OTP Bank Rt.

First 9 Months 2004
Stock Exchange Report

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

Budapest, November 10, 2004

OTP Bank's first 9 months 2004 Stock Exchange Report contains the HAR and IFRS (former IAS) non consolidated and consolidated balance sheet and profit and loss account for the 9 months ending September 30, 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 9M 2004 in the report are non-audited.

HIGHLIGHTS

CONSOLIDATED

HAR

Total assets for the group were HUF3,895,810 million on September 30, 2004, which represented a year-on-year growth of 28.8%, and it was 34.8% higher than total assets of the Bank on September 30, 2004.

OTP Group's consolidated pre-tax profits were HUF120,839 million, an increase of 44.9% over 9M 2003 and 17.1% higher than the figure of the Bank. OTP Group's consolidated after-tax profits were HUF100,752 million for the first 9 months of 2004, an increase of 48.5% over 2003, and 14.6% higher than the figure of the Bank. Consolidated ROA was 3.63% (3.14% in 9M 2003) and consolidated ROE was 39.6% (34.0% in 9M 2003).

IFRS

Total assets for the group were HUF3,863,801 million on September 30, 2004, which represented a year-on-year growth of 28.7%, and it was 34.2% higher than total assets of the Bank on September 30, 2004.

OTP Group's consolidated net profit was HUF108.362 million for the first 9 months of 2004, increase of 55.8% over 9M 2003, and 10.0% higher than the figure of the Bank. Consolidated ROA was 3.95% (3.24% in 9M 2003) and consolidated ROE was 40.5% (35.7% in 9M 2003).

HAR			Financial highlights	IFRS		
9M 2003	9M 2004	Change	Consolidated	9M 2003	9M 2004	Change
3,038.0	3,895.8	28.2%	Total assets (HUF bn)	3,001.4	3,863.8	28.7%
1,714.2	2,384.3	39.1%	Total loans and advances (HUF bn)	1,666.2	2,371.6	42.3%
2,247.8	2,724.8	21.2%	Total deposits (HUF bn)	2,249.1	2,723.9	21.1%
76.3%	87.5%	11.2%	Loan/deposit ratio	74.1%	87.1%	13.0%
294.4	373.9	27.0%	Shareholders' equity (HUF bn)	296.1	401.2	35.5%
10.3	10.4	1.0%	Balance sheet gearing	10.1	9.6	-5.0%
44.2%	36.8%	-7.3%	Share of non interest income in total income	48.8%	39.4%	-9.4%
59.5%	51.9%	-7.7%	Cost to income ratio	62.2%	55.5%	-6.7%
83.4	120.8	44.9%	Pre-tax profits (HUF bn)	84.9	128.1	50.8%
67.9	100.8	48.5%	After tax profits (HUF bn)	69.5	108.4	55.8%
263	387	47.0%	EPS undiluted (HUF)	266	416	56.2%
242	360	48.5%	EPS fully diluted (HUF)	266	414	55.9%
3.14%	3.63%	0.50%	Return on Assets	3.24%	3.95%	0.71%
34.0%	39.6%	5.5%	Return on Equity	35.7%	40.5%	4.8%
29.3%	32.6%	3.2%	Real Return on Equity	31.0%	33.5%	2.5%
2,886.0	3,699.2	28.2%	Average assets (HUF bn)	2,859.0	3,662.3	28.1%
123.8	185.1	49.5%	Net interest income (HUF bn)	120.6	194.5	61.3%
5.72%	6.67%	0.95%	Net interest margin	5.49%	6.66%	1.17%

BANK

HAR

For the first 9 months of 2004 OTP Bank's HAR pre-tax profits were HUF103,154 million, 37.7% higher than in 2003. OTP Bank's HAR after-tax profits for the first 9 months of 2004 were HUF87,923 million, HUF25,479 million or 40.8% higher than in 2003.

Over the 12 months period ending September 30, 2004, total Bank assets grew to HUF2,889,896 million or by 9.6%, and this figure is 4.8% higher than 3 months earlier.

IFRS

Over the 12 months period ending September 30, 2004, total IFRS Bank assets grew to HUF2,879,033 million or by 10.0%.

OTP Bank's IFRS after-tax profits for the first 9 months of 2004 were HUF98,489 million, HUF34,342 million or 53.5% higher than in 9M 2003.

HAR			Financial highlights	IFRS		
9M 2003	9M 2004	Change	Bank	9M 2003	9M 2004	Change
2,635.9	2,889.9	9.6%	Total assets (HUF bn)	2,617.0	2,879.0	10.0%
1,024.6	1,195.1	16.6%	Total loans and advances (HUF bn)	1,038.6	1,206.5	16.2%
2,061.5	2,189.4	6.2%	Total deposits (HUF bn)	2,119.8	2,209.7	4.2%
49.7%	54.6%	4.9%	Loan/deposit ratio	49.0%	54.6%	5.6%
256.8	318.5	24.0%	Shareholders' equity (HUF bn)	269.6	359.4	33.3%
10.3	9.1	-11.6%	Balance sheet gearing	9.7	8.0	-17.5%
41.6%	43.1%	1.5%	Share of non interest income in total income	52.1%	47.5%	-4.6%
50.0%	42.2%	-7.8%	Cost to income ratio	51.3%	42.9%	-8.4%
74.9	103.2	37.7%	Pre-tax profits (HUF bn)	76.7	113.8	48.4%
62.4	87.9	40.8%	After tax profits (HUF bn)	64.1	98.5	53.5%
235	328	39.5%	EPS undiluted (HUF)	239	367	53.5%
223	314	40.8%	EPS fully diluted (HUF)	238	365	53.4%
3.31%	4.15%	0.84%	Return on Assets	3.42%	4.68%	1.26%
36.0%	40.4%	4.4%	Return on Equity	36.2%	41.3%	5.1%
31.3%	33.4%	2.1%	Real Return on Equity	31.5%	34.3%	2.9%
2,511.1	2,751.3	9.6%	Average assets (HUF bn)	2,503.5	2,805.3	12.1%
86.7	110.0	26.9%	Net interest income (HUF bn)	80.1	114.6	43.0%
4.60%	5.33%	0.73%	Net interest margin	4.11%	5.11%	1.00%

NON AUDITED CONSOLIDATED HAR FIGURES AS OF SEPTEMBER 30, 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.

9M 2003 and 9M 2004 consolidated data of the OTP Group in HUF million:

	Shareholders' Equity		Total assets		Pre-tax profits	
	30-Sept-03	30-Sept-04	30-Sept-03	30-Sept-04	9M 2003	9M 2004
OTP Bank Ltd.	**256,795**	**318,505**	**2,635,873**	**2,889,896**	**74,905**	**103,154**
Subsidiaries total	106,091	181,622	1,060,072	1,850,356	16,295	29,275
Total (non consolidated)	362,886	500,127	3,695,945	4,740,252	91,200	132,429
Consolidated	**294,443**	**373,915**	**3,037,955**	**3,895,810**	**83,378**	**120,839**

Compared to the same period of the previous year, the circle of fully consolidated subsidiaries has changed, since starting 4Q 2003 the Bulgarian bank DSK Bank EAD and its 3 subsidiaries (DSK Rodina AD, DSK Trans Security EOOD and DSK Tours EOOD) and the company NIMO 2002 Ltd. (member of the Merkantil Group) are consolidated. Since 3Q2004 the Romanian ROBANK S.A. and OTP Card Manufactoring is also consolidated.

In preparing the Stock Exchange Report of September 30, 2004, the bank applied the following methodology:
Fully consolidated subsidiaries 25

Equity consolidated companies	17	
of which		
- daughter companies	17	
- mutually managed companies		--
- associated companies		--

CONSOLIDATED BALANCE SHEET

Total assets of the group as at September 30, 2004 were HUF3,895.8 billion, 34.8% higher than total assets of the Bank. Preliminary market share of the OTP Banking Group based on aggregate balance sheet is;

	Sep 30, 2003		June 30, 2004		Sep 30, 2004t	
	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%	25.3%	23.7%

The consolidated balance sheet total for the Group increased by HUF857.9 billion or 28.2% from a year earlier. Compared to September 30, 2003, excluding the consolidation steps, the HUF269.1 billion growth of OTP Mortgage Bank's balance sheet total and the newly consolidated DSK Group (HUF369.7 billion) was the largest contributor. Due to its booming finance leasing business and foreign currency denominated loans, Merkantil-Car's assets rose by HUF44.3 billion. OTP Banka Slovensko's (OBS) total assets, expressed in HUF, grew by HUF52.6 billion. Balance sheet total of OTP-Garancia Insurance Ltd. increased by HUF13.0 billion. RoBank is consolidated with total assets of HUF41.4 billion.

