	8.3%	53.9%	140.8	201.6	43.2%
Non interest income	5.6	11.2	10.8	-3.3%	92.7%	27.9	43.7	57.0%
Non interest income in total income	12.9%	17.3%	0.2	-1.6%	2.8%	16.5%	17.8%	1.3%
Total income	43.5	65.0	69.1	6.3%	58.9%	167.6	245.4	46.4%
Operating costs	31.3	29.3	36.1	23.3%	15.6%	104.6	121.9	16.6%
Cost income ratio	71.9%	45.1%	52.3%	7.2%	-19.6%	62.4%	49.7%	-12.7%
Operating income	12.2	35.8	32.9	-8.0%	169.9%	63.0	123.4	95.9%
Provisions and loan losses		10.1	7.1	-30.2%		0.0	20.6	
Cost of reorganization	1.1	-5.8	-2.9	-49.5%	-371.1%	-2.2	-14.8	567.9%
Income before income taxes	13.3	19.8	22.9	15.4%	72.1%	60.8	88.1	44.8%
After tax profit	10.2	17.1	18.4	7.6%	81.3%	46.5	70.6	51.7%
ROAA	1.72%	2.40%	2.45%	0.05%	0.73%	2.09%	2.58%	0.49%
ROAE	13.6%	19.5%	19.8%	0.3%	6.2%	16.5%	20.6%	4.1%

During 4Q 2004 the DSK reached 8.3% higher net interest income and 3.3% lower non interest income than in 3Q 2004. Net fees and commissions were 17.9% below those of 3Q 2004 and during 2004 they were 84.9% above the figures of 2003. Total income was 6.3% above the performance of 3Q 2004. Expenses in the meantime were 23.3% higher and the resulting cost to income ratio jumped to 52.3% (45.1% in 3Q 2004). Part of the results in 3Q 2004 came from the sale of participation in Postabank and Bulstrad. Operating results of BGN32.9 million during 4Q 2004 were 169.9% higher than in 4Q 2003 and 8.0% below operating profits of 3Q 2004.

Due to BGN2.9 million provisioning in 4Q 2004 (as opposed to BGN5.8 million in 3Q2004) and BGN7.1 million reorganization expenses (BGN10.1 million in 3Q 2004), the pre tax profits were BGN22.9 million which is 15.4% above the results of 3Q 2004. After 19.5% calculated tax burden, after tax results reached 18.4 million, 7.6% higher than in 3Q 2004.

ROA for 2004 reached 2.58% (2.45% in 4Q 2004) and ROE was 20.6% (19.8% in 4Q 2004) with real ROE of 16.6%. Risk weighted assets were BGN2,081 million; capital adequacy stood at 13.39% (a decline from 14.5% at the end of September 2004, due to methodological changes at BNB to curb lending growth.).

Evolution of DSK Bank's market shares:

	30-Jun-03	30-Sep-03	31-Dec-03	31-Mar-04	31-Jun-04	30-Sep-04	31-Dec-04
Deposits	17.3%	16.8%	16.2%	16.1%	15.6%	15.9%	15.0%
Retail	25.5%	25.5%	25.8%	25.5%	25.5%	25.3%	25.9%
BGN	51.5%	49.7%	47.7%	46.7%	46.3%	44.8%	43.3%
FX	9.0%	9.4%	9.9%	10.2%	10.4%	10.7%	11.4%
Corporate	7.0%	5.8%	4.0%	3.9%	3.6%	4.5%	5.0%
Loans	14.3%	14.2%	13.6%	13.8%	14.6%	15.3%	15.7%
Retail	52.4%	47.7%	42.9%	42.7%	42.0%	41.7%	41.0%
Consumer	58.6%	53.5%	49.4%	49.4%	48.9%	48.2%	47.9%
Housing	52.7%	48.8%	43.6%	39.5%	37.8%	39.5%	38.0%
Corporate	2.3%	2.4%	2.9%	3.0%	3.4%	3.9%	4.1%

The number of retail current accounts increased during the fourth quarter by 65 thousand and reached 725 thousand at the end of December 2004, which was 9.8% above the figure for December 31, 2003. On the dynamically growing bank card market DSK market share was 20% at the end of December, a decline from 20.3% at the end of 2003. The number of cards issued approached 692 thousand an increase of almost 35 thousand. During 4Q 2004 the number of ATMs of the bank grew by 107 to 351 and the bank operated POS terminals increased to 462 reaching 20% and 6.8% market share resp.

The number of employees at DSK Bank was 3,837 and 4,528 at the Group level.

DSK Rodina AD, 97% owned subsidiary of DSK Bank is managing 2 mandatory and 1 voluntary pension funds. Balance sheet of Rodina at the end of September 2004 reached BGN3.13 million, 2004 results were BGN0.57 million losses.

At the beginning of 2003 DSK Bank founded DSK Tours which had total assets of BGN9.8 million at the end of December 2004. During 2004 the company realized BGN.058 million losses.

The holding of DSK in DSK Trans Security EOD was sold during 2004 to DSK Tours. DSK Trans Security EOD is providing security and cash transport services for the Bank. Income generated from the parent bank only, resulting in pre-tax losses of BGN0.17 million for 2004 with total assets of BGN2.6 million.

The Bratislava-based ***OTP Banka Slovensko a.s. (OBS)*** is member of the OTP Group since April, 2002. The primary goal of the company is the increase of the sale of retail and corporate banking services.

On December 31, 2004 OBS's total assets were HUF215 billion representing a 34.5% growth over December 31, 2003. Customer receivables were over HUF133.8 billion, which represents 62.2% of total assets.

During 2004, the Bank realized HUF9.8 billion interest income and nearly HUF4.9 billion interest expenses resulting in a HUF4.9 billion net interest income. Interest income was 3.1%, interest expenses 0.7% higher than a year earlier resulting in net income growth of 5.5%. Based on average total assets, the margin was 2.86% and it was 66 bp lower than the figures for 2003. Margin in 4Q reached 2.47%. Non interest income grew by 12.5% within which net fees and commissions surpassed the figure of 2003 by 20.4.%. Results of securities trading grew significantly, form HUF96 million loss in 2003 to HUF147 million gain in 2004. Total income was 7.5%, non interest expenses 0.9% higher than in 2003, mainly due to the 15.9% increase of the personnel expenses, and a decline of 7.6% in operating cost.

As a result of HUF46.8 million operating income and HUF129.7 million provisioning (including general risk provisions according to HAR), and HUF25.2 million dividend received the pre-tax losses of the Bank reached HUF57.7 million. (During 4Q 2004 operating results were HUF-307.3 million which with HUF324.1 million provisioning produced HUF631.4 million pre tax losses for the quarter.)

Main financial data of OBS according to HAR in HUF millions:

	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q %	4Q 2004 Y-o-Y %	2003	2004	2004 Y-o-Y %
Total interest income	2,655.2	2,211.7	2,388.3	8.0%	-10.1%	9,495.8	9,788.1	3.1%
Total interest expense	1,359.3	1,160.7	1,199.9	3.4%	-11.7%	4,823.4	4,856.8	0.7%
Net interest income	1,295.9	1,051.0	1,188.4	13.1%	-8.3%	4,672.4	4,931.3	5.5%
Net fees and commissions	309.1	278.9	325.3	16.6%	5.2%	1,037.9	1,249.9	20.4%
Non interest income	516.9	719.7	298.8	-58.5%	-42.2%	1,880.1	2,115.5	12.5%
Share of non interest income in total income	28.5%	40.6%	20.1%	-20.5%	-8.4%	28.7%	30.0%	1.3%
Total income	1,812.7	1,770.7	1,487.2	-16.0%	-18.0%	6,552.4	7,046.8	7.5%
Personnel expenses	749.7	665.4	727.5	9.3%	-3.0%	2,240.1	2,595.4	15.9%
Depreciation	177.4	181.0	249.6	37.9%	40.7%	777.4	782.2	0.6%
Other non interest expenses	1,284.0	792.1	817.3	3.2%	-36.3%	3,920.6	3,622.3	-7.6%
Non interest expense	2,211.1	1,638.6	1,794.4	9.5%	-18.8%	6,938.2	6,999.9	0.9%
Cost/income ratio	122.0%	92.5%	120.7%	28.2%	-1.3%	105.9%	99.3%	-6.6%
Operating income	-398.3	132.1	-307.3	-332.6%	-22.9%	-385.7	46.8	-112.1%
Diminution in value, provisions and loan losses	-278.2	-78.9	324.1	-510.8%	-216.5%	-129.0	129.7	-200.6%
Dividend received	8.9	16.1	0.0	-100.0%	-100.0%	49.5	25.2	-49.2%
Profit before tax/After tax profit	-111.2	227.1	-631.4	-378.0%	467.7%	-207.2	-57.7	-72.1%
ROA		0.57%	-0.69%	-1.26%	-0.69%		-0.03%	0.0%
ROE		7.6%	-7.9%	-15.5%	-7.9%		-0.4%	-0.4%

Total assets of the Bank based on SAS were SKK33.8 billion (2.9% market share), net customer receivables were SKK21.1 billion, which means 33.3% and 34.2% growth y-on-y. Within customer receivables corporate loans amounted to SKK16.7 billion (23% increase), retail loans grew by 108.1% to SKK4.2 billion. Municipal loans increased by 47.8% to SKK172.5 million.

The quality of the loan portfolio improved significantly. In the fourth quarter of 2004 to-be-monitored loans fell by SKK170 million. Non performing loans grew by SKK19.9 million. Ratio of qualified portfolio reached 9.55%, NPL 6.3% on December 31, 2004 while these rates were 11% and 6.7% on September 30, 2004. The coverage of qualified loans increased from 62.3% to 64.5% at the end of December 2004.

The Bank's deposits increased during the same period, by 26% to SKK22.2 billion. Within this, retail deposits grew by 7% to SKK9.7 billion. Municipal deposits grew by 71.4% to SKK3.1 billion, corporate deposits increased by 39.7% to SKK9.4 billion from the previous year. Since September 30, 2004, balance sheet grew by 9.7%, deposits were 5.3% and net loans by 8.5% higher.

Return on assets based on SAS of OBS was 0.29% and return on equities was 3.4% for 2004. Guarantee capital of OBS was SKK2,399.5 million and risk weighted assets were SKK12,697 million, thus capital adequacy based on SAS was 18.9% at the end of December 2004.

IFRS balance sheet of OBS in SKK millions:

	31-Dec-03	30-Sep-04	31-Dec-04	Q-o-Q	Y-o-Y
Cash, due from banks and balances with the National Bank of Slovakia	4,186.3	4,005.9	4,443.8	10.9%	6.2%
Placements with other banks	448.8	698.6	1,504.4	115.3%	235.2%
Securities held-for-trading and available-for-sale	2,948.4	2,947.8	2,961.7	0.5%	0.5%
Loans, net of allowance for possible loan losses	15,375.0	19,394.1	21,049.4	8.5%	36.9%
Accrued interest receivable	106.6	98.9	132.6	34.1%	24.4%
Equity investments	85.9	144.4	118.3	-18.1%	37.7%
Debt securities held-to-maturity	0.0	1,749.6	1,762.2	0.7%	
Premises, equipment and intangible assets, net	1,688.8	1,712.7	1,782.5	4.1%	5.5%
Other assets	120.5	93.5	90.9	-2.8%	-24.6%
TOTAL ASSETS	24,960.3	30,845.6	33,845.7	9.7%	35.6%
Due to banks and deposits from the National Bank of Slovakia and other banks	4,226.7	4,421.8	5,751.6	30.1%	36.1%
Deposits from customers	17,383.1	20,829.0	22,215.1	6.7%	27.8%
Issued securities	844.3	2,761.8	3,253.8	17.8%	285.4%
Accrued interest payable	58.5	88.7	86.4	-2.6%	47.7%
Other liabilities	166.0	329.4	176.4	-46.5%	6.3%
Subordinated loans	0.0	0.0	--		--
TOTAL LIABILITIES	22,678.6	28,430.7	31,483.2	10.7%	38.8%
TOTAL SHAREHOLDERS' EQUITY	2,281.7	2,414.9	2,362.5	-2.2%	3.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	24,960.3	30,845.6	33,845.7	9.7%	35.6%

Number of retail current accounts exceeded 86,600; loan accounts 19,200. The number of cards issued was close to 100,500 and the Bank operated 102 ATMs and 479 POS terminals at the end of December 2004.