The change in the consolidated balance sheet on the asset side was the result of the increase of the current assets (HUF249.3 billion), the growth of the invested assets (HUF600 billion).

In the consolidated balance sheet as of September 30, 2004, the proportion of the current assets is 37.3% and invested assets are 61.4%. A year ago, these values were 39.7% and 59.0%, respectively.

In the consolidated report, the increase of current assets was a result of the increase of cash (HUF108 billion), short term receivables (HUF135 billion). Within the 44.2% increase of consolidated cash and balances with banks, the most significant amounts were the HUF82.2 billion expansion of the balances with NBH at OTP Bank.

The 0.8% increase in consolidated volume of trading securities was mostly caused by the HUF13.6 billion fall in government securities, at OTP Bank. The securities portfolio grew at OTP Building Society by HUF5 billion; and newly consolidated volume at DSK group stood at HUF16.1 billion. Of the HUF25.4 billion volume of own shares, OTP Bank holds 54% according to the book value, while the rest is owned by three subsidiaries.

In the consolidated balance sheet of September 30, 2004, the volume of short-term receivables increased by HUF135 billion compared to 2003. Receivables from customers rose by HUF144.4 billion (35.4%) while other receivables grew by HUF5.3 billion (12%), receivables from credit institutions declined by HUF14.7 billion (5.9%).

On September 30, 2004 within the consolidated loan portfolio of HUF2,437.7 billion the corporate customers represented 35.4% (HUF864 billion); retail clients 60.9% (HUF1,483.6 billion) and municipality loans 3.7% (HUF90.1 billion). 16.5% of all loans (HUF402.4 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.

In spite of the 5.8% growth since June 30, 2004, the quality of the loan portfolio on a consolidated basis remained the same. In the loan portfolio, the no-problem loans grew by 5.2% and represented 86.6% (87.1% on June 30, 2004) while 9.1% (8.3% on June 30, 2004) belongs to the to-be-monitored category, the volume of which grew by 15.2%. From the HUF106 billion problem loans representing 4.3% (4.5% on June 30, 2004), HUF26.2 billion is below-average, HUF23.2 is doubtful and HUF56.6 billion is qualified as bad. Consolidated provisions created on HUF327.4 billion qualified loans was HUF81.8 billion, which meant 25.0% coverage ratio. 15.4% of qualified and 14.1% of problem loans was on the books of foreign subsidiaries (12.9% and 15.3% at the end of June 2004).

Based on aggregate volumes of the domestic Group members, part of the Hungarian banking system, the group's estimated market share at the end of September 2004 was

	Sep 30, 2003		June 30, 2004		Sep 30, 2004t	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Loans	20.6%	19.7%	21.0%	20.0%	21.1%	20.1%
Retail loans	47.5%	41.5%	47.5%	41.7%	46.7%	41.2%
Housing loans	57.4%	52.7%	56.1%	52.0%	54.7%	50.8%
HUF	58.1%	53.4%	57.8%	53.4%	57.7%	53.3%
FX	0.0%	0.0%	0.1%	0.1%	2.7%	2.7%
Consumer loans	32.9%	26.9%	33.0%	27.2%	33.9%	28.4%
Corporate loans	12.3%	12.0%	12.2%	11.8%	12.1%	11.8%
Municipal loans	56.9%	55.5%	56.9%	55.5%	53.9%	52.4%

The change of the consolidated receivables from credit institutions reflects the decrease at OTP Bank that is moderated by the consolidation of DSK and 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 (HUF76.2 billion) and RoBank (HUF14.2 billion). Besides sizeable growth was generated at OBS (HUF13.6 billion), OTP Mortgage Bank (HUF27.2 billion).

Compared to September 30, 2003, the volume of investments was 33.4% higher in the consolidated balance sheet.

The receivables from customers maturing over a year grew by HUF525.7 billion, the change was influenced considerably by the OTP Bank (HUF138.9 billion), by OTP Mortgage Bank (HUF223.3 billion) and the consolidation of DSK (HUF163.6 billion).

Consolidated value of tangible assets increased by HUF27.3 billion as mainly the result of the HUF7.5 billion growth at OTP Bank, the consolidation of DSK (HUF17.3 billion) and NIMO 2002.

On the liability side, the increase of the consolidated balance sheet total compared to the previous period was the result of HUF741 billion increase of liabilities, HUF14.4 billion increase in provisions, HUF79.6 billion increase of shareholders' equity, and HUF23 billion increase in accrued liabilities.

Within liabilities, short-term liabilities increased by 21.8% (HUF513.4 billion) and long-term liabilities by 102.4% (HUF227.6 billion).

Growth of short term liabilities to customers was caused mainly by DSK and subsidiaries (HUF314.2 billion) and the change in OTP Bank's deposits volume (HUF87.5 billion) and the growth of deposits at OBS (HUF40.2 billion) and consolidation of RoBank (HUF32.1 billion). Short term liabilities to customers grew by HUF470.5 billion.

The change in long-term liabilities was due to a larger increase at OTP Bank (HUF90.4 billion), Merkantil Car (HUF42.7 billion) and at OTP Mortgage Bank (HUF259.7 billion), which was decreased by impact of HUF147.9 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 82% as at September 30, 2004 and 87% as at September 30, 2003.

On September 30, 2004 within the consolidated deposits of HUF2,741.1 billion (increase of 5.3% since June 30, 2004) the corporate customers represented 16.7% (HUF456.7 billion; a growth of 8.7% in 3Q); retail clients 76.4% (HUF2,095.3 billion and increase of 2.2% in 3Q) and municipality deposits 6.9% (HUF189.2 billion; a jump of 42.7% in 3Q - due partially to seasonality reasons). 16.7% of all deposits (15.6% on June 30, 2004) were carried on the books of the foreign subsidiaries of OTP Bank.

Based on aggregate volumes of the domestic Group members, part of the Hungarian banking system, the group's estimated market share at the end of September 2004 was

	Sep 30, 2003		June 30, 2004		Sep 30, 2004t	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Deposits	32.1%	28.9%	30.1%	27.0%	30.3%	27.2%
Retail deposits	45.2%	38.2%	42.9%	36.1%	42.6%	35.9%
HUF	47.2%	38.8%	44.0%	36.2%	43.7%	36.0%
FX	35.7%	35.7%	36.3%	36.3%	36.1%	36.1%
Sight	50.3%	46.0%	52.9%	48.6%	49.8%	45.9%
Term	35.4%	33.3%	33.0%	30.4%	34.9%	32.0%
Corporate deposits	14.0%	13.6%	12.4%	11.9%	12.6%	12.1%
Municipal deposits	79.3%	75.2%	65.9%	61.6%	70.4%	66.5%

Liability side provisions rose by HUF14.4 billion from September 30, 2003. The growth came from the following sources: provisions for pensions and severance payments HUF0.8 billion, general risk provisions by HUF7.3 billion and other provisions increased by HUF8 billion. Within the latter, HUF12 billion growth in reserves of OTP-Garancia Insurance were important. Provisions on contingent liabilities declined by HUF1.7 billion

Consolidated shareholders' equity was HUF373.9 billion (27% growth) at the end of September 2004 representing 9.6% of balance sheet total compared to 9.7% in 2003.

CONSOLIDATED RESULTS

Consolidated *pre-tax profit* for first 9 months 2004 was HUF120.8 billion, 44.9% higher than same period in 2003 and 17.1% higher than pre-tax profit of the parent company.

Consolidated *after-tax profit* for first 9 months 2004 was HUF100.8 billion, 48.5% higher than consolidated after-tax profit for the first 9 months of 2003 and 14.6% higher than after-tax profit of the parent company.

Consolidated *after tax earnings per share* calculated for first 9 months 2004 were HUF387 undiluted, whereas diluted EPS was HUF360. US dollar equivalents were USD1.87 and USD1.74 respectively, based on the National Bank's average middle exchange rate between January 1, and September 30, 2004 (i.e. 206.87 HUF/USD).

Consolidated net interest income for first 9 months 2004, reached HUF185.1 billion, 49.5% higher than in 2003 and 68.2% more than at the Bank. This can be explained mainly by interest income of OTP Mortgage Bank from retail business and securities, the interest income of credit and leasing receivables of Merkantil Group, the successful operation of OBS, and the consolidation of DSK Bank.

Consolidated interest income was 61% higher and expenses grew by 81.5% compared to first 9 months 2003.