Estimated market shares are as below:

	31-Mar-03	30-Jun-03	30-Sep-03	31-Dec-03	31-Mar-04	30-Jun-04	30-Sep-04	31-Dec-04
Deposits	1.9%	2.0%	2.2%	2.5%	2.5%	2.2%	2.5%	2,6%
Retail	2.1%	2.1%	2.1%	2.4%	2.5%	2.6%	2.6%	2,7%
SKK	2.2%	2.2%	2.2%	2.5%	2.6%	2.7%	2.7%	2,8%
FX	1.3%	1.4%	1.5%	1.7%	1.8%	1.8%	1.9%	2,0%
Securities	17.2%	24.6%	25.8%	18.6%	16.2%	15.3%	15.2%	9,2%
Municipal	1.8%	3.0%	3.7%	4.3%	2.8%	1.2%	2.0%	2,0%
Corporate	1.6%	1.6%	2.1%	2.2%	2.4%	2.2%	2.5%	2,7%
Loans	4.2%	4.3%	4.6%	4.5%	4.6%	4.8%	4.8%	5,0%
Retail	0.5%	0.9%	1.6%	2.4%	2.9%	3.3%	3.5%	3,6%
housing					3.0%	3.5%	3.9%	4,1%
consumer	2.5%	3.6%	4.3%	4.9%	4.8%	3.1%	3.2%	2,9%
Municipal	0.9%	0.9%	1.3%	1.0%	0.6%	0.3%	0.5%	0,5%
Corporate	5.2%	5.2%	5.5%	5.2%	5.5%	5.7%	5.7%	6,1%

Number of employees of OBS stood at 765 on December 31, 2004, an increase of 29 employees over the quarter.

OTP has acquired 100% of the Bucharest based Romanian ***RoBank S.A.*** on July 30, 2004 for USD47.5 million. Following the capital increase of the equivalent of EUR10 million in September 2004, btotal assets of the Bank reached HUF44.5 billion on December 31, 2004 of which 54.7% is financial institutions and 35.8% is customer receivables. Pretax profit of RoBank after the acquisition amounts to HUF70.4 million.

OTP-Garancia Insurance pre-tax profit for 2004 surpassed HUF4.0 billion an increase of 53.8% over 2003. Total assets during 2004 increased by 18%, from HUF99.1 billion to HUF116.8 billion.

Premium income was 9% lower than in 2003 and reached HUF55.8 billion, driven by the decline in non banking savings and low demand for bank assurance products. Life insurance premium fee fell by 8.6% caused by a 31% decline in single payment unit linked insurance products. Annuity type life insurance grew by 28%. Non life fee income was 8.6% lower than a year earlier, caused by 75% drop in agricultural insurance due unfavorable changes in the regulatory environment. Significant gains were achieved in residential property (+13%) and property and liability (+11%) products.

Insurance expenses in non-life business declined by 28% from 2003 (mainly for the lack of agricultural damages) while in life business due to maturity and repurchase of single payment unit linked products expenses grew by 37%, totalling in 0.8% decline for the company. In non life business the damages and changes in reserves represented 49% of 2004 premium income.

Existing volume of annuity type life and bank assurance was HUF15.6 billion an increase of 18% during 2004. Premium income on single payment life and bank assurance products reached HUF12.5 billion a decline from HUF18.1 billion in 2003.

Closing volume of non life policies was HUF28.2 billion a decline of 8% from closing value in 2003, mainly driven by a decline in agricultural insurance (from HUF7.6 billion to HUF3.8 billion), while volume of other products increased by HUF1.3 million or 6%.

Shareholder equity grew by 13% year on year to HUF12 billion (after accruing for HUF2 billion dividend to be paid to the parent bank), and the company meets excess solvency requirements of the Hungarian regulations.

Insurance technical reserves were at HUF99 billion, of which increase in 2004 represented HUF14.8 billion. Closing reserves of unit linked policies grew by HUF9 billion and reached HUF71.9 billion.

Main components of OTP-Garancia's balance sheet (HAR) in HUF millions:

	31-Dec-03	30-Sep-04	31-Dec-04	Q-o-Q	Y-o-Y
A. Intangible assets	188	182	170	-6.7%	-9.7%
B. Investments	30,211	36,543	38,393	5.1%	27.1%
C. Investment on behalf of unit linked insurance	62,918	68,720	71,877	4.6%	14.2%
D. Receivables	2,381	2,470	3,160	27.9%	32.7%
E. Other assets	1,031	953	869	-8.8%	-15.7%
F. Prepayments and accrued income	2,324	3,335	2,376	-28.7%	2.3%

Total Assets	99,053	112,203	116,845	4.1%	18.0%
A. Shareholders' equity	10,649	12,946	12,014	-7.2%	12.8%
C. Insurance technical reserves	21,309	24,743	27,142	9.7%	27.4%
D. Insurance technical reserves on behalf of unit linked insurance	62,918	68,720	71,877	4.6%	14.2%
G. Liabilities	3,663	2,418	5,115	111.5%	39.6%
H. Accruals and deferred income	514	3,376	697	-79.4%	35.5%
Total Liabilities	99,053	112,203	116,845	4.1%	18.0%

Main components of OTP-Garancia's P&L (HAR) by sectors in HUF millions:

	Total			Life			Non-life		
	2003	2004	Y-o-Y	2003	2004	Y-o-Y	2003	2004	Y-o-Y
Insurance fee income	56,464	50,237	-11.0%	28,619	26,335	-8.0%	27,845	23,903	-14.2%
from this: gross fees	61,136	55,849	-8.6%	29,026	26,519	-8.6%	32,110	29,330	-8.7%
Insurance technical income	5,269	9,861	87.2%	5,269	9,861	87.2%	0	0	-
Expenses related to damages	-28,922	-28,857	-0.2%	-11,404	-15,409	35.1%	-17,519	-13,448	-23.2%
Changes in reserves	-13,274	-12,455	-6.2%	-12,933	-12,045	-6.9%	-341	-410	20.0%
Net operating costs	-15,819	-15,137	-4.3%	-6,481	-5,708	-11.9%	-9,338	-9,429	1.0%
Insurance technical expenses from investments	-1,306	-152	-88.4%	-1,306	-152	-88.4%	0	0	-
Other insurance technical expenses	-484	-410	-15.3%	0	0	0.0%	-484	-410	-15.3%
Insurance technical result	1,929	3,088	60.1%	1,765	2,881	63.2%	164	207	26.2%
Investment income	1,173	1,303	11.1%	0	0		1,173	1,303	11.1%
Balance of other income/expenses	-343	-260	-24.2%	-163	-123	-24.5%	-180	-136	-24.4%
Operating income	2,759	4,132	49.8%	1,602	2,758	72.2%	1157	1,374	18.8%
Extraordinary income/(losses)	-155	-126	-18.7%	-73	-60	-17.8%	-81	-66	-18.5%
Pre-tax profits	2,605	4,006	53.8%	1528	2,698	76.6%	1,076	1,307	21.5%
Tax	-446	-641	43.7%	-261	-432	65.5%	-184	-209	13.6%
After tax profits	2,159	3,365	55.9%	1,267	2,266	78.8%	892	1,098	23.1%

Main performance data and indicators of OTP-Garancia (HAR) in HUF million:

	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q	4Q 2004 Y-o-Y	2003	2004	2004 Y-o-Y
Fee income from life insurances	7,646.3	5,946.1	6,017.9	-21.3%	1.2%	29,026.4	26,518.9	-8.6%
Fee income from non-life insurances	7,440.5	7,783.4	7,511.9	1.0%	-3.5%	32,109.6	29,329.9	-8.7%
Total fee income	15,086.8	13,729.4	13,529.8	-10.3%	-1.5%	61,136.0	55,848.9	-8.6%
Incomes from investments	2,410.4	2,462.1	4,182.9	73.5%	69.9%	6,484.1	11,849.2	82.7%
Other incomes	30.3	15.1	217.0	615.6%	1336.7%	97.9	281.7	187.8%
Total income	17,527.5	16,206.7	17,929.6	2.3%	10.6%	67,718.0	67,979.8	0.4%
Pre-tax profits from life insurances	324.8	1,180.9	263.6	-18.8%	-77.7%	1,528.5	2,698.1	76.5%
Pre-tax profits from non-life insurances	719.2	-36.8	1,008.2	40.2%	-2841.5%	1,076.1	1,307.4	21.5%
Pre-tax profits	1,043.9	1,144.1	1,271.8	21.8%	11.2%	2,604.6	4,005.5	53.8%
After tax profits	909.9	961.0	1,068.3	17.4%	11.2%	2,159.0	3,364.7	55.8%
Combined ratio (%)	95.9%	101.1%	117.5%	21.7%	16.5%	98.3%	105.6%	7.3%
Total assets	99,053.3	112,202.6	116,844.6	18.0%	4.1%	99,053.3	116,844.6	18.0%

Pre-tax profit of ***OTP Fund Management*** for 2004 was over HUF3.3 billion, which is 20.8% lower than in 2003. Total assets were close to HUF8.6 billion.

The assets at fund management companies started to grow again in 4Q 2004. The market grew by HUF196 billion of which funds investing in securities increase assets by HUF172 billion. Total AuM surpassed HUF1,000 billion again by the end of 2004. The assets of the funds managed by OTP Fund Management stood at HUF390 billion at the end of December 2004 an increase of HUF81 billion in 4Q 2004. The market share of the company on funds investing in securities was 40.8% at the end of 2004.

Development of assets of funds managed by the Company in HUF million:

	31-Dec-03	30-Sep-04	31-Dec-04	Q-o-Q		Y-o-Y	
Optima	347,215.6	245,407.6	317,953.7	72,546.1	29.6%	-29,261.9	-8.4%
Maxima	8,409.9	3,742.6	5,872.1	2,129.5	56.9%	-2,537.8	-30.2%
Euro	4,390.8	3,510.4	3,437.3	-73.1	-2.1%	-953.5	-21.7%
US Dollar	2,527.6	1,738.4	1,392.4	-346.0	-19.9%	-1,135.2	-44.9%
Paletta	2,638.6	2,197.1	2,549.2	352.1	16.0%	-89.3	-3.4%
Quality	20,896.6	25,048.5	29,568.3	4,519.8	18.0%	8,671.7	41.5%
OTP-UBS fund of funds	10,099.5	18,997.9	19,605.3	607.4	3.2%	9,505.8	94.1%
Fantazia		1,037.8	1,143.9	106.1	10.2%	1,143.9	
Institutional equity		8,032.8	9,453.4	1,420.6	17.7%	9,453.4	
Total	396,178.5	309,713.1	390,975.6	81,262.5	26.2%	-5,202.9	-1.3%

Total assets under management reached HUF760.8 billion an increase of 18.1% over September 30, 2004. Managed assets in investment funds decreased by 1.3%, while increased in pension funds by 50.1%, funds in other assets grew by 45.8%.