Within consolidated interest income of HUF310.6 billion, retail accounts hold the biggest part (HUF111.7 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 (HUF49.1 billion) and interest income growth from securities (HUF25.7 billion) made the largest contribution.

Within interest expenses of HUF125.5 billion, the interests paid on retail deposits represented the largest part (HUF73.1 billion) and also represented bulk of the increase (HUF31.2 billion)

Consolidated non-interest income increased by 10.2%. Within this, consolidated net fees and commissions grew by 9.4% which is lower that at the parent bank, due to deconsolidation of commissions from the Mortgage Bank to OTP. Despite strong performance in 2Q, insurance income declined by 8.5% from HUF45.4 billion in first 9 months 2003 to HUF41.5 billion in first 9 months 2004. Compared to 9M 2003 both income from security trading (HUF4.3 billion) and from FX transactions (HUF3.7 billion) increased due to different interest and exchange rate environment.

Consolidated total income amounted to HUF293 billion in first 9 months 2004, a 32.1% increase year on year.

The year-on-year growth in non interest expenses was 15.1%. Within this, personnel expenses rose by 29.3% to HUF51.6 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 21.0%. Insurance expenses were 9.8% lower, depreciation 14.5% higher than in 2003. Due to consolidation of DSK Bank, purchased at a premium, goodwill depreciation increased from 9M 2003.

The consolidated cost/income ratio improved from 59.5% in 9M 2003 to 51.9% in the first 9 months of 2004.

Consolidated operating income was HUF141 billion, 57.2% higher than a year earlier; provisioning and loan losses were by HUF14.5 billion (108.4% increase). In the first 9 months 2004 provisioning and loan losses represented 10.3% of the operating income; in 2003 these were 7.7%.

Consolidated annualized ROAA in first 9 months of 2004 reached 3.63% (3.14% in 9M 2003). Meantime consolidated ROAE was 39.6% (34.0% in 9M 2003), that, based on an average annualized inflation of 7.0% in first 9 months 2004, means a 32.6% real ROAE (29.3% in 9M 2003).

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

Below we summarize and present the major performance data for 3Q 2004 and compare it to the performance of the bank during the previous quarters:

Balance Sheet

Financial highlights Non-Consolidated HAR (HUF bn)	Sept 30, 2003	June 30,2004	Sept. 30, 2004	September 30, 2004/ Sept 30, 2003	Sept 30, 2003
Total assets	2,635.9	2,758.2	2,889.9	9.6%	4.8%
Average assets	2,595.5	2,722.1	2,755.3	6.2%	1.2%
Total loans and advances	1,024.6	1,136.5	1,195.1	16.6%	5.2%
Corporate loans	634.1	715.5	744.7	17.5%	4.1%
Municipal loans	67.6	89.2	88.5	31.0%	-0.8%
Housing loans	194.7	168.3	169.9	-12.7%	1.0%
Consumer loans	128.1	163.4	192.0	49.8%	17.5%
Retail loans	322.9	331.8	361.9	12.1%	9.1%
Total deposits	2,061.5	2,104.3	2,189.4	6.2%	4.0%
Corporate deposits	375.5	347.7	359.3	-4.3%	3.4%
Municipal deposits	158.2	111.2	159.9	1.1%	43.9%
Retail deposits	1,527.8	1,645.4	1,670.2	9.3%	1.5%
Loan/deposit ratio	49.7%	54.0%	54.6%	4.9%	0.6%
Shareholders' equity	256.8	299.6	318.5	24.0%	6.3%
Balance sheet gearing	10.3	9.2	9.1	-11.6%	-1.4%

Total assets of the Bank increased by HUF131.7 billion (4.8%) during third quarter 2004. This rate was 4.5% during the third quarter of 2003.

Among the assets the 15.4% increase in cash (HUF44.1 bn) and 2.6% decline (HUF8.7 bn) in government securities were noticeable. Loans to credit institutions increased by 11.5%.

Customer receivables grew by HUF58.7 billion or 5.2% mainly due to the 4.1% growth of loans to corporate customers and the 9.1% growth of retail loans. Within this the volume of consumer loans grew considerably, volume of housing loans remained at the same level. On September 30, 2004 municipal loans were 0.8% lower than on June 30, 2004.

Liabilities to credit institutions increased by 5.6%, within this liabilities at sight were 32.8% or HUF2.2 billion higher, liabilities with defined maturity increased by HUF7.0 billion or 4.4%. Liabilities to customers increased by 4.0% or by HUF85.1 billion, within this retail deposits increased by HUF24.7 billion, corporate deposits by HUF11.7 billion and municipal deposits by HUF48.8 billion compared to June 30, 2004. After having generated the dividend base for the period, the Bank's shareholders' equity increased by HUF18.9 billion or 6.3% since June 30, 2004.

Profit and Loss account

Non-consolidated HAR (HUF million)	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %
Total interest income	51,907	72,364	70,868	-2.1%	36.5%
Total interest expense	21,947	34,491	33,077	-4.1%	50.7%
Net interest income	29,960	37,873	37,791	-0.2%	26.1%
Non interest income	19,812	26,938	29,253	8.6%	47.7%
Share of non interest income in total income	39.8%	41.6%	43.6%	2.1%	3.8%
Total income	49,772	64,811	67,044	3.4%	34.7%
Operating costs	24,343	29,046	27,460	-5.5%	12.8%
Operating income	25,429	35,765	39,584	10.7%	55.7%
Dividend received	437	8,075	425	-94.7%	-2.7%
Diminution in value, provisions and loan losses	-779	4,450	3,087	-30.6%	-
Accounting for acquisition goodwill	190	-1,802	-1,982	10.0%	-
Pre-tax profits	26,835	37,588	34,940	-7.0%	30.2%
After tax profits	22,121	32,847	29,412	-10.5%	33.0%
EPS undiluted (HUF)	83	122	109	-10.7%	31.5%
EPS fully diluted (HUF)	79	117	105	-10.5%	33.0%
Cost to income ratio	48.9%	44.8%	41.0%	-3.9%	-8.0%
Return on Assets (ROA)	3.43%	4.74%	4.17%	-0.6%	0.7%
Return on Equity (ROE)	35.7%	45.6%	38.1%	-7.5%	2.3%

Net interest margin	4.62%	5.57%	5.49%	-0.08%	0.87%

In the third quarter of 2004 the net interest income reached HUF37,791 million, which was 26.1% higher than a year earlier and 0.2% lower than in the second quarter of 2004. Compared to the third quarter of 2003 interest income grew by 36.5% and interest expenses by 50.7%. Compared to the second quarter of 2004 interest income decreased by 2.1% and interest expenses decreased by 4.1%, which was caused not only by the change in the structure but also by the decline of the rate level.

In the third quarter of 2004, yield on average interest earning assets represented 11.61% rate and interest paid on interest bearing liabilities represented 5.70% rate. The interest spread between average interest bearing liabilities and interest earning assets was 5.92% 84 bps higher than a year earlier. Average assets were 6.2% higher than a year earlier, average yield on assets increased by 229 bps to 10.29%; and average cost of funds grew by 145 bps to 4.83%. Interest margin over total average assets was 5.49% an increase of 87 bps from a year earlier and was 8 bps lower than in the second quarter of 2004.

Non-interest income grew by 47.7% to HUF29,253 million, increased by 8.6% compared to the second quarter of 2004. Net fees and commissions were 25.9% higher than in third quarter 2003, and 11.1% higher than in the second quarter of 2004. The Bank earned HUF439 million on securities trading in the third quarter of 2004. Within this the profit on trading activities was HUF259 million, the profit on exchange rate was HUF171 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 43.6%, which was 39.8% in the same period of 2003. Total income of the Bank grew by 34.7% to HUF67,044 million compared to the third quarter of 2003.

The overall quality of the loan portfolio slightly deteriorated in the **third quarter of 2004**. Qualified portion of total receivables represented 5.6%, on September 30, 2004 while it was 5.2% on June 30, 2003. This is due to the fact that while increase in total loans was 5.5% in 3Q 2004 and no-problem loans grew by 5.0%, qualified loans increased by 13.7% to HUF76.6 billion. Problem loans (which do not include to-be-monitored loans) increased by HUF43 million or by 0.1% in the third quarter. The ratio of non performing loans was 2.9% compared to the 3.0% in the second quarter of 2004.