Main profit and loss figures for OTP Asset Management in HUF million:

	4Q 2003	3Q 2004	4Q 2004	4Q 2004 Q-o-Q	4Q 2004 Y-o-Y	2003	2004	2004 Y-o-Y
Fees and commissions received	2,058.5	1,388.0	1,772.8	27.7 %	-13.9 %	7,879.8	6,625.0	-15.9%
Fee and commission expense	695.0	577.2	543.4	-5.9 %	-21.8 %	2,970.2	2,845.7	-4.2%
Net fees and commissions	1,363.5	810.7	1,229.4	51.6 %	-9.8 %	4,909.7	3,779.3	-23.0%
Gains in securities trading	21.7	12.9	23.6	82.9 %	8.7 %	313.7	294.0	-6.3%
Other non interest income	6.9	-0.9	24.7	-	260.1 %	36.4	61.6	69.4%
Non interest income	1,392.0	822.7	1,277.7	55.3 %	-8.2 %	5,259.8	4,134.9	-21.4%
Non interest expense	187.3	164.8	273.4	65.9 %	45.9 %	885.7	822.3	-7.2%
Cost/income ratio	13.5%	20.0 %	21.4 %	1.4 %	7.9 %	16.8 %	19.9 %	3.0%
Pre tax profits	1,168.3	657.9	1,004.3	52.7 %	-14.0 %	4,337.6	3,312.7	-23.6%
After tax profits	958.0	553.3	844.6	52.7 %	-11.8 %	3,516.3	2,785.7	-20.8%

In 2004, net sales of ***OTP Real Estate*** were close to HUF16.3 billion. Its pre-tax profit reached HUF1 billion. The 87.1% cost/income ratio, which is higher than in 2003. The company’s total assets were HUF18.2 billion. Current assets amounted to HUF15 billion of which inventories represented HUF11.6 billion.

OTP Factoring concluded contracts with OTP Bank for the purchase of 49 thousand receivables in a gross value of HUF9.6 billion until December 31, 2004. From third parties, the company purchased 4.9 contracts at HUF12.9 billion value. Gross income was HUF6.4 billion and the net factoring income reached HUF2.3 million.

Due to the favourable development of the incomes, pre tax profit of the company for 2004 was HUF723 million and the cost/income ratio was 50.6%.

NON CONSOLIDATED AND CONSOLIDATED, NON AUDITED IFRS REPORTS OF OTP BANK LTD. FOR THE PERIOD ENDED DECEMBER 31, 2004

OTP Bank Ltd. has prepared its non consolidated and consolidated, non audited IFRS report for December 31, 2004. Below we present our analysis derived from the unconsolidated and the consolidated condensed IFRS financial statements of December 31, 2004. The differences between HAR and IFRS data presented are summarized in the end of the report.

CONSOLIDATED IFRS BALANCE SHEET

On December 31, 2004 the consolidated IFRS total assets of the Bank were HUF4,166.6 billion, representing a HUF705.8 billion or 20.4% increase over the same period a year earlier. The IFRS total assets of the Group were 36.4% higher on December 31, 2004 than that of the Bank. Total assets of the Group were HUF302.8 billion or 7.8% higher than on September 30, 2004.

The Bank's consolidated shareholder's equity on December 31, 2004 was HUF433.9 billion, 39.2% higher than the consolidated shareholders' equity as of December 31, 2003, and 11.4% higher than the unconsolidated shareholders' equity. The increase was caused by the creation of capital reserves from considerable part of the profits after taxes.

On the **asset side**, cash, deposits and balances with the NBH increased by 53.7% compared to 2003, due to the low basis of short term HUF and FX deposits with the NBH. Compared to end September 2004 the increase was 20.6%.

On December 31, 2004 the volume of interbank placements was 29.6% higher y-o-y due to the change in the structure of placements, and grew by 29.6% in 4Q 2004.

Volume of trading and available-for-sale securities increased by 7.7% to HUF361.8 billion in the fourth quarter of 2004 and was 4.0% lower than at the end of 2003. This volume was HUF18.9 billion higher than non-consolidated figure of the Bank, due to securities held by OTP-Garancia Insurance, OTP Building Society, DSK Bank and OTP Mortgage Bank subsidiaries and to the consolidation effect of mortgage bonds held by the Bank. Within this held-for-trading securities were HUF171.1 billion and available-for-sale securities were HUF190.7 billion.

Volume of loans, net of allowance for possible loan losses grew by 26.4% from HUF1,982.6 billion to HUF2,506.8 billion as of December 31, 2004.

Within consolidated gross loan volume of HUF2,585.3 billion, corporate loans represented 35.7% (HUF922.3 billion); retail loans 59.8% (HUF1,545.1 billion) and municipality loans 4.6% (HUF117.9 billion). Within retail loans housing and mortgage loans represented HUF1,017.8 billion and consumer loans HUF527.3 billion. 16.9% of total loans (HUF436.6 billion) were carried on the books of foreign subsidiaries on December 31, 2004.

The increase in the fourth quarter of 2004 was HUF138.0 billion or 5.6%. In the fourth quarter of 2004 corporate loans increased by 9.3%, retail loans by 47% and within this mortgage and housing loans by 4.2%, consumer loans by 5.7%. Volume of municipal loans decreased by 8.3%.

IFRS consolidated gross loan volume of the Bank by business lines and by subsidiaries on December 31, 2004 in HUF billion:

	Corporate	Municipal	Retail	Housing	Consumer	Total
OTP Bank Ltd.	806.1	116.2	374.1	172.7	201.3	1,296.3
OTP Factoring Ltd.	2.9	0.4	5.5	5.0	0.4	8.7
OTP Building Society	0.0	0.0	7.9	7.9	0.0	7.9
Merkantil Bank Ltd.	16.2	0.0	34.3	0.0	34.3	50.6
Merkantil Car Ltd.	18.2	0.1	102.2	0.0	102.2	120.4
HIF Ltd.	11.8	0.0	0.0	0.0	0.0	11.8
OTP Mortgage Bank	0.0	0.0	770.3	770.3	0.0	770.3
OBS	108.3	1.0	25.2	21.1	4.1	134.6
DSK Bank	62.9	0.2	210.4	47.6	162.8	273.4
Banca Comerciala RoBank S.A.	16.6	0.0	0.3	0.0	0.3	16.9
Total gross loans	1,042.9	117.9	1,530.1	1,024.6	505.5	2,690.9
Consolidated	922.3	117.9	1,545.1	1,017.8	527.3	2,585.3
Foreign subsidiaries	199.5	1.2	235.9	68.7	167.2	436.6
Share of foreign subsidiaries	21.6%	1.0%	15.3%	6.7%	31.7%	16.9%

Quality of the loan book under IFRS was good at the end of December 2004; performing portion represented 88.3% of total, while 8.2% was to be monitored and problem loans were 3.4% of total. 12.5% of qualified loans and 7.8% of problem loans were in the books of foreign subsidiaries. The consolidated loan loss provisioning of HUF78.5 billion represented 26.0% coverage over the qualified loans. During the fourth quarter of 2004 performing loans grew by HUF132.4 billion, qualified loans by HUF5.7 billion (mainly due to the decrease at the parent bank and the creation at OTP Mortgage Bank and at Merkantil Car for new FX loans) and non performing loans declined by HUF0.9 billion. In the same time provisions increased by HUF2.9 billion, coverage increased by 0.5%point.

Volume of debt securities held-to-maturity decreased further by 17.5% to HUF247.3 billion y-o-y, and decreased by 8.3% since September 30, 2004.

On the **liability side**, liabilities to customers were HUF3,217.1 billion on December 31, 2004, 14.3% higher than a year earlier and 37.3% over the Bank' figure. Customer deposits grew by 7.9% of HUF212.2 billion reaching HUF2,902.1 billion on December 31, 2004. 18.9% of deposits came from corporate; 74.3% from retail and 6.8% from municipality sector customers. In the fourth quarter of 2004 deposits grew by 6.6% or HUF178.6 billion, mainly due to the increase of retail and corporate deposits at the parent bank, retail deposit growth at DSK, and the corporate deposit growth at OBS and at RoBank. Therefore foreign subsidiaries collected 17.2% of total deposits as at December 31, 2004 compared to 16.8% on September 30, 2004.

Volume of issued securities was 151.8% higher than a year earlier and reached HUF314.4 billion, in the fourth quarter of 2004 increase was HUF60.7 billion or 23.9% due to issuance of mortgage bonds to third parties.

CONSOLIDATED IFRS STATEMENT OF OPERATIONS (PROFIT AND LOSS ACCOUNT)

Confirming the success of the subsidiaries and the efforts aiming at increasing the profitability, the 2004 consolidated IFRS net income of OTP Bank was HUF140.1 billion, HUF56.7 billion or 68.1% higher than for 2003 and 9.9% or HUF12.6 billion higher than the non-consolidated after-tax profit for the same period. Income before income taxes grew by 61.6% to HUF165.9 billion. In 4Q 2004 income before income taxes was HUF37.8 billion and net income was HUF31.7 billion, 22.0% and 23.0% lower than in 3Q 2004; 113.2% and 129.8% higher than in 4Q 2003.

The consolidated net interest income reached HUF261.1 billion representing a 48.3% increase from 2003 and was 72.8% higher than at the Bank. HUF66.6 billion net interest income for 4Q 2004 was 3.6% below the performance of 3Q 2004. Consolidated interest income amounted to HUF434.1 billion, 53.2% above 2003 levels mainly due to the 51.9% increase of interest income from loans. Consolidated interest income from loans was HUF104.6 billion or 76.3% above the Bank's data. Increase in interest income was particularly significant from interbank accounts (+106.3%), securities held-for-trading and available-for-sale (+56.9%) partly in line with changes in volumes and with the structure of balance sheet, with the dynamically growing mortgage lending and partly reflect the HUF31.2 billion (+184.2%) results of interest income from other banks because of the fair value adjustment of swaps. Interest income from accounts with NBH and other banks increased (80.4%), from debt securities held-to-maturity declined (4.1%).

Interest expense was HUF173.0 billion, 61.2% higher than in 2003. Interest paid on customers' deposits grew by 61.9% to HUF131.8 billion and was 10.6% above the Bank's figure. In 4Q 2004 interest paid on customers' deposits was 8.0% higher than in 3Q 2004, reflecting the higher volume in deposits, the growing share of term deposits and owing to the competition slowly declining interest rate level. Interest expenses on issued securities was 175.1% higher and were HUF19.2 billion above the Bank due to securities issued by Merkantil Bank, OTP Mortgage Bank and OBS.

The provisioning for 2004 was HUF15.0 billion, 38.3% higher than in the previous year. The provisioning represented 0.65% of the average loan volume compared to 0.64% in 2003. The HUF3.5 billion provisioning represented 0.56% annualized, this was 1.69% in 4Q 2003.

Gross consolidated interest margin over mathematical average of total assets improved further during the year of 2004 and was 6.85%, 115 bps above 2003 figure. Net interest margin also grew in 2004 and was 6.45% compared to 5.35% for 2003. Adjusting for the effects of swaps gross margin in 2004 was 6.75% and net margin was 6.36% which was 89 bps and 85 bps higher than in 2003 owing to the advantageous impact of the higher average interest rate level on the liability side spreads. In 4Q 2004 gross margin was 6.63% and net margin was 6.30% and were below the figures in 3Q 2004 (7.39% and 7.05%) while after deducting swap results (HUF6.1 billion in the third and HUF0.6 billion in the fourth quarter) the margin decreases are only 17 and 16 bps.

Non-interest income was 13.9% higher than a year earlier and reached HUF170.5 billion. Within non-interest income the increase in fee and commission income was 12.4% to HUF91.7 billion. 2004 fee income was 19.0% lower than net fees and commissions at the Bank, due to the consolidation effect of fees from OTP Mortgage Bank. Net fees and commissions reached HUF71.2 billion in 2004, which is 15.4% increase compared to 2003, and were HUF23.0 billion in 4Q 2004, 36.6% above the 3Q 2004 data. Gains on securities trading were HUF14.7 billion contrary to the loss of HUF7.6 billion in 2003. In the fourth quarter of 2004 securities portfolio caused HUF9.1 billion gains. Net profits on foreign exchange transactions were HUF1.1 billion while it reported HUF5.2 billion gains in 2003. In 4Q 2004 the loss on FX transactions amounted to HUF0.7 billion partly due to the change of the result of swap positions. Real estate transactions resulted HUF1.8 billion. The insurance premium amounted to HUF12.2 billion in 4Q 2004 which is 0.8% higher than in the third quarter. Therefore HUF49.5 billion IFRS insurance premium income was 12.1% below the 2003 performance. Other income decreased by 9.4% to HUF11.1 billion.

Consolidated non-interest expenses reached HUF250.7 billion and were 18.1% higher than during 2003 and 87.0% above the figures of the Bank. Non-interest expenses increased by 31.9% compared to 3Q 2004.

Consolidated fees and commission expenses increased by 3.0% y-o-y, and were 111.9% higher than at the Bank. Consolidated personnel expenses were 23.9% higher than a year earlier, and 46.0% above the Bank's figures. Personnel expenses were 42.0% higher than in 3Q 2004. Insurance expenses declined by 3.2% (net insurance income declined by 37.8% to HUF9.0 billion). Other expenses were 22.1% higher than in 2003. Within this provisions created for shares and stakes grew by HUF555 million, HUF1.5 billion provision for pending and future liabilities was wrote back. Postal, telephone and rental fees increased by 60%. In the fourth quarter of 2004 HUF5.8 billion not planned amortization was accounted in other expenses connected to the change of an IT system in the OTP Bank.

Consolidated cost-income ratio was 58.1%, 7.1% less than in 2003 (cost income ratio similar to HAR was 56.0%, 6.9% less than in 2003).

Consolidated ROAA on average total assets grew considerably to 3.67% (2.70% in 2003), while consolidated ROAE reached 37.6% nominal, 6.5%-points higher than a year earlier. Real ROAE increased form 26.4% in 2003 to 30.8% in 2004. Consolidated net asset value per share was HUF1,550 on December 31, 2004. Basic earnings per share (EPS) reached HUF534, HUF214 above 2003 data.

MAJOR DIFFERENCES IN THE HAR AND IFRS NON AUDITED FINANCIAL REPORTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004

CALCULATION OF THE CONSOLIDATED PRE-TAX PROFITS
(in HUF mn)

	HAR	Fair value adjustment[6]	IFRS	Difference
OTP Bank Ltd.	**123,538**		**148,256**	**24,718**
Merkantil Group	4,947	*0*	4,806	-141
OTP Building Society Ltd.	783	*1,026*	1,809	1,026
OTP Mortgage Bank Ltd.	13,272	*2,012*	15,284	2,012
OTP Banka Slovensko, a. s.	-58	*144*	511	569
DSK Group[7]	10,867	*1,582*	13,052	2,185
RoBank S.A.	70	*0*	70	0
OTP-Garancia Insurance Ltd.	4,005	*2,847*	6,852	2,847
OTP Fund Management Ltd.	3,313	*-64*	3,249	-64
HIF Ltd.	175	*0*	182	7
OTP Real Estate Ltd.	1,008	*0*	1,008	0
OTP Faktoring Ltd.	723	*0*	723	0
OTP Faktoring Asset Management Ltd.	20	*0*	20	0
Bank Center No l. Ltd.	138	*0*	138	0
OTP Fund Services Ltd.	101	*0*	101	0
OTP Mérleg Ltd.	-36	*0*	-36	0
Inga Ltd.-s	142	*0*	142	0
Concordia-Info Ltd.	56	*0*	56	0
OTP Card Manufacturer Ltd.	43	*0*	43	0
I. Aggregated pre-tax profit	**163,107**	***7,547***	**196,266**	**33,159**
Difference from OTP Bank	*39,569*	*7,547*	*48,010*	
Equity consolidation	90	*0*	0	-90
Capital consolidation	-10,193	*0*	-16,835	-6,642
Filtering of intra-company relations	-1,380	*0*	-1,429	-49
II. Total consolidation effect	**-11,483**	***0***	**-18,264**	**-6,781**
III. Filtering due to trading and available-for-sale mortgage bonds	**--**	***-12,124***	**-12,124**	**-12,124**
Consolidated pre-tax profits	**151,624**	***-4,577***	**165,878**	**14,254**

As can be seen in the table, part of the difference between the HAR and IFRS consolidated financial statements of December 31, 2003 is attributable to the increase in OTP Bank's figures, raising elements are the figures of the subsidiaries which is counterbalanced by the consolidation effect.

I.) Differences arising upon aggregation of the reports (HUF33,159 million)

1) OTP Bank

During the reconciliation of the 2004 reports prepared according to HAR and those prepared according to IFRS, the following items had an impact on the profit of OTP Bank:

	in HUF million
Reversal of general risk provisions	4,509
Amortisation of the premium and discount of bonds	-361
Provisions for contingent and future liabilities (home warranty)	76
Increase of equity stakes held in subsidiaries	55
Accounting for financial leasing	129
Adjustment of securities held for trading and for sale	14,609

[6] Without OTP Bank Ltd.

[7] In the case of DSK Group the fair value adjustment contains the change to the previous year's fair value, this is why the previous year's revaluation was not written back.

and of equity stakes to fair market value (IAS 39)	
Adjustment of off-balance sheet financial instruments (derivatives) to fair market value (IAS 39)	-1,738
Price losses on repurchased own shares	-1,960
Adjustments due to goodwill	7,663
Adjustment of equity stakes recorded in foreign currencies to cost price	2,164
Adjustments of company value due to transformation	27
Adjustments due to delivery repo	-69
Reclassification of items directly charged to reserves (self-revision in connection with pre tax profits)	-386
Total adjustments in profit before tax	**24,718**

2) Impact of revaluation according to IAS 39

In the balance sheet prepared according to IFRS, securities held for trading and for sale as well as interests that qualify as saleable financial assets must be disclosed at their market value. The cancellation of the fair market valuation of securities held for trading and for sale which decreased the previous year's profit, has increased the current profit by HUF4,584 million in total, while the marked-to-market valuation of the reporting period has increased the profit by a total of HUF2,963 million.

Difference in result: HUF7,547 million

3) Merkantil Group

A basic difference between the HAR and IFRS reports is that in the IFRS report Merkantil Group's operative leasing transactions must be treated as financial leasing and must be disclosed under receivables, and therefore in 2004 the reclassification of such transactions has the effect of decreasing profit before tax.

Difference in result: HUF–13 million

4) OTP Banka Slovensko, DSK Group and HIF

In the IFRS consolidated report, when the profit and loss account of OTP Banka Slovensko, a.s. (OBS), of DSK Group and of HIF are converted from foreign currency into HUF, the exchange rate difference must be posted to equity, while according to HAR, the revaluation difference arising from the translation must be posted to other revenues (expenses). The difference between the exchange rate figures applied in the two reports increases the IFRS profit before tax by HUF228 million.

OBS	HUF–2 million
DSK Group	HUF223 million
HIF	HUF7 million

Difference in result: HUF228 million

5) OBS, DSK Group and Merkantil Bank

The general risk provisions calculated pursuant to the relevant government decree and disclosed in the HAR report are not recognized in IFRS.

In the case of DSK and OBS there were provisions created during 2004, and therefore write back of these in the IFRS report increased the results. Merkantil Bank wrote back from the general risk provision during the period, thus this caused decrease of the result in the IFRS report.

OBS	HUF436 million
DSK Group	HUF548 million
Merkantil Bank	HUF–128 million

Difference in result: HUF856 million

6) OBS

Under HAR the social fund created - as regulated in Slovakia - is funded from the reserves, while the same under IFRS is booked as current expense.

Difference in result: HUF–9 million

7) DSK Group

When DSK Group is included in the consolidation for the first time, the fair market value of securities held to maturity is considered book value in the IFRS report. Thus, the amortisation of the difference between the book value and the face value is different in the two reports, and this difference reduces the profits in the IFRS report.

Difference in result: HUF–115 million

8) DSK Group

At first time consolidation DSK Group's stakes were considered at fair value in the IRFS report. During the reporting period the stake in ISC Bulstrad was sold. Its book value in the HAR and IFRS report was different, and the result of the sale is different as well, the result is lower in the IFRS report by HUF53 million.

Difference in result: HUF–53 million

II.) Differences in the effects of consolidation (HUF–6,781 million)

1) Effect of the equity method (HUF–90 million)

The basic difference between the equity method used in the HAR and in the IFRS reports is in the Hungarian report both the law and the Bank's accounting policy on consolidation specify which companies must be consolidated under this method. (These are subsidiaries that are exempt from full consolidation, as well as associate companies in which the Bank holds a significant interest that is equal to a nominal value of at least HUF 250 million of the share capital based on the ownership stake and that, at the minimum, represents a 20% ownership stake. There are a total of 21 such companies.) In the international report, the equity method must be used on based on a case-by-case judgement, and only with respect to investments in which the stake of the parent company is significant. There was no such company in 2004.

The companies included in the consolidated HAR report brought, in total, a profit, therefore the HAR profit and loss changes charged to the equity held by the parent company is positive.

Difference in result: HUF–90 million

2) Effect of equity consolidation (HUF–6,642 million)

One of the reasons that the effect of the equity consolidation is different in the two reports is the difference in the amortisation expense of the active capital consolidation differences.

In the consolidated HAR report, the elimination (HUF -763 million) of the revenue originating from the badwill that was accounted for on OBS in OTP's books decreases profits. In contrast to this, in the individual IRFS report, the investment in OBS is booked at cost price, and the badwill and related amortisation are not accounted for, and therefore there is no elimination in capital consolidation. However, in the IFRS consolidated report, the badwill is disclosed, of which HUF 4 million (accounted for as revenue and recorded as the incurred expense of capital consolidation) and HUF 125 million (accounted for as revenue and recorded as the amortisation of the average useful life /25 years/ of non-financial assets) are profit-increasing items. The difference between the HAR and IFRS report is HUF892 million .

Difference in result: HUF892 million

During the equity consolidation according to HAR, there is no effect on profit from recording DSK goodwill, because the goodwill depreciation, accounted for in the individual report is eliminated, and an identical amount of active capital consolidation difference amortisation is also accounted for. In the individual report according to IFRS, the equity stake is disclosed at the cost price, therefore no goodwill is established. It is taken into account and amortised in the consolidated report in capital consolidation. The effect of amortisation is HUF7,615 million.

Difference in result: HUF–7,615 million

In the IFRS report, equity stakes held by DSK were adjusted to market value at the time of consolidation, and therefore no capital consolidation difference occurred during the capital consolidation of DSK subsidiaries. In contrast to this, in the report prepared according to HAR, the amortisation of active capital consolidation difference reduced the profit.

Difference in result: HUF110 million

The loss in the non consolidated HAR report caused by the transformation of OTP Fund Services Ltd. is filtered in the consolidated report (HUF27 million). In the individual IFRS report the equity stake is disclosed at the cost price, therefore the loss due to the transformation was wrote back, thus during the consolidation process there is no result in this issue.

Difference in result: HUF–27 million

3) Effect of avoiding intra-group transaction results (HUF–49 million)

In the consolidation steps used during the preparation of reports according HAR and IFRS, the elimination of the exchange rate adjustment of the value-loss on OBS represented a difference. In the IRFS report of OTP Bank, OBS is disclosed at the cost price, and the calculated value-loss is not adjusted either, and consequently there is also no exchange rate adjustment. In the report prepared according to HAR, the elimination of exchange rate loss decreases the profit by HUF6 million, while there is no such elimination in the IFRS report.