	2Q 2004		3Q 2004		change		
	HUF million	Proportion	HUF million	Proportion	HUF million	%	Proportion
Total receivables	1,299,757	100.0%	1,370,947	100.0%	71,190	5.5%	0.0%
No problem loans	1,232,401	94.8%	1,294,363	94.4%	61,962	5.0%	-0.4%
Total qualified	67,356	5.2%	76,584	5.6%	9,228	13.7%	0.4%
To-be-monitored loans	27,718	2.1%	36,903	2.7%	9,185	33.1%	0.6%
Non-performing loans	39,638	3.0%	39,681	2.9%	43	0.1%	-0.2%
Below average	15,971	1.2%	14,852	1.1%	-1,119	-7.0%	-0.1%
Doubtful	15,874	1.2%	16,464	1.2%	590	3.7%	0.0%
Bad	7,793	0.6%	8,365	0.6%	572	7.3%	0.0%

HUF million	2Q 2004	3Q 2004	Q-o-Q %
Total qualified	67,356	76,584	13.7%
Provision	21,499	22,369	4.0%
Coverage (%)	31.9%	29.2%	-2.7%

Within total qualified loans, to-be-monitored loans grew by 33.1% or HUF9,185 million, volume of bad loans by 7.3% or by HUF572 million. Doubtful loans increased by 3.7% or HUF590 million, below-average loans were by 7.0% or HUF1,119 million lower than on June 30, 2004. During the third quarter, within total receivables, customer receivables increased by 4.6%.

In the corporate business there was a 3.3% increase in receivables during the third quarter, while the qualified volume was 5.8% higher and within this to-be-monitored loans grew by HUF7,098 million or by 28.8%, from which the most considerable was the classifying of a loan because of prudential requirements. In the retail business, receivables increased by 9.5%, qualified receivables by 48.8% to HUF18.7 billion. Receivables raised in all of the four qualified categories. To-be-monitored loans increased by 71.0% or HUF2.1 billion, below average loans by 104.5% or HUF1.1 billion, doubtful loans by 76.4% or HUF2.4 billion and bad loans grew by 8.4% or by HUF0.4 billion. The growth of the to-be-monitored loans is explained by the rapid volume increase of consumer loans with higher risk. In the municipality business, receivables were lower by 1.2% and the qualified receivables were lower by HUF37 million compared to June 30, 2004. The volume of qualified loans to credit institutions decreased by HUF5 million.

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

	Total receivables	Performing loans	To-be-monitored	Below-average	Doubtful	Bad	Total qualified
Corporate	3.3%	3.1%	28.8%	-15.1%	-14.6%	5.6%	5.8%
Retail	9.5%	7.9%	71.0%	104.5%	76.4%	8.4%	48.8%
Municipal	-1.2%	-1.2%	-	-	22.4%	0.0%	-33.9%

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 September 30, 2004 HUF41.3 billion loans were in delay, of which HUF11.4 billion were more than 30 days overdue. In connection with the increase in overdue volumes the Bank wrote back HUF388 million new provisions in 3Q 2004. Such method of provisioning shall be continued in future quarters. On September 30, 2004 from the total volume of HUF746.8 billion loans to the amount of 5.53% were qualified, compared to 4.21% on September 30, 2003 and 6.29% on June 30, 2004.

Third quarter 2004 pre-tax profits for the Bank were the result of HUF39,584 million operating income, HUF3,087 million provisioning and loan losses, HUF-1,982 million accounting for acquisition goodwill, and HUF425 million dividend income. Compared to the same period in 2003 this represented a 55.7% increase in operating income, HUF3.8 billion higher provisioning and 2.7% lower dividend income.

OTP Bank's pre-tax profit for the third quarter of 2004 was HUF34,940 million, a 30.2% increase from third quarter of 2003, and 7.0% less than in the second quarter of 2004. After tax profit of the bank in the third quarter 2004 was HUF29,412 million, a 33.0% increase compared to the third quarter 2003, and by 10.5% lower than in the second quarter 2004. (Not counting the dividend income, pre-tax profit of the bank was HUF34,515 million, after tax profit was HUF28,987 million in the third quarter 2004. These show 30.7% and 33.7% increase from the third quarter of 2003 and 16.9% and 17.0% growth compared to the second quarter of 2004.)

Undiluted earning per share (EPS) for the period was HUF109.33, and diluted was HUF105.04. US dollar equivalents are USD0.53 and USD0.51 respectively, based on the central banks average middle exchange rate between June 30 and September 30, 2004 (206.87 HUF/USD). (Not counting the dividend income undiluted EPS was HUF107.75 and diluted EPS HUF103.52 or USD0.52 and USD0.50 in the third quarter of 2004.)

Annualized return on average assets for the period was 4.17%, on average equity 38.1%, 73 bps and 233 bps higher than for the same period in 2003, and 58 bps and 749 bps lower than in the second quarter of 2004. (Not counting the dividend income average ROA was 4.11% and ROE 37.5% in the third quarter of 2004, 74 bps and 249 bps higher than in the third quarter of 2003 and 53 bps and 316 bps higher than in the second quarter of 2004.)

MAJOR NON-CONSOLIDATED HAR FIGURES FOR THE FIRST 9 MONTHS OF 2004

OTP Bank's **pre-tax profit** for the first 9 months of 2004 was HUF103,154 million, a 37.7% increase from a year earlier. This profit was obtained as a result of HUF111,773 million **operating income**, HUF11,533 million of diminution in value and provisions, HUF-5,586 million acquisition goodwill and HUF8,500 million dividend income. Compared to the base period, this represents 50.7% increase in operating income, 53.7% higher diminution in value and provisioning expenses and dividend income grew by 10.5%. The acquisition goodwill (OBS, DSK, Robank) was HUF6.2 billion higher compared to 9M 2003 (OBS).

After tax profit was HUF87,923 million, HUF25,479 million, or 40.8% higher than in 9M 2003. (Not counting the dividend income, pre-tax profit of the bank was HUF94,654 million, after tax profit was HUF79,423 million, 40.8% and 45.1% higher than in the first 9 months of 2003.)

After having generated the HUF8,793 million of general reserves and the dividend fund for the period, representing 34.9% payout ratio (estimated at HUF146 per share for the full year), the Bank's retained earnings for the first 9 months of 2004 were HUF48,470 million, an increase of 9.6% over the year earlier.

Earnings per share for the period were HUF328.06 undiluted, HUF314.01 diluted, which is 39.5% and 40.8% higher than for 9M 2003. US dollar equivalents are USD 1.59 and USD1.52 respectively, 52.6% and 54.1% higher than in 9M 2003, based on the central banks average middle exchange rate between December 31, 2003 and September 30, 2004 (206.87 HUF/USD). (Not counting the dividend income the undiluted EPS was HUF296.34, diluted EPS was HUF283.65 (43.7% and 45.1% increase year-on-year), and USD1.43 and USD1.37.)

Annualized return on average equity (ROE) for the first 9 months of 2004 was 40.4%, on average assets (ROA) 4.15% (36.0% and 3.31% resp. in 2003). Non consolidated real ROE (ROE less inflation) reached 33.4% - 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 36.5%, ROE was 3.75% for the first 9 months of 2004, were 494 bps and 84 bps higher than in the first 9 months of 2003.)

NET INTEREST INCOME

The bank's net interest income for the first 9 months of 2004 was HUF110 billion, 26.9% higher than in 2003. The net interest income was a result of HUF213.4 billion interest income (45.2% increase) and HUF103.4 billion interest expenses (71.5% increase).

Interest earned on interbank accounts was 88.9% higher due to the decline of the average placement and the increase of the inter-bank interest rate level. In interbank interest incomes HUF19.8 billion FX and interest swap income was accounted compared to the HUF6.9 billion income in the first 9 months of 2003. Income from securities increased by 38.4% accompanied by the increase of their average volumes and of the yields compared to 2003. OTP Bank's portfolio of almost HUF518 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 4.0% increase in average volume and with the increase in rates, interest income from retail accounts grew by 27.9%. The interest income increased by 44.0% in corporate lending and by 30.0% in municipal lending, meanwhile the interest level grew and the growth in volume was 18.7% in corporate business and the decline in municipal volume was 17.0%. 21.6% of interest income was earned on retail accounts and 21.2% on corporate accounts and 29.3% on securities.

The volume of customer liabilities is growing, interest expenses increased by 68.7% on retail accounts in line with the increase in the interest rate level and the liability structure, and increased by 68.8% on corporate and by 102.3% on municipal accounts. Interest paid on interbank accounts grew both in HUF and in foreign exchange. The growth was caused, in HUF, by the HUF8 billion loss on interest swap deals and, in foreign currency, by the interest expenses of the syndicated loans. Interest expenses on securities fell by 41.5%. Share of interest paid on retail accounts was 64.1% 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 HUF10.5 billion, HUF8 billion higher than in 9M 2003), and improved the net interest margin by 76 bps. The profit of the swaps charged in HUF was HUF9.1 billion, charged in FX was HUF1.2 billion while interest swaps increased the net interest income by HUF139 million.