Difference in result: HUF6 million

In 2004 OTP Bank has transferred HUF55 million funds without recourse to OTP Fund Services Ltd. In the HAR unconsolidated report this is booked as an expense which during consolidation increases results. In the IFRS unconsolidated report funds transferred without recourse increase the value of the investment the consolidation of which has no effect on results.

Difference in result: HUF–55 million

III.) Filtering due to trading and available-for-sale mortgage bonds (HUF–12 124 million)

Fair valuation adjustment of mortgage bonds issued by OTP Mortgage Bank Ltd. and kept on the books of the parent bank, increased the result in its individual IFRS report. With the filtering of the intra-company relations in the consolidated report the appreciation was written as well. The write back of the previous year's results decreased the result by HUF5,457 million, while the filtering of the fair value adjustment for the current period decreased the result with HUF6,667 million.

Difference in result: HUF-12,124 million

NON CONSOLIDATED IFRS BALANCE SHEET

Total assets of the Bank were HUF3,054.2 billion on December 31, 2004, which was 11.8% higher than a year earlier and 6.1% higher than on September 30, 2004 and HUF9.7 billion higher than the HAR total assets of the Bank.

On the **asset side**, the volume of cash, due from banks and balances with the National Bank of Hungary increased by 57.8%, placements with other banks declined by 21.1% compared to December 31, 2003. The volume of trading securities grew by 9.8% to HUF342.9 billion; however their structure has changed significantly. Within HUF18.8 billion securities held-for-trading the volume of discounted treasury bills was HUF5.1 billion; the volume of Government Bonds was HUF8.5 billion, mortgage bonds reached HUF2.2 billion. Within HUF342.9 billion securities available-for-sale the volume of Government Bonds was HUF60.3 billion and mortgage bonds reached HUF235.4 billion.

The gross volume of loans grew by 19.0% y-o-y to HUF1,296.3 billion. Within this the loans maturing over a year amounted to HUF856.8 billion, their proportion was 66.1%. The volume of provisions was 6.3% higher than a year earlier, reached HUF19.8 billion. The net volume of loans was HUF1,276.5 billion, 19.3% growth year on year. Within loans, loans to enterprises amounted to HUF806.1 billion (18.7% growth), loans to municipalities HUF116.2 billion (26.9% increase), consumer loans HUF201.3 billion (48.1% growth) while housing loans amounted to HUF172.2 billion (5.4% decline) at the end of December 2004. Corporate loans represented 62.2%, retail loans 28.9% of total loans on December 31, 2004.

The volume of debt securities kept until maturity decreased by 18.8% to HUF507.5 billion. Within these, the volume of government securities was HUF210.9 billion, mortgage bonds were HUF289.8 billion.

On the liability side, the 3.4% year on year increase of customer deposits was significant, thus the share of customer deposits in total liabilities decreased to 76.6% (82.9% in 2003). Within HUF2,340.9 billion customer deposits, HUF deposits amounted to HUF2,071.0 billion. 74.3% of the total deposits was retail (HUF1,738.6 billion volume; 4.7% increase), 18.5% corporate (1.8% decline in volume) and 7.3% (3.6% increase in volume) was municipal deposit. The liabilities from issued securities decreased by 2.1%.

The shareholders' equity of the Bank was 41.0% higher than in the same period of 2003 due to the 28.7% increase of reserves, the 81.8% growth of result of ordinary business activities and the 3.6% decrease of own shares at book value. Shareholders' equity reached HUF389.4 billion and represented 12.7% of total assets.

NON CONSOLIDATED IFRS STATEMENT OF OPERATIONS (PROFIT AND LOSS ACCOUNT)

The net interest income of the Bank according to IFRS was HUF151.1 billion, which was 35.5% higher than in 2003. This was a result of 42.4% increase in interest income and 50.8% increase in interest expenses.

Interest income from interbank accounts increased significantly by 99.7%, due to the disparate volume and results (HUF11.0 billion in 2003 and HUF31.1 billion in 2004) of swap deals. The HUF15.8 billion results of the swap transaction show up on the interest income and expenses on interbank accounts lines and were HUF17.9 billion higher than in 2003 (HUF2.2 billion loss). Since during 2004 the medium term swap volumes were already significant, the fact that the HUF exchange rate fluctuated sorely in a wide band influenced significantly the results of these lines. The fair value adjustments based on IAS 39 resulted that the interest income on swaps was HUF3.2 billion higher and interest expenses (losses) on swaps was HUF240 million lower than in HAR. Thus the change in results of swaps improved by HUF3.4 billion the IFRS net interest income and highly contributed to that IRFS net interest margin was higher than in HAR. The fair value adjustment of swap deals and the net FX rate results are moving reversely thus the swap income was compensated by the HUF3.6 billion worsening of the FX transaction accounts.

Within interest income, increase from securities and from due from banks and balances with the NBH and from loans was significant, due to the increase of the interest rate level and/or the volume.

Interests paid on customer deposits increased by 58.2%, partly because of the rise in interest rate level and partly because of the change in the structure of the deposits.

Provisioning for possible loan and placement losses increased by 25.2% and reached HUF8.8 billion. Provisioning on average volume of loans was 0.75% compared to 0.68% in 2003.

Non-interest income grew by HUF36.1 billion or 34.8% to HUF139.9 billion. Within this, net FX results reached HUF0.9 billion, fees and commissions income amounted to HUF113.3 billion (18.2% increase). Net fees and commissions grew by 22.2% compared to 2003 and reached HUF103,6 billion. Net gain on securities trading was HUF14.6 billion which is HUF23.5 billion improvement compared to 2003. Main part of the profit (HUF12.1 billion) was caused by the fair value adjustment of the fixed income mortgage bonds held in the portfolio of the Bank. The Bank collected HUF8.5 billion dividend from its subsidiaries in 2004 which is 10.5% higher than in 2003. Other non-interest income fell by 18.7% to HUF2.7 billion compared to 2003.

Non-interest expenses altogether were HUF134.1 billion; 8.4% higher than a year earlier. Within these the personnel expenses grew by 19.4% to HUF52.0 billion, depreciation increased by 5.1% to HUF13.4 billion and fees and commissions paid declined by 12.4% to HUF9.7 billion. Other non-interest type expenses increased by 4.7% y-o-y to HUF59.0 billion.

IFRS pre-tax profit of the Bank was HUF148.3 billion which represented a 75.4% growth y-o-y. After-tax profit grew by 81.8% to HUF127.5 billion. The decline of the nominal and effective tax rate had a share in the profit growth too (the effective rate was 17.0% in 2004 and 14.0% in 2003). Basic and diluted earnings per share reached HUF472 (in 2003 HUF261), while fully diluted were HUF470 (in 2003: HUF260).

Calculated cost to income ratio for 2004 was 46.1%, 11.4% lower than in 2003. (After the calculation similar to the Hungarian standards, cost/income ratio was 44.2% for 2004, 55.2% in 2003.)

The gross interest margin of the Bank according to IFRS calculated on the mathematical average of total assets was 5.22% in 2004, its net interest margin 4.92%, and partially due to the swap result 87 and 85 bps higher than in 2003. Disregarding the results of swaps the gross margin in 2004 was 5.10% and the net margin 4.80% which is 55 and 53 bps higher than in 2003.

ROA calculated on the average total assets was 4.41% (in 2003: 2.74%), while ROE calculated on average shareholders' equity was 38.3% (in 2003: 29.2%). Real ROE of the Bank grew from 24.5% to 30.8%. Net asset value per share of the Bank (diluted) grew by HUF211 to HUF472.

PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE FOURTH QUARTER OF 2004 AT OTP BANK LTD.

During the fourth quarter of 2004, the Top Management, the Auditor, the Board of Directors and the Supervisory Board of the Bank did not change.

Budapest, February 14, 2005

FINANCIAL DATA

Selected consolidated financial data (HUF millions)[8]

	2003	2004	Change %
Interest from interbank accounts	30,911	59,993	94.1
Interest from customer accounts	93,200	152,336	63.5
Interest from corporate accounts	56,577	76,376	35.0
Interest from municipal accounts	10,269	13,591	32.3
Interest from bonds	79,966	109,156	36.5
Interest from mandatory reserves	8,164	12,950	58.6
Total interest income	279,087	424,402	52.1
Interest to interbank accounts	12,838	21,013	63.7
Interest on customer accounts	59,855	98,566	64.7
Interest on corporate accounts	15,105	22,524	49.1
Interest on municipal accounts	6,188	10,705	73.0
Interest on bonds	7,291	19,452	166.8
Interest on subordinated loan	748	943	26.1
Total interest expense	102,025	173,203	69.8
Net interest income	**177,062**	**251,199**	**41.9**
Fees & commissions income	81,810	91,891	12.3
Fees & commissions paid	19,715	20,467	3.8
Net fees & commissions	62,095	71,424	15.0
Securities trading	-1,878	7,677	-508.8
Forex trading	-2,106	4,719	-324.1
Losses on property transactions	1,382	1,690	22.3
Insurance fee income	60,171	54,793	-8.9
Other	12,688	10,029	-21.0
Non interest income	**132,352**	**150,332**	**13.6**
Ratio of non interest income	*42.8%*	*37.4%*	*-5.4*
Total income	**309,414**	**401,531**	**29.8**
Staff costs	61,530	76,200	23.8
Depreciation	15,734	17,978	14.3
Insurance costs	42,810	41,645	-2.7
Other costs	71,825	87,755	22.2
Operating costs	**191,899**	**223,578**	**16.5**
Cost/income ratio	*62.0%*	*55.7%*	*-6.3*
Operating income/Profit	**117,515**	**177,953**	**51.4**
Diminution in value, provisions and loan losses	13,412	18,283	36.3
Dividend received	668	572	-14.4
Accounting for acquisition goodwill	-2,020	-8,618	326.6
Pre-tax profit	**102,751**	**151,624**	**47.6**
Taxes	19,956	25,916	29.9
Taxes due to consolidation	-227	-261	15.0
Tax rate	19.2%	16.9%	-2.3
After tax profits	**83,022**	**125,969**	**51.7**

[8] The Bank's 2003 and 2004 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

Selected non-consolidated financial data (HUF millions)[9]

	2003	2004	Change %
Interest from interbank accounts	29,347	56,261	91.7
Interest from customer accounts	48,961	63,369	29.4
Interest from corporate accounts	45,248	60,900	34.6
Interest from municipal accounts	10,210	13,529	32.5
Interest from bonds	63,919	82,057	28.4
Interest from mandatory reserves	7,949	12,069	51.8
Total interest income	205,634	288,185	40.1
Interest on interbank accounts	11,253	19,939	77.2
Interest on customer accounts	54,799	88,567	61.6
Interest on corporate accounts	14,522	20,564	41.6
Interest on municipal accounts	5,716	10,021	75.3
Interest on bonds	414	238	-42.5
Interest on long term debt	748	870	16.3
Total interest expense	87,452	140,199	60.3
Net interest income	**118,182**	**147,986**	**25.2**
Fees & commissions income	96,009	113,596	18.3
Fees & commissions paid	10,872	9,656	-11.2
Net fees & commissions	85,137	103,940	22.1
Gains (losses) on securities trading	-938	2,976	-417.3
Gains (losses) on forex trading	-1,402	4,540	-423.8
Gains (losses) on property transactions	-129	-116	-10.1
Other	2,912	1,795	-38.4
Non interest income	**85,580**	**113,135**	**32.2**
Share of non interest income in total income	*42.0%*	*43.3%*	*1.3*
Total income	**203,762**	**261,121**	**28.1**
Staff costs	43,820	52,280	19.3
Depreciation	9,893	9,646	-2.5
Other operating expenses	56,521	63,150	11.7
Operating costs	**110,234**	**125,076**	**13.5**
Cost/Income ratio %	*54.1%*	*47.9%*	*-6.2*
Operating income	**93,528**	**136,045**	**45.5**
Diminution in value, provisions and loan losses	13,261	13,344	0.6
Dividend received	7,691	8,500	10.5
Accounting for acquisition goodwill	-1,257	-7,663	509.6
Income before income taxes	**86,701**	**123,538**	**42.5**
Taxes	15,139	18,706	23.6
Tax rate %	17.5%	15.1%	-2.4
After tax profits	**71,562**	**104,832**	**46.5**

[9] The Bank's 2003 and 2004 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

PK3. Balance Sheet
BALANCE SHEET
(unconsolidated and consolidated, based on HAR) as at December 31, 2004

						HUF million
	31-Dec-03 OTP Bank	31-Dec-04 OTP Bank	Change	31-Dec-03 Consolidated	31-Dec-04 Consolidated	Change
ASSETS						
1. Cash in hand, balances with central banks	**252,975**	**399,126**	**57.8%**	**276,501**	**424,993**	**53.7%**
2. Treasury bills	**402,543**	**294,802**	**-26.8%**	**630,642**	**549,302**	**-12.9%**
a) held-for-trade	135,011	86,187	-36.2%	246,870	221,234	-10.4%
b) held as financial fixed assets (for long term investment)	267,532	208,615	-22.0%	383,772	328,068	-14.5%
3. Loans and advances to credit institutions	**165,209**	**188,034**	**13.8%**	**252,314**	**314,735**	**24.7%**
a) repayable on demand	4,700	4,191	-10.8%	9,915	9,136	-7.9%
b) other receivables from financial services	160,509	183,789	14.5%	242,399	305,545	26.1%
ba) maturity not more than one year	149,978	172,463	15.0%	232,088	295,416	27.3%
bb) maturity more than one year	10,531	11,326	7.5%	10,311	10,129	-1.8%
c) receivables from investment services		54			54	
4. Loans and advances to customers	**1,089,158**	**1,264,764**	**16.1%**	**2,025,694**	**2,511,534**	**24.0%**
a) receivables from financial services	1,088,064	1,264,650	16.2%	2,024,574	2,511,381	24.0%
aa) maturity not more than one year	399,920	412,060	3.0%	505,539	580,080	14.7%
ab) maturity more than one year	688,144	852,590	23.9%	1,519,035	1,931,301	27.1%
b) receivables from investment services	1,094	114	-89.6%	1,120	153	-86.3%
ba) receivables from investment service activities on the on the stock exchange						
bb) receivables from over-the-counter investment service activities						
bc) receivables from clients for investment service activities	1,094	114	-89.6%	1,120	153	-86.3%
bd) receivables from clearing houses						
be) other receivables from investment services						
5. Debt securities including fixed-income securities	**533,136**	**540,175**	**1.3%**	**32,590**	**38,849**	**19.2%**
a) securities issued by local self-governing bodies and by other public body (not include the treasury bills issued by Hungarian state and securities issued by Hungarian National Bank)	1,300	700	-46.2%	1,559	700	-55.1%
aa) held-for-trade	600		-100.0%	600		-100.0%
ab) held as financial fixed assets (for long term investment)	700	700	0.0%	959	700	-27.0%
b) securities issued by other bodies	531,836	539,475	1.4%	31,031	38,149	22.9%
ba) held-for-trade	124,406	2,509	-98.0%	7,362	3,041	-58.7%
bb) held as financial fixed assets (for long term investment)	407,430	536,966	31.8%	23,669	35,108	48.3%
6. Shares and other variable-yield securities	**7,628**	**7,639**	**0.1%**	**12,762**	**9,889**	**-22.5%**
a) shares and participations for trade	90	119	32.2%	94	123	30.9%
b) other variable-yield securities	7,538	7,520	-0.2%	12,668	9,766	-22.9%
ba) held for trade	4	5	25.0%	4,502	1,068	-76.3%
bb) held as financial fixed assets (for long term investment)	7,534	7,515	-0.3%	8,166	8,698	6.5%
7. Shares and participating interest as financial fixed assets	**754**	**999**	**32.5%**	**6,396**	**7,022**	**9.8%**
a) shares and participating interest as financial fixed assets	754	999	32.5%	6,396	7,022	9.8%
From this: – shares and participating interest in credit institutions	1	1	0.0%	345	1	-99.7%
b) revaluation surplus on shares and participating interests						
From this: – revaluation surplus on shares and on participating interests in credit institutions						
8. Shares and participating interest in affiliated undertakings	**100,199**	**108,749**	**8.5%**	**43,663**	**39,658**	**-9.2%**
a) shares and participating interest in affiliated undertakings	100,199	108,749	8.5%	4,926	4,579	-7.0%
From this: – shares and participating interest in credit institutions	72,833	81,112	11.4%			
b) revaluation surplus on shares and participating interests						
From this: – revaluation surplus on shares and on participating interests in credit institutions						
c) capital consolidation difference				38,737	35,079	-9.4%
- from subsidiaries and joint managed companies				38,737	35,079	-9.4%
- from affiliated companies						
9. Intangible assets	**43,961**	**52,231**	**18.8%**	**9,569**	**21,737**	**127.2%**
a) intangible assets	43,961	52,231	18.8%	9,569	21,737	127.2%
b) revaluation surplus on intangible assets						
10. Tangible assets	**63,589**	**69,592**	**9.4%**	**108,698**	**114,206**	**5.1%**
a) tangible assets for financial and investment services	60,450	66,682	10.3%	93,544	101,517	8.5%
aa) land and buildings	40,247	42,966	6.8%	67,897	70,762	4.2%
ab) technical equipment, fittings and vehicles	16,042	18,748	16.9%	19,719	23,950	21.5%
ac) investment	4,159	4,952	19.1%	5,910	6,756	14.3%
ad) advance payments on investment	2	16	700.0%	18	49	172.2%
b) tangible assets not for directly financial and investment services	3,139	2,910	-7.3%	15,037	12,579	-16.3%
ba) land and buildings	2,751	2,312	-16.0%	8,880	8,307	-6.5%
bb) technical equipment, fittings and vehicles	176	214	21.6%	5,680	3,813	-32.9%
bc) investment	212	384	81.1%	476	458	-3.8%
bd) advance payments on investment				1	1	0.0%
c) revaluation surplus on tangible assets				117	110	-6.0%
11. Own shares	**14,328**	**13,808**	**-3.6%**	**25,420**	**25,868**	**1.8%**
12. Other assets	**45,070**	**49,678**	**10.2%**	**39,241**	**77,771**	**98.2%**
a) stocks (inventories)	995	973	-2.2%	12,763	15,603	22.3%
b) other receivables (not from financial and investment securities)	44,075	48,705	10.5%	26,478	62,080	134.5%
c) receivables from income tax due to consolidation (calculates)					88	
13. Prepayments and accrued income	**40,056**	**54,948**	**37.2%**	**39,173**	**49,652**	**26.8%**
a) accrued income	37,630	52,152	38.6%	32,965	41,943	27.2%
b) prepayments	2,426	2,796	15.3%	6,208	7,709	24.2%
c) deffered charges						
TOTAL ASSETS	***2,758,606***	***3,044,545***	***10.4%***	***3,502,663***	***4,185,216***	***19.5%***
From this:						
-CURENT ASSETS	*1,128,176*	*1,140,314*	*1.1%*	*1,349,252*	*1,638,937*	*21.5%*
- FIXED ASSETS	*1,590,374*	*1,849,283*	*16.3%*	*2,114,238*	*2,496,627*	*18.1%*

	31-Dec-03 OTP Bank	31-Dec-04 OTP Bank	Change	31-Dec-03 Consolidated	31-Dec-04 Consolidated	HUF million Change
LIABILITIES						
1. Liabilities to credit institutions	**91,080**	**203,864**	**123.8%**	**126,353**	**254,302**	**101.3%**
a) repayable on demand	5,430	2,596	-52.2%	2,829	3,577	26.4%
b) liabilities from financial services with maturity dates or periods of notice	85,650	201,181	134.9%	123,524	250,638	102.9%
ba) not more than one year	24,738	56,905	130.0%	54,896	85,833	56.4%
bb) more than one year	60,912	144,276	136.9%	68,628	164,805	140.1%
c) liabilities from investment services		87			87	
2. Liabilities to customers	**2,228,287**	**2,313,865**	**3.8%**	**2,697,843**	**2,910,608**	**7.9%**
a) saving deposits	345,772	318,628	-7.9%	442,155	425,509	-3.8%
aa) repayable on demand	46,846	45,818	-2.2%	137,023	146,311	6.8%
ab) maturity not more than one year	298,874	272,765	-8.7%	304,890	278,963	-8.5%
ac) maturity more than one year	52	45	-13.5%	242	235	-2.9%
b) other liabilities from financial services	1,881,637	1,994,619	6.0%	2,254,810	2,484,480	10.2%
ba) repayable on demand	819,959	834,979	1.8%	894,949	961,629	7.5%
bb) maturity not more than one year	1,060,963	1,159,451	9.3%	1,298,772	1,447,653	11.5%
bc) maturity more than one year	715	189	-73.6%	61,089	75,198	23.1%
c) liabilities from investment services	878	618	-29.6%	878	619	-29.5%
ca) liabilities from investment service activities on the on the stock exchange						
cb) liabilities from over-the-counter investment service activities						
cc) liabilities from clients for investment service activities	878	618	-29.6%	878	619	-29.5%
cd) liabilities from clearing houses						
ce) other liabilities from investment services						
3. Liabilities from issued debt securities	**58,130**	**49,756**	**-14.4%**	**136,661**	**326,580**	**139.0%**
a) issued bond	2,101	2,101	0.0%	1,104	1,104	0.0%
aa) maturity not more than one year						
ab) maturity more than one year	2,101	2,101	0.0%	1,104	1,104	0.0%
b) issued other debt securities	238	196	-17.6%	79,766	278,017	248.5%
ba) maturity not more than one year	238	196	-17.6%	10,885	58,777	440.0%
bb) maturity more than one year				68,881	219,240	218.3%
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities	55,791	47,459	-14.9%	55,791	47,459	-14.9%
ca) maturity not more than one year	18,444	15,662	-15.1%	18,444	15,662	-15.1%
cb) maturity more than one year	37,347	31,797	-14.9%	37,347	31,797	-14.9%
4. Other liabilities	**49,879**	**74,396**	**49.2%**	**63,645**	**92,211**	**44.9%**
a) maturity not more than one year	49,879	74,396	49.2%	60,942	90,660	48.8%
b) maturity more than one year				2,530	1,551	-38.7%
c) (Calculated) Corporate tax difference due to consolidation				173		-100.0%
5. Accruals and deferred income	**27,268**	**30,781**	**12.9%**	**37,089**	**57,838**	**55.9%**
a) accrued liabilities	338	241	-28.7%	2,442	9,424	285.9%
b) accrued costs and expenses	24,450	28,823	17.9%	34,607	48,383	39.8%
c) deferred income	2,480	1,717	-30.8%	40	31	-22.5%
6. Provisions	**26,773**	**32,567**	**21.6%**	**116,232**	**135,612**	**16.7%**
a) provisions for pensions and similar obligations	1,546	740	-52.1%	1,546	743	-51.9%
b) risk provision for off-balance sheet items (for pending and future liabilities)	7,294	8,990	23.3%	5,492	5,820	6.0%
c) general risk provision	17,057	21,566	26.4%	20,738	26,634	28.4%
d) other provision	876	1,271	45.1%	88,456	102,415	15.8%
7. Subordinated liabilities	**15,413**	**14,324**	**-7.1%**	**19,720**	**18,617**	**-5.6%**
a) subordinated loan capital	15,413	14,324	-7.1%	15,413	14,324	-7.1%
aa) equity consolidation difference				4,307	4,293	-0.3%
- from subsidiaries and joint management companies				4,307	4,293	-0.3%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives						
c) other subordinated liabilities						
8. Subscribed capital	**28,000**	**28,000**	**0.0%**	**28,000**	**28,000**	**0.0%**
From this: repurchased own shares at face value	1,324	1,010	-23.7%	2,115	1,801	-14.8%
9. Subscribed but unpaid capital (-)						
10. Capital reserves	**52**	**52**	**0.0%**	**52**	**52**	**0.0%**
a) premium (from share issue)						
b) other	52	52	0.0%	52	52	0.0%
11. General reserves	**41,325**	**51,809**	**25.4%**	**41,325**	**51,809**	**25.4%**
12. Retained earnings (accumulated profit reserve) (+)	**130,465**	**177,400**	**36.0%**	**132,733**	**178,946**	**34.8%**
13. Legal reserves	**14,328**	**14,588**	**1.8%**	**14,328**	**14,588**	**1.8%**
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (+)	**47,606**	**53,143**	**11.6%**	**58,101**	**72,823**	**25.3%**
16. Subsidiaries' equity increases/decreases (+-) *				**29,313**	**39,991**	**36.4%**
17. Increases/decreases due to consolidation (+-)				**851**	**2,836**	**233.3%**
- from debt consolidation difference				6,646	6,747	1.5%
- from intermediate result difference				-5,795	-3,911	-32.5%
18. Participation of outside members (other owners)				**417**	**403**	**-3.4%**
19 .Difference from exchange rate						
TOTAL LIABILITIES	***2,758,606***	***3,044,545***	***10.4%***	***3,502,663***	***4,185,216***	***19.5%***
From this:						
- SHORT-TERM LIABILITIES	*2,326,249*	*2,463,473*	*5.9%*	*2,784,681*	*3,089,771*	*11.0%*
- LONG-TERM LIABILITIES	*116,540*	*192,732*	*65.4%*	*259,541*	*512,547*	*97.5%*
- EQUITY (CAPITAL AND RESERVES)	*261,776*	*324,992*	*24.1%*	*305,120*	*389,448*	*27.6%*
* Book value of shares owned by subsidiaries				11,092	12,060	