Changes in average volume of customer receivables, customer liabilities, of interest income and expense and yield compared to 9M 2003:

	Average volume	Interest income/expense	Yield (bps)
Customer receivables	+10.0%	+218	+34.9%
Total assets	+9.6%	+254	+45.2%
Customer liabilities	+5.4%	+212	+71.2%
Total liabilities	+9.5%	+181	+71.5%

In the first 9 months of 2004, yield on average interest earning assets represented 11.66% rate and interest paid on interest bearing liabilities represented 5.91% rate. The interest spread between average interest bearing liabilities and interest earning assets was 5.75% 74 bps higher than a year earlier. Average assets were 9.6% higher than a year earlier. Interest margin over total average assets was 5.33% an increase of 73 bps from a year earlier.

QUALITY OF LOAN PORTFOLIO, PROVISIONS

Compared to September 30, 2003, total receivables increased by 6.7% (customer receivables by 16.7%), total qualified outstanding was 51.8% higher (increase in customer qualified receivables reached 51.9%), thus portion of qualified receivables changed from 3.9% to 5.6% over September 30, 2003. Problem loans increased from HUF35.9 billion as on September 30, 2003 to HUF39.7 billion or by 10.6%, mainly due to the HUF1,645 million increase in below average corporate loans, to the HUF1,127 million growth of below average and the HUF2,935 million growth of doubtful retail loans and the decrease of doubtful corporate loans (by HUF3,721 million). For HUF76.6 billion of qualified outstanding, total provisions created were HUF22.4 billion resulting, in harmony with the structural change of the qualified portfolio, in a falling coverage ratio to 29.2% (35.9% at the end of September 2003). Provisions created on HUF39.7 billion problem loans was HUF19.4 billion, which means 49.0% coverage ratio (47.6% at the end of September 2003).

	September 30, 2004		September 30, 2003		Change		
	HUF mn	Distribution	HUF mn	Distribution	HUF mn	%	Distribution
Total receivables	1,370,947	100.0%	1,284,623	100.0%	86,324	6.7%	0.0%
No problem loans	1,294,363	94.4%	1,234,159	96.1%	60,204	4.9%	-1.7%
To-be-monitored loans	36,903	2.7%	14,587	1.1%	22,316	153.0%	1.6%
Below average	14,852	1.1%	12,080	0.9%	2,772	22.9%	0.1%
Doubtful	16,464	1.2%	17,317	1.3%	-853	-4.9%	-0.1%
Bad	8,365	0.6%	6,481	0.5%	1,884	29.1%	0.1%
Total qualified	76,584	5.6%	50,465	3.9%	26,119	51.8%	1.7%
Provision	22,369		18,102		4,267	23.6%	
Coverage (%)	29.2%		35.9%			-6.7%	
NPL	39,681	2.9%	35,878	2.8%	3,803	10.6%	0.1%
Provision	19,424	1.4%	17,070	1.3%	2,354	13.8%	0.1%
Coverage (%)	49.0%		47.6%			1.4%	

Since September 30, 2003, the share of the corporate business in the qualified portfolio declined from 76.6% to 75.3%, and, parallel with this, the proportion of retail business line in the qualified portfolio grew from 23.1% to 24.4%. At the same time 60.3% of the provisions were generated in the corporate and 38.8% in the retail business.

The breakdown of receivables, qualified loans and provisions by businesses were at September 30, 2004 and 2003 as below:

September 30, 2004	Retail	Corporate	Interbank	Municipal
Total	26.8%	54.8%	10.5%	8.0%
No problem	26.9%	53.6%	11.1%	8.5%
Qualified	24.4%	75.3%	0.2%	0.1%
Provisions	38.8%	60.3%	0.8%	0.2%

September 30, 2003	Retail	Corporate	Interbank	Municipal
Total	31.0%	60.2%	22.2%	8.8%
No problem	31.4%	59.4%	23.3%	9.2%
Qualified	23.1%	76.6%	0.3%	0.3%
Provisions	36.6%	63.0%	1.0%	0.4%

The provisioning and loan losses on customer receivables for the first 9 months of 2004 were HUF8,320 million (an increase of 36.8% from a year earlier).

The HUF6.6 billion loan loss provisioning represented 0.78% (annualized) of the average customer receivables (HUF1,141.1 billion) compared to 0.65% for 9M 2003.

Provisions/loan losses in HUF millions:

HUF million	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %	9M 2003	9M 2004	9M 2004 Y-o-Y %
Provision/depreciation and loan losses	-779	4,450	3,087	-30.6%	-496.3%	7,505	11,533	53.7%
HAR mandatory	2,412	3,082	2,064	-33.0%	-14.4%	6,082	8,320	36.8%
From this provision on loans at OTP Mortgage Bank with repurchase guarantee	1,000	1,083	-388			1,000	1,684	68.4%
General risk provision	312	1,696	991	-41.6%	217.6%	1,886	3,017	60.0%
Provision on uncovered derivative positions (without options)	-1,079	-146	64	-	-	29	548	1789.7%
Provision on option deals	-2,150	0	0		-	5	0	-
Provision for early retirements and severance payments	-307	-67	-32	-52.2%	-89.6%	-527	-237	-55.0%
Other provision	33	-115	0	-	-	30	-115	-483.3%

NON-INTEREST INCOME

During the first 9 months of 2004 non-interest income was 34.8% higher than in 9M 2003, and reached HUF83,222 million. Net fees and commissions represented HUF76,283 million, a 23.7% increase (fees and commissions received increased by 21.3% or HUF14,591 million, fees and commissions paid were 0.6% or HUF44 million lower).

The fees on loans grew by 40.6% to HUF34.0 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, HUF29.8 billion fee income is mortgage-related, from this HUF27.1 billion (HUF17.2 billion in 9M 2003) is from OTP Mortgage Bank, from which the transfer fee for the loan sold was almost HUF16.0 billion (HUF7.8 billion in 9M 2003). The fees from the card business were 29.1% higher than in 2003 and was more than HUF19.8 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 14.2% to HUF7.9 billion. Deposit business fee income increased by 10.5% to HUF4.5 billion, mainly due to the growth of corporate account fees. Securities transaction fees grew by 1.0% to HUF5.9 billion partly because of the fees connected with funds managed by OTP Fund Management Ltd. and of the agent fees from Government Debt Management Agency Ltd.

Net result on securities trading in the first 9 months of 2004 was HUF1,729 million compared to HUF150 million profit in 9M 2003. In 9M 2004 the Bank realized HUF71 million profit from the Hungarian Government Bonds compared to the loss of HUF316 million a year earlier. From this, HUF287 million came from the trading activities and HUF216 million loss from realized and accrued depreciation of premium on government bonds purchased above face value. The Bank realized HUF428 million profits on the Treasury Bills HUF236 million higher than in the first 9 months of 2003. From the mortgage bonds the profit was HUF264 million, HUF109 million more than in 9M 2003. All in all, the Bank posted HUF915 million profits on shares and stakes, and around HUF669 million profits on trading activities. Meanwhile accrued HUF145 million premiums on the portfolio.

Foreign exchange profits totalled at HUF3,963 million for the first 9 months of 2004, in 9M 2003 the earning was HUF2,302 million. The result on the revaluation of the asset-liability items were HUF5,389 million higher reaching HUF1,881 million. The Bank held a significantly larger long average FX position in its balance sheet (HUF144.2 billion average volume in 9M 2004, HUF51.9 billion in 9M 2003). The overall net FX open position was also higher, it reached HUF17.1 billion average, compared to HUF15.7 billion averages in 9M 2003.

Losses on real estate transactions were HUF93 million compared to the HUF7 million profit in the first 9 months of 2003.

Other non interest income of HUF1,340 million was 40.2% lower than in 9M 2003. From this, income of the mortgage loans sold to OTP Mortgage Bank was HUF347 million in 9M 2004.

Non-interest income represented 43.1% of total income, 1.5%-point higher than a year earlier.

Total income for the Bank reached HUF193,240 million, a 30.2% increase; well above the inflation.

NON-INTEREST EXPENSES

During the first 9 months of year 2004, non-interest expenses reached HUF81,467 million, 9.7% higher than a year earlier and below the growth rate of the income.

Personnel expenses were 20.1% higher than in 9M 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 18.0% of total income compared to 19.5% during 9M 2003. Depreciation was HUF6,980 million, HUF806 million or 10.4% lower than a year ago reflecting the impact of the outsourced IT equipments.

The other non-interest expenses were by 5.8% or HUF2,181 million higher than a year earlier. Within these, the most important items are the material type of costs that grew by HUF2,900 million or by 11.6%. The material costs increased by HUF475 million, technical equipments service fees grew by HUF525 million and fees paid for domestic other services increased by HUF413 million, fees paid for domestic specialist by HUF355 million. Fees paid for foreign specialist declined by 32.4% or by HUF108 million. Other rental expenses grew by 11.8% to HUF3,389 million, real estate rental fees decreased by 9.9% to HUF1,307 million. Local taxes increased by 18.4% to HUF4.1 billion, value added tax on the result was HUF795 million, 19.1% lower than a year earlier. Advertising expenses grew in line with the competition and activities by 3.4% year to year.

The Bank's cost/income ratio for the first 9 months of 2004 was 42.2%, 780 bps lower than in 9M 2003, and lower than the projected figure for the year.

NON-CONSOLIDATED HAR BALANCE SHEET AS AT SEPTEMBER 30, 2004

OTP Bank's total assets as at September 30, 2004 were HUF2,889,896 million, 9.6% 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:

	Sep 30, 2003		June 30, 2004		Sep 30, 2004t	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Total assets	21.0%	19.6%	19.0%	17.8%	19.1%	17.9%

Since September 30, 2003 within banking assets, cash and banks increased by 39.2% driven by the increase of short-term HUF placements with NBH by 103.3%, and the growth of HUF cash by 24.5%, and by the decrease of account balance with NBH by 11.2% and of foreign currencies by 6.8%.

The volume of government securities on September 30, 2004 was HUF325.9 billion, 18.8% lower than a year earlier. Trading securities decreased by HUF13.6 billion, or 10.9% to HUF110.5 billion, investment securities fell by HUF61.6 billion or 22.3% to HUF215.4 billion. From the above-mentioned, the HUF58.2 billion decrease in the Hungarian Government Bonds was sizeable.

The volume of the interbank placements decreased by 38.5% since the September 30, 2003 and represented 5.0% of total assets. Within this decrease, FX deposits with foreign banks represented the most significant part.

Within total assets, **receivables from customers** represented 41.4% (38.9% on September 30, 2003), and were HUF1,195.1 billion, which was 16.7% higher than a year earlier. Within the commercial loan portfolio, in the last 12 months, retail lending grew by 12.1%, corporate lending by 17.5%. Loans to municipalities increased by 31.0%. In the loan portfolio, the share of retail loans was 30.3% corporate loans represented 62.3% and municipal loans 7.4%.

Within **corporate lending** reaching HUF744.7 billion by the end of September 2004, loans extended to economic entities was 10.8% higher than a year earlier reaching HUF563.8 billion. Loans for investment purposes fell by 21.9% to HUF57.9 billion, the share of investment loans changed to 10.3%. Current asset financing loans fell by 16.1% and represented a 15.7% proportion in loans to economic entities. Foreign currency loans grew by 34.1% to HUF235.3 billion and represented 41.7% of total compared to 34.5% a year earlier. Overdrafts increased by 3.6% to HUF54.0 billion during the past 12 months. Loans granted to other financial agents grew by 56.5% to HUF128.3 billion from HUF82.0 billion as it was at the end of September 2003. Loans granted to small businesses and individual entrepreneurs increased by 61.9% or by HUF11.3 billion, the share of loans to small and individual businesses within the corporate loan portfolio was 4.0%, compared to the 2.9% share a year earlier.

Retail loans increased by 12.1% to HUF361.9 billion from a year earlier. Within this, the volume of housing loans declined by 12.7% to HUF169.9 billion. The volume of in July introduced FX housing loans exceeded HUF2.4 billion at the end of September 2004. The volume of mortgage loans remaining with the Bank (Forrás loans and 2003 and 2004 condition loans) amounted to HUF57.5 billion on September 30, 2004. The volume of 2000 condition loans decreased by 14.3% to HUF62.2 billion during 12 months to September 2004. Old loans continued to decline, all in all, to HUF29.8 billion. The granted building society loans grew from HUF7.0 billion on September 30, 2003 to HUF18.0 billion on September 30, 2004. Volume of mortgage-based home equity loans fell by 27.2% to HUF24.9 billion over last 12 months.

Consumer loans were 77.9% higher and reached HUF167.0 billion at the end of September 2004. Within consumer loans current account related loans decreased by 0.7% reaching HUF90.7 billion. Loans financing consumer purchases increased from HUF1.7 billion to HUF5.9 billion, personal loans – due to the in the spring introduced new product – increased vigorously from HUF7.8 million a year earlier to HUF56.6 billion at the end of September 2004. Volume of lombard loans grew from HUF0.2 billion as on September 30, 2003 to HUF10.2 billion as on September 30, 2004.

The volume of **municipal loans** increased further and reached HUF88.5 billion from HUF67.6 billion. Loans to budgetary organizations decreased to HUF17.4 billion by the end of September 2004.

At the end of September 2004 the **market share** of the Bank **in lending** are:

	Sep 30, 2003		June 30, 2004		Sep 30, 2004t	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Loans	13.7%	13.0%	12.7%	12.1%	12.9%	12.3%
Retail loans	18.1%	15.8%	14.9%	13.1%	15.2%	13.4%
Housing loans	16.1%	14.8%	10.7%	9.9%	10.2%	9.4%
HUF	16.3%	15.0%	11.0%	10.2%	10.6%	9.8%
FX	0.0%	0.0%	0.1%	0.1%	2.7%	2.7%
Consumer loans	25.1%	20.5%	26.8%	22.2%	28.6%	24.0%
Corporate loans	11.9%	11.6%	11.9%	11.5%	11.8%	11.5%
Municipal loans	56.8%	55.4%	56.9%	55.5%	53.9%	52.3%

Based on preliminary data, on September 30, 2004 the market share of the Bank was 12.9% in overall lending (13.7% on September 30, 2003), and it granted 15.2% (18.1%) of household, 11.8% (11.9%) of corporate and 53.9% (56.8%) of municipal loans. The bank's market share in housing lending was 10.2% (16.1%) and in consumer lending (includes mortgage-based home equity loans too) 28.6% (25.1%).

On September 30, 2004, **customer deposits** represented 75.8% of the Bank's liabilities. Their volume was HUF127.9 billion or 6.2% higher than a year earlier and reached HUF2,189.4 billion. The increase in retail business was HUF142.3 billion, in municipal business was HUF1.7 billion, deposits in corporate business fell by HUF16.1 billion.

Volume of **retail deposits** increased by 9.3% to HUF1,670.2 billion during 12 months, their share within customer deposits represented 76.3%. HUF retail deposits increased by HUF161.0 billion or by 12.6%, while FX deposits expressed in HUF declined by HUF18.6 billion or by 7.4%.

Within HUF deposits, passbook deposits decreased by 11.3%. Current account deposits, the leading retail product of the Bank increased significantly - in line with the business policy announced by the management - from HUF872.0 billion to HUF1,072.0 billion or by 22.9% and their share in retail deposits grew from 68.4% to 74.6%.

Volume of **corporate deposits** decreased by 4.3% to HUF359.3 billion from a year earlier. Deposits of legal entities decreased by 10.3% in HUF and grew by 55.9% in foreign currencies. HUF deposits of small businesses and individual entrepreneurs declined by 19.7%, and grew by 241.3% in foreign currency deposits.

Municipal deposits increased by 1.1% and were HUF159.9 billion on September 30, 2004.

At the end of September 2004 the **market share** of the Bank **in deposits** are:

	Sep 30, 2003		June 30, 2004		Sep 30, 2004t	
	In Bank system	In Credit institutions	In Bank system	In Credit institutions	In Bank system	In Credit institutions
Deposits	30.8%	27.8%	28.8%	25.8%	29.0%	26.0%
Retail deposits	42.7%	36.1%	40.6%	34.1%	40.3%	34.0%
HUF	44.2%	36.3%	41.3%	34.0%	41.0%	33.8%
FX	35.7%	35.7%	36.3%	36.3%	36.1%	36.1%
Sight	50.1%	45.8%	52.7%	48.4%	49.7%	45.8%
Term	35.2%	33.1%	32.8%	30.3%	34.8%	31.8%
Corporate deposits	13.9%	13.5%	12.2%	11.8%	12.4%	12.0%
Municipal deposits	79.3%	75.2%	65.9%	61.6%	70.4%	66.5%

On September 30, 2004 the market share of the Bank was 29.0% in total deposits with banks (30.8% at the end of September 2003).