PK4. Profit and Loss Statement
PROFIT AND LOSS ACCOUNT
(unconsolidated and consolidated, based on HAR) for the 12 months ended December 31, 2004

in HUF million

		2003 OTP Bank	2004 OTP Bank	Change	2003 Consolidated	2004 Consolidated	Change
1.	*Interest received and interest-type income*	*205,634*	*288,185*	*40.1%*	*279,087*	*424,402*	*52.1%*
	a) interest received on securities with fixed-interest signifying a creditor relationship	63,919	82,057	28.4%	79,965	109,156	36.5%
	b) other interest received and interest-type income	141,715	206,128	45.5%	199,122	315,246	58.3%
2.	*Interest paid and interest-type expenses*	*87,452*	*140,199*	*60.3%*	*102,025*	*173,203*	*69.8%*
	Interest difference	**118,182**	**147,986**	**25.2%**	**177,062**	**251,199**	**41.9%**
3.	*Incomes from securities*	*7,691*	*8,500*	*10.5%*	*668*	*572*	*-14.4%*
4.	*Fees and Commission received*	*94,680*	*112,507*	*18.8%*	*73,825*	*85,330*	*15.6%*
	a) revenues from other financial services	87,446	105,411	20.5%	70,427	81,766	16.1%
	b) revenues from investment services (except incomes from trading activities)	7,234	7,096	-1.9%	3,398	3,564	4.9%
5.	*Fees and Commission paid*	*10,872*	*9,656*	*-11.2%*	*15,620*	*16,311*	*4.4%*
	a) expenses on other financial services	10,536	9,335	-11.4%	15,279	15,975	4.6%
	b) expenses on investment services (except expenses from trading activities)	336	321	-4.5%	341	336	-1.5%
6.	*Profit or loss from financial transactions (6/a-6/b+6/c-6/d)*	*-5,194*	*4,868*	*-193.7%*	*-5,854*	*5,665*	*-196.8%*
	a) revenues from other financial services	14,393	12,466	-13.4%	20,872	15,097	-27.7%
	b) expenses on other financial services	19,315	8,833	-54.3%	26,328	10,996	-58.2%
	c) revenues from investment services (revenues from trading activities)	11,961	7,702	-35.6%	11,920	8,181	-31.4%
	From this: - reversal of write-off of trading securities						
	d) expenses on investment services (expenses from trading activities)	12,233	6,467	-47.1%	12,318	6,617	-46.3%
	From this: - write-off of trading securities						
7.	*Other incomes from business*	*475,008*	*229,636*	*-51.7%*	*119,768*	*104,581*	*-12.7%*
	a) incomes from non financial and investment services	8,389	7,841	-6.5%	99,505	96,856	-2.7%
	a1) income of consolidated investment service providers				12,230	10,998	-10.1%
	a2) income of consolidated insurance companies				61,662	60,209	-2.4%
	a3) income of other consolidated companies				25,613	25,649	0.1%
	b) other revenues	466,619	221,795	-52.5%	20,102	7,488	-62.7%
	From this: -reversal of write-off of inventory		32		7	38	
	b1) income of consolidated investment service providers				19,186	5,011	-73.9%
	b2) income of consolidated insurance companies				107	325	203.7%
	b3) income of other consolidated companies				809	2,152	166.0%
	ba) consolidation difference income due to debtor consolidation					9	
	bb) other income due to consolidation				161	228	41.6%
8.	*General administration expenses*	*81,204*	*92,489*	*13.9%*	*94,632*	*117,250*	*23.9%*
	a) personnel expenses	43,820	52,280	19.3%	51,707	65,565	26.8%
	aa) wage costs	25,455	27,850	9.4%	30,849	37,279	20.8%
	ab) other payments to personnel	7,346	9,716	32.3%	8,156	10,819	32.7%
	ac) contributions on wages and salaries	11,019	14,714	33.5%	12,702	17,467	37.5%
	b) other administration expenses	37,384	40,209	7.6%	42,925	51,685	20.4%
9.	*Depreciation and amortization*	*11,913*	*18,072*	*51.7%*	*11,613*	*14,208*	*22.3%*
10.	*Other expenses from business*	*493,849*	*254,757*	*-48.4%*	*132,828*	*134,925*	*1.6%*
	a) expenses from non-financial and investment services	7,049	6,609	-6.2%	52,013	49,895	-4.1%
	a1) expense of consolidated investment service providers				9,803	10,298	5.0%
	a2) expense of consolidated insurance companies				42,184	39,535	-6.3%
	a3) expense of other consolidated companies				26	62	138.5%
	b) other expenses	486,800	248,148	-49.0%	42,422	38,127	-10.1%
	From this: - write-off of inventory	49			49	47	-4.1%
	b1) expense of consolidated investment service providers				40,668	34,643	-14.8%
	b2) expense of consolidated insurance companies				541	686	26.8%
	b3) expense of other consolidated companies				1,213	2,798	130.7%
	ba) consolidation difference expense due to debtor consolidation				11		-100.0%
	bb) other expense due to consolidation				2,378	9,372	294.1%
	c) expense of consolidated investment service providers				36,004	37,531	4.2%
	c1) expense of consolidated insurance companies				15,668	15,902	1.5%
	c2) expense of other consolidated companies				20,336	21,629	6.4%
11.	*Write-off of loans and provision for contingent and future liabilities*	*17,114*	*16,505*	*-3.6%*	*31,417*	*40,974*	*30.4%*
	a) write-off of loans	11,152	11,520	3.3%	27,314	36,969	35.3%
	b) provision for contingent and future liabilities	5,962	4,985	-16.4%	4,103	4,005	-2.4%
12.	*Reversal of write-off of loans and credit for contingent and future liabilities*	*13,895*	*15,481*	*11.4%*	*27,012*	*34,232*	*26.7%*
	a) reversal of write-off of loans	11,394	12,248	7.5%	23,875	30,610	28.2%
	b) credit for contingent and future liabilities	2,501	3,233	29.3%	3,137	3,622	15.5%
12/A.	*Difference between the creation and write-off of general risk provision*	*-2,803*	*-4,509*	*60.9%*	*-3,189*	*-6,177*	*93.7%*
13.	*Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company*	*97*	*2*	*-97.9%*	*183*	*2*	*-98.9%*
14.	*Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company*	*322*	*257*	*-20.2%*	*349*	*84*	*-75.9%*
15.	**Result of ordinary business activities**	**86,732**	**123,245**	**42.1%**	**103,348**	**151,816**	**46.9%**
	Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	*85,392*	*122,013*	*42.9%*	*92,698*	*143,393*	*54.7%*
	- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	*1,340*	*1,232*	*-8.1%*	*10,650*	*8,423*	*-20.9%*
16.	*Extraordinary revenues*	*1,735*	*2,220*	*28.0%*	*141*	*446*	*216.3%*
17.	*Extraordinary expenses*	*1,766*	*1,927*	*9.1%*	*738*	*638*	*-13.6%*
18.	**Extraordinary profit or loss (16-17)**	**-31**	**293**	**-1,045.2%**	**-597**	**-192**	**-67.8%**
19.	**Profit or loss before tax (±15±18)**	**86,701**	**123,538**	**42.5%**	**102,751**	**151,624**	**47.6%**
20.	*Tax liabilities*	*15,139*	*18,706*	*23.6%*	*19,956*	*25,916*	*29.9%*
	a) Tax difference due to consolidation				-227	-261	15.0%
21.	**After-tax profit or loss (±19-20+20/a)**	**71,562**	**104,832**	**46.5%**	**83,022**	**125,969**	**51.7%**
22.	*Formation and utilization of general reserves (±)*	*-7,156*	*-10,484*	*46.5%*	*-8,128*	*-11,944*	*46.9%*
23.	*Use of accumulated profit reserve for dividends and profit-sharings*						
24.	*Dividends and profit-sharings paid (approved)*	*16,800*	*41,205*	*145.3%*	*16,793*	*41,202*	*145.4%*
25.	***Balance-sheet profit or loss figure (±21±22+23-24)***	***47,606***	***53,143***	***11.6%***	***58,101***	***72,823***	***25.3%***

IFRS FINANCIAL REPORTS

Consolidated, IFRS Balance Sheets (in HUF mn)

	Dec 31, 2004	Dec 31, 2003	Change
Cash, due from banks and balances with the National Bank of Hungary	424,993	276,501	53.7%
Placements with other banks, net of allowance for possible placement losses	326,824	252,335	29.5%
Securities held for trading and available-for-sale	361,768	377,016	-4.0%
Loans, net of allowance for possible loan losses	2,506,794	1,982,587	26.4%
Accrued interest receivable	32,767	32,432	1.0%
Equity investments	9,206	5,878	56.6%
Debt securities held-to-maturity	247,259	299,772	-17.5%
Premises, equipment and intangible assets, net	174,777	167,337	4.4%
Other assets	82,242	66,981	22.8%
TOTAL ASSETS	**4,166,630**	**3,460,839**	**20.4%**
Due to banks and deposits from the National Bank of Hungary and other banks	253,782	126,402	100.8%
Deposits from customers	2,902,647	2,689,833	7.9%
Liabilities from issued securities	314,435	124,887	151.8%
Accrued interest payable	27,187	16,395	65.8%
Other liabilities	219,950	175,677	25.2%
Subordinated bonds and loans	14,324	15,413	-7.1%
TOTAL LIABILITIES	**3,732,325**	**3,148,607**	**18.5%**
Share capital	28,000	28,000	0.0%
Reserves	291,681	225,884	29.1%
Retained earnings	140,067	83,336	68.1%
Treasury shares	-25,868	-25,420	1.8%
TOTAL SHAREHOLDERS' EQUITY	**433,880**	**311,800**	**39.2%**
MINORITIES	425	432	-1.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,166,630**	**3,460,839**	**20.4%**