Within the Bank's liabilities the volume of provisions grew from HUF25.6 billion at the end of September 2003 to HUF32.2 billion on September 30, 2004.

SHAREHOLDERS' EQUITY

Shareholders' equity of OTP Bank on September 30, 2004 reached HUF318.5 billion, an increase of 24.0% compared to the same period a year ago. The increase of HUF61.7 billion was a result of an additional HUF9.7 billion in general reserves, as well as a HUF48.5 billion increase in retained earnings, a HUF0.8 billion decrease in fixed reserves and a HUF4.2 billion growth in net profits. Non-audited book value of 1 share on September 30, 2004 was HUF1,138.

On September 30, 2004, the HAR **guarantee capital** of the Bank stood at HUF173,521 million (HUF192,846 million including after tax profits for the period).

With HUF1,605.9 billion risk weighted assets (a 23.8% growth compared to September 30, 2003) the **capital adequacy ratio** - calculated according to Hungarian regulations with "intra-year method" (but it includes the results of the first half of 2004) - was 10.81% as at September 30, 2004 (12.01% 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 3,014 thousand at the end of September 2004. In September 2004 2,165 thousand salary and pension transfers have been sent to the accounts. The number of **bank cards** issued connected to retail accounts exceeded 3.3 million on September 30, 2004, compared to 3.0 million (7.7% growth) at the end of September 2003. Within this number, the identification cards issued for current account owners was 153 thousand, the number credit cards was 282 thousand on September 30, 2004. Including corporate and FX based cards, the total number of cards issued approached 3,721 thousand, an increase of 6.5% over 2003. The Bank's estimated market share of cards issued was almost 60%.

The number of the Bank's **ATMs** expanded from 1,285 a year earlier to 1,368, 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 50.2 million in 9M 2004, while the turnover of these transactions was HUF1,303.0 billion, an increase of 5.3% and 13.3%, resp. over 9M 2003. The number of **POS terminals** on September 30, 2004 stood at 21,296, 1,378 more than one year earlier. Out of them 2,875 were operating in the Bank's branches and 13,382 at commercial establishments, which include gas stations as well. The number of withdrawal transactions on the Bank's own POS network was 4.6 million, the turnover was HUF754.9 billion. The number of purchases on POS terminals at merchants was 37.7 million (23.0% increase) valuing HUF305.4 billion (25.5% increase). The number of client terminals operating through telephone lines reached 12,625 on September 30, 2004. At the end of September 2004 the number of contracted customers for the telephone banking service surpassed 610,000, for mobile banking service 251,000 and for internet banking service 306,000. The number of transactions arranged through the electronic distribution network of the Bank in 9M 2004 was 97.9 million valuing HUF2,553.5 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 8,120 persons on September 30, 2004, 2.2% or 181 persons lower than at the end of September 2003 and 1.2% or 96 persons higher than at the end of June 2004. In the third quarter of 2004 the staff in the branch network increased by 24 persons owing to the filling of the vacancies. In the Headquarters the staff increased by 72 persons.

Number of OTP Bank's staff[1]	September 30, 2003	December 31, 2003	September 30, 2004	Change Over September 30, 2003
Employees at the end of period	8,301	7,894	8,120	-2.2%

[1] 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 9 months ending on September 30, 2004 (in HUF millions):

	9M 2003	9M 2004	Change
Merkantil Bank Ltd.	*1,898*	*2,390*	*25.9%*
Merkantil-Car Ltd.	*998*	*1,247*	*24.9%*
Merkantil Bérlet Ltd.	*110*	*311*	*182.7%*
NIMO 2002 Ltd.	*--*	*4*	*--*
Merkantil Group	3,006	3,952	31.5%
OTP Building Society Ltd.	372	630	69.4%
OTP Mortgage Bank Ltd.	6,041	9,023	49.4%
DSK Bank EAD	--	*8,379*	--
DSK subsidiaries	--	*-117*	--
DSK Group[2]	--	8,262	--
OTP Banka Slovensko a. s.[3]	-96	574	--
OTP-Garancia Insurance Ltd.	1,561	2,734	75.1%
OTP Fund Management Ltd.	3,169	2,308	-27.2%
HIF Ltd.	179	127	-29.1%
OTP Real Estate Ltd.	999	616	-38.3%
OTP Factoring Ltd.	*439*	*582*	*32.6%*
OTP Factoring Real Estate Ltd.	*39*	*2*	*-94.9%*
OTP Factoring Group	478	584	22.2%
Bank Center No. I. Ltd.	65	123	89.2%
OTP Fund Servicing and Consulting Ltd.	210	98	-53.3%
OTP Mérleg Ltd.	70	24	-65.7%
Inga Ltd.'s	78	108	38.5%
Concordia Info Ltd.	163	55	-66.3%
OTP Card Manufacturing Ltd.	--	57	--
Subsidiaries total	**16,295**	**29,275**	**79.7%**

The aggregated balance sheet total of **Merkantil Group** reached HUF189.3 billion on September 30, 2004. Pre-tax profit of the Group reached close to HUF4 billion; an increase of 31.5% over 9M 2003. Members of the Group have financed 45,356 car purchases during 9M 2004 (an increase of 4,943 contracts over 9M 2003) at HUF71.4 billion value (a 32.2% increase), of which 8,146 were bank loans at Merkantil Bank, 36,944 were FX loans; 92 financial leases at Merkantil Car and 124 operating leases at Merkantil Bérlet. HUF denominated new loans represented 18% of total during 9M 2004.

On September 30, ***Merkantil Bank Ltd.*** had total assets over HUF60.9 billion and 9M 2004 pre-tax profits of HUF2,390 million. Net interest income for the first 9 months 2004 reached HUF5 billion. Cost income ratio fell to 50.1% from 47.2% a year earlier. ROA reached 4.46% while ROE was 25.5% (both annualised).

Within total assets car loans represented 68.3%, dealer financing 17.2%. Outstanding balances of car loans reached HUF41.6 billion. On the liability side Stabil and Mobil CDs represented HUF37.6 billion. Equity of the Bank grew by 17.1% to HUF12.2 billion.

Main financial data of Merkantil Bank:

HUF Million	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %	9M 2003	9M 2004	9M 2004 Y-o-Y %
Total interest income	2,604	2,615	2,426	-7.2%	-6.8%	7,145	7,786	9.0%
Total interest expense	702	966	860	-11.0%	22.6%	2,053	2,789	35.8%
Net interest income	1,902	1,649	1,566	-5.1%	-17.7%	5,091	4,998	-1.8%
Net fees and commissions	-671	-265	-235	-11.5%	-65.0%	-1,438	-801	-44.3%
Non interest income	-5	7	-18	-360.1%	278.9%	-533	-302	-43.4%
Total income	1,897	1,656	1,548	-6.5%	-18.4%	4,558	4,696	3.0%

[2] Pre-tax profits of DSK Group, consisting of DSK Bank, POK DSK-Rodina, DSK Trans Security EOOD and DSK Tours EOOD were for 9M 2004 according to Bulgarian GAAP HUF8,174 million.

[3] Pre-tax profit of OBS according to Slovakian GAAP for first 9 months 2004 reached HUF830 million and HUF83 in 9M 2003.

Non interest expense	718	823	791	-3.8%	10.2%	2,151	2,355	9.4%
Cost/income ratio	37.8%	49.7%	51.1%	1.4%	13.3%	47.2%	50.1%	2.9%
Operating income	1,180	833	757	-9.2%	-35.9%	2,406	2,341	-2.7%
Diminution in value, provisions and loan losses	392	102	54	-46.9%	-86.2%	531	302	-43.2%
Income before income taxes	787	1,082	702	-35.1%	-10.8%	1,898	2,390	26.0%
After tax profits	761	1,008	618	-38.6%	-18.8%	1,705	2,135	25.2%
Average balance sheet	65,638	62,302	62,030	-0.4%	-3.7%	63,642	63,844	0.3%
Average equity	10,205	11,264	11,930	5.9%	9.1%	9,583	11,180	16.7%
ROAA	4.64%	6.47%	3.99%	-2.48%	-0.14%	3.57%	4.46%	0.89%
ROAE	29.8%	35.8%	20.7%	-15.1%	-4.3%	23.7%	25.5%	1.7%

Capital adequacy under HAR reached 16.7%, compared to 15.5% at the end of 2003.