Consolidated, IFRS Statements of Operations (in HUF mn)

for the 12 months ended December 31, 2004 and 2003

	2004	2003	Change
Interest Income:			
Loans	241,527	159,054	51.9%
Placements with other banks	42,948	20,820	106.3%
Due from banks and balances with the National Bank of Hungary	33,372	18,499	80.4%
Securities held for trading and available-for-sale	89,223	56,874	56.9%
Debt securities held-to-maturity	26,995	28,155	-4.1%
Total Interest Income	*434,065*	*283,402*	*53.2%*
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	20,815	18,096	15.0%
Deposits from customers	131,795	81,413	61.9%
Liabilities from issued securities	19,381	7,044	175.1%
Subordinated bonds and loans	943	748	26.1%
Other enterpreneurs	30	5	500.0%
Total Interest Expense	*172,964*	*107,306*	*61.2%*
NET INTEREST INCOME	**261,101**	**176,096**	**48.3%**
Provision for possible loan losses	14,963	10,817	38.3%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**246,138**	**165,279**	**48.9%**
Non-Interest Income:			
Fees and commissions	91,731	81,644	12.4%
Foreign exchange gains and losses, net	1,087	5,167	-79.0%
Gains and losses on securities, net	14,678	-7,591	-293.4%
Gains and losses on real estate transactions, net	1,832	1,473	24.4%
Dividend income	593	437	35.7%
Insurance premiums	49,452	56,269	-12.1%
Other	11,095	12,249	-9.4%
Total Non-Interest Income	*170,468*	*149,648*	*13.9%*
Non-Interest Expenses:			
Fees and commissions	20,542	19,944	3.0%
Personnel expenses	75,936	61,303	23.9%
Depreciation and amortization	29,056	19,793	46.8%
Insurance expenses	40,466	41,825	-3.2%
Other	84,732	69,401	22.1%
Total Non-Interest Expense	*250,732*	*212,266*	*18.1%*
INCOME BEFORE INCOME TAXES	165,874	102,661	61.6%
Income taxes	25,795	19,324	33.5%
INCOME AFTER INCOME TAXES	**140,079**	**83,337**	**68.1%**
Minorities	-12	-1	1100.0%
NET INCOME	**140,067**	**83,336**	**68.1%**

Unconsolidated, IFRS Balance Sheets (in HUF mn)

	Dec 31, 2004	Dec 31, 2003	Change
Cash, due from banks and balances with the National Bank of Hungary	399,126	252,975	57.8%
Placements with other banks, net of allowance for possible placement losses	200,101	165,209	21.1%
Securities held for trading and available-for-sale	342,888	312,395	9.8%
Loans, net of allowance for possible loan losses	1,276,516	1,070,425	19.3%
Accrued interest receivable	41,180	31,792	29.5%
Equity investments	154,298	138,808	11.2%
Debt securities held-to-maturity	507,503	625,309	-18.8%
Premises, equipment and intangible assets, net	96,538	86,400	11.7%
Other assets	36,098	48,315	-25.3%
TOTAL ASSETS	**3,054,248**	**2,731,628**	**11.8%**
Due to banks and deposits from the National Bank of Hungary and other banks	203,777	91,081	123.7%
Deposits from customers	2,340,924	2,264,528	3.4%
Liabilities from issued securities	1,997	2,039	-2.1%
Accrued interest payable	9,414	7,895	19.2%
Other liabilities	94,454	74,496	26.8%
Subordinated bonds and loans	14,324	15,413	-7.1%
TOTAL LIABILITIES	**2,664,890**	**2,455,452**	**8.5%**
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	375,166	262,504	42.9%
Treasury shares	-13,808	-14,328	-3.6%
TOTAL SHAREHOLDERS' EQUITY	**389,358**	**276,176**	**41.0%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,054,248**	**2,731,628**	**11.8%**

Unconsolidated, IFRS Statements of Operations (in HUF mn)

for the 12 months ended December 31, 2004 and 2003

	2004	2003	Change
Interest Income:			
Loans	136,968	103,415	32.4%
Placements with other banks	40,634	20,350	99.7%
interest income without swap	*9,555*	*9,376*	1.9%
results of swaps	*31,079*	*10,974*	183.2%
Due from banks and balances with the National Bank of Hungary	30,872	17,148	80.0%
Securities held for trading and available-for-sale	29,258	19,553	49.6%
Securities held-to-maturity	53,203	43,779	21.5%
Total Interest Income	***290,935***	***204,245***	***42.4%***
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	19,699	16,508	19.3%
interest expenses without swap	*4,401*	*3,360*	*31.0%*
losses of swaps	*15,298*	*13,148*	*16.4%*
Deposits from customers	119,116	75,311	58.2%
Liabilities from issued securities	167	169	-1.2%
Subordinated bonds and loans	870	748	16.3%
Total Interest Expense	***139,852***	***92,736***	***50.8%***
NET INTEREST INCOME	**151,083**	**111,509**	**35.5%**
Provision for possible loan losses	8,809	7,034	25.2%
Provision for possible placement losses	-181	19	-1052.6%
Provision for possible loan and placement losses	***8,628***	***7,053***	***22.3%***
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**142,455**	**104,456**	**36.4%**
Non-Interest Income:			
Fees and commissions	113,299	95,850	18.2%
Foreign exchange gains and losses, net	914	5,903	-84.5%
Losses and gains on securities, net	14,618	-8,909	-264.1%
Losses on real estate transactions, net	-103	-35	194.3%
Dividend income	8,500	7,691	10.5%
Other	2,654	3,266	-18.7%
Total Non-Interest Income	***139,882***	***103,766***	***34.8%***
Non-Interest Expenses:			
Fees and commissions	9,692	11,067	-12.4%
Personnel expenses	51,994	43,555	19.4%
Depreciation and amortization	13,401	12,745	5.1%
Other	58,994	56,327	4.7%
Total Non-Interest Expense	***134,081***	***123,694***	***8.4%***
INCOME BEFORE INCOME TAXES	**148,256**	**84,528**	**75.4%**
Income taxes	20,754	14,387	44.3%
NET INCOME AFTER INCOME TAXES	**127,502**	**70,141**	**81.8%**

Reconciliation of Financial Statements prepared under Hungarian Accounting Standards and Financial Statements prepared under IFRS (in HUF mn)

	Retained Earnings and Reserves January 1, 2004	Income for the period ended Dec 31, 2004	Dividend	Direct Movement on Reserves	Retained Earnings and reserves Dec 31, 2004
Hungarian financial statements	**233,776**	**104,832**	**-41,205**	**-411**	**296,992**
Adjustments to Hungarian financial statements:					
Reversal of statutory general provision	17,056	4,509	-	-	21,565
Premium and discount amortization on investment securities	-348	-361	-	-	-709
Allowance for possible loan losses	-1,340	-	-	-	-1,340
Allowance for possible losses on off-balance sheet commitments and contingent liabilities	-76	76	-	-	0
Increase of investment in subsidiaries	1,012	55	-	-	1,067
Difference in accounting for finance leases	-465	129	-	-	-336
Fair value adjustment of held for trading and available-for-sale financial assets (IFRS 39)	-4,973	14,609	-	-	9,636
Fair value adjustment of derivative financial instruments (IFRS 39)	2,189	-1,738	-	-	451
Profit/loss on sale of Treasury Shares	0	-1,960	-	1,960	0
Correction of business/company value	685	7,663	-	-	8,348
Correction of investment in foreign currencies to cost	-2,124	2,164	-	-	40
Correction of company value due to transformation	-295	27	-	-	-268
Correction due to repo	48	-69	-	-	-21
Expenses charged directly to equity	0	-411	-	411	0
Deferred taxation	559	-2,023	-	-	-1,464
Dividend payable for the year 2003 decided at the AGM	16,800	-	-16,800	-	0
Dividend payable for the year 2004 accounted in the Hungarian report	-	-	41,205	-	41,205
International financial statements	**262,504**	**127,502**	**-16,800**	**1,960**	**375,166**

Volume (qty) of treasury shares held in the year under review

	January 1	March 31	June 30	September 31	December 31
Company	13,238,640	13,118,660	10,987,437	10,947,666	10,097,014
Subsidiaries	7,914,020	7,914,020	7,914,020	7,914,020	7,914,020
TOTAL	21,152,660	21,032,680	18,901,457	18,861,686	18,011,034

Changes in the headcount (number of persons) employed by the

	End of reference period	Current period opening	Current period closing
Company	7,980	7,980	7,777
Group	16,992	16,992	16,797

Senior officers, strategic employees and their shareholding of OTP shares

December 31, 2004

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi	Chairman and CEO	2,174,945
IT	Dr. Zoltán Spéder	Deputy Chairman and Deputy CEO	1,608,400
IT	Mihály Baumstark	member	90,000
IT	Dr. Tibor Bíró	member	20,000
IT	Péter Braun	member	651,905
IT	Dr. István Kocsis	member	43,500
IT	Csaba Lantos	member, Deputy CEO	229,900
IT	Géza Lenk	member, Deputy CEO	101,027
IT	Dr. Antal Pongrácz	member, Deputy CEO	182,000
IT	Dr. László Utassy	member	19,680
IT	Dr. József Vörös	member	90,000
FB	Dr. Tibor Tolnay	Chairman	80,000
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member	0
FB	Dr. Gábor Nagy	member	140,000
FB	Dr. Sándor Pintér	member	0
FB	Klára Vécsei	member	32,000
SP	Gyula Pap	Deputy CEO	271,820
SP	László Wolf	Deputy CEO	710,380
Total:			6,455,557

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)

Ownership structure of OTP Bank Ltd.

Description of owner	Total equity					
	01-Jan-03			31-Dec-04		
	%[2]	%[3]	Qty	%[2]	%[3]	Qty
Domestic institution/company	5.8%	9.5%	16,337,210	2.4%	4.1%	6,614,671
Foreign institution/company	78.8%	79.1%	220,713,596	83.9%	84.7%	234,842,980
Domestic individual	2.7%	4.4%	7,606,994	1.6%	2.8%	4,523,382
Foreign individual	0.0%	0.0%	46,404	0.0%	0.0%	53,576
Employees, senior officers	2.9%	4.7%	8,127,462	3.3%	5.7%	9,204,247
Treasury shares	7.6%	0.0%	21,152,660	6.4%	0.0%	18,011,034
Government held owner [4]	0.1%	0.2%	415,675	0.4%	0.7%	1,150,111
International Development Institutions [5]	2.0%	2.0%	5,600,000	2.0%	2.0%	5,600,000
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	100.0%	100.0%	280,000,001	100.0%	100.0%	280,000,001

[1] If the listed series corresponds to total equity, it shall be indicated and there is no need to fill in that part of the table. If several series are listed on the BSE, please indicate the ownership structure for each.
[2] Ownership ratio
[3] Voting rights regarding the participation in decision making at the issuer's General Meeting. If the ownership ratio and the voting right are identical, only the column for the ownership ratio should be filled in and submitted(published) along with mentioning that the two are the same.
[4] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies etc.
[5] E.g..: EBRD, EIB, etc.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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