Total assets of ***Merkantil Car*** were above HUF124 billion at the end of September 2004 and increase of 37% year-to-date, of which FX financial leasing of cars was HUF9.4 billion (decline of 50%), FX car loans HUF106.2 billion (up 63%) and leasing of equipment remained 6.7 billion. Net interest income was HUF7.7 billion an increase of 36.9% over 2003. Cost/income ratio was 36.6% compared to 37.8% in 2003. Pre-tax profit of the period reached HUF1,247 million. In the 9 months to September 30, 2004 the company's shareholders' equity rose by 56.4% to HUF2.2 billion.

OTP Building Society granted 2,762 loans until September 30, 2004, the volume of the loans issued in 2004 amounted to HUF1,650 million. The volume of customer deposits was more than HUF55.2 billion on September 30, 2004.

Total assets surpassed HUF61 billion. Net interest income was over HUF2,714 million. Cost income ratio reached 59.6%. The company generated close to HUF630 million pre-tax profits.

On September 30, 2004 ***OTP Mortgage Bank's*** receivables from customers were HUF744.3 billion purchased totally from OTP Bank's loan portfolio. The number of loans was close to 172 thousand, of which more than 116 thousand was below HUF 5 million each. Meanwhile, by September 30, 2004, the face value of the Bank's issued mortgage bonds reached HUF728 billion, of which HUF597 billion were purchased by the parent bank.

Total assets of OTP MB were over HUF811.6 billion and its pre-tax profit reached HUF9.0 billion, a 49.4% increase. Net interest income was over HUF27.3 billion, producing net interest margin of 4.84% (during first 9 months 2003 it was 7.23%). Part of the decline was for accounting reasons. In 2004 the bank books HUF10.2 billion account management fees paid to the parent Bank as interest expense. Under 2003 accounting, NIM would have been 6.64% in 9M 2004 a decline of 59 bp. Yield of loans was over 15.3%, but funding cost increased from 7.8% to 11.2% due to higher interest rate environment. During 9M 2004 Mortgage Bank paid fees and commissions and cost remuneration to the parent bank to the tune of HUF28.1 billion, an increase of 97.5% over 9M 2003. Cost/income ratio was 23.1% (27.2% in 9M 2003), capital adequacy was maintained at 9.4%. For the first 9 months of 2004 annualized ROA was 1.34% (1.31% in 2003), nominal ROE reached 32.8% (37.2% in 2003) while real ROE stayed at 25.8%.

Loan volume at the bank grew by HUF29.2 billion during 3Q 2004 of which HUF7.1 billion carried both asset and liability side subsidies, while HUF22.1 billion was the liability subsidized new volume. The volume of loans on it book issued based on post December 22, 2003 conditions reached HUF30.4 billion.

It market share among the mortgage banks based on bonds issued reached 63.1%.

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

	Sept 30, 2003	June 30, 2004	Sept 30, 2004	Q-o-Q	Y-o-Y
TOTAL ASSETS	542,538	791,206	811,615	2.6%	49.6%
Customer receivables	493,764	715,083	744,255	4.1%	50.7%
Retail	493,764	715,083	744,255	4.1%	50.7%
TOTAL LIABILITIES	542,538	791,206	811,615	2.6%	49.6%
Securities	488,500	713,261	727,942	2.1%	49.0%
Shareholders' Equity	20,607	32,034	34,996	9.2%	69.8%
Capital adequacy	8.40%	9.93%	9.40%	-0.53%	1.00%
Guarantee capital	18,190	28,618	28,605	0.0%	57.3%
Risk weighted assets	215,932	288,147	304,107	5.5%	40.8%

Selected financial data of OTP Mortgage Bank in HUF millions

	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %	9M 2003	9M 2004	9M 2004 Y-o-Y %
Net interest income	8,664.7	8,991.9	10,629.1	18.2%	22.7%	20,495.7	27,320.4	33.3%
Non interest income	-5,506.1	-4,522.1	-5,935.8	31.3%	7.8%	-12,199.6	-15,591.3	27.8%
Total income	3,158.6	4,469.9	4,693.4	5.0%	48.6%	8,296.1	11,729.1	41.4%
Personnel expenses	89.5	110.4	271.0	145.5%	203.0%	308.3	521.1	69.0%
Depreciation	5.6	16.0	20.8	29.8%	269.5%	14.4	52.0	261.0%
Other non interest expenses	533.8	817.6	755.8	-7.6%	41.6%	1,932.7	2,133.0	10.4%
Non interest expenses	628.9	944.0	1,047.6	11.0%	66.6%	2,255.4	2,706.1	20.0%
Cost/income ratio	19.9%	21.1%	22.3%	1.2%	2.4%	27.2%	23.1%	-4.1%
Pre-tax profit	2,529.8	3,525.9	3,645.8	3.4%	44.1%	6,040.7	9,023.0	49.4%
After-tax profit	2,074.4	2,961.7	3,062.4	3.4%	47.6%	4,953.4	7,579.3	53.0%
ROA	1.69%	1.56%	1.54%	-1.28%	-8.88%	1.75%	1.34%	-0.41%
ROE	43.5%	38.5%	36.6%	-4.9%	-15.9%	50.5%	32.8%	-17.7%

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 September 2004 the market share of DSK by total assets stood at 13.5%. The Bank managed for 3.7 million clients 6.3 million retail and 286 thousand corporate accounts.

During 3Q 2004 DSK realized HUF8.1 billion interest income and HUF1.5 billion interest expenses, resulting in net interest income of HUF6.6 billion resulting in an interest margin (according to HAR) of 8.19% (6.40% in 2003). Pre-tax profit for the same period reached HUF2.6 billion.

On September 30, 2004 total assets of DSK reached HUF368.1 billion, of which 65.1% or HUF239.8 billion were customer receivables.

Following are the main data of DSK for the first 9 months 2004 under HAR (in HUF million):

	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	9M 2004
Total interest income	7,396.8	8,070.5	9.1%	22,168.1
Total interest expense	1,401.1	1,511.4	7.9%	4,438.8
Net interest income	5,995.7	6,559.1	9.4%	17,729.3
Net fees and commissions	1,642.2	1,817.2	10.7%	4,823.7
Non interest income	2,153.0	2,011.7	-6.6%	5,784.7
Share of non interest income in total income	26.4%	23.5%	2.9%	24.6%
Total income	8,148.7	8,570.8	5.2%	23,514.0
Personnel expenses	1,707.0	1,606.3	-5.9%	4,631.4
Depreciation	899.7	909.5	1.1%	2,640.2
Other non interest expenses	1,695.6	2,787.9	64.4%	6,192.3
Non interest expense	4,302.3	5,303.7	23.3%	13,463.9
Cost/income ratio	52.8%	61.9%	9.1%	57.3%
Operating income	3,846.4	3,267.2	-15.1%	10,050.1
Diminution in value, provisions and loan losses	897.4	664.8	-25.9%	1,787.5
Pre-tax profits	2,949.0	2,602.4	-11.8%	8,262.5
After tax profits	2,256.5	2,253.5	-0.1%	6,582.0

On September 30, 2004 IFRS total assets of DSK were 9.5% higher than at the end of June 2004 and 23.5% above the figure of September 30, 2003. Net loans were 15.7% and 66.9% higher resp. Loan to assets ratio grew to 64.5%. Retail loans stood at BGN1,489.3million (an increase of 14.3% and 56.3% resp.), representing 77.5% of total loans. Corporate loans grew by 22.6% and 109% resp. and reached BGN429.1 million. Quality of the loan book is very good, on September 30, 2004 though after write-back of provision in 2Q 2004, there was BGN5.8 million provisioning charge during the quarter; mainly in retail business line. The BGN11.9 million provisioning during 9M 2004 represented 1.1% annualized ratio of average loans.

Customer deposits were BGN2,395.4 million representing an increase of 19.9% y-o-y and 7.5% q-o-q. Annual growth of retail deposits was 28.8% (BGN deposits by 25.5%; FX deposits by 40.1%) while corporate deposits were 0.1% higher than a year earlier despite an increase during 3Q 2004.

Loan to deposit ratio of DSK changed to 78.2% from 56.2% at the end of September 2003.

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

	30-Sept-03	30-Jun-04	30-Sept-04	Q-o-Q	Y-o-Y
Cash, due from banks and balances with the National Bank of Bulgaria	192.4	179.3	202.0	12.7%	5.0%
Placements with other banks	328.9	171.1	185.3	8.3%	-43.7%
Repo receivable	12.3	5.9	4.7	-20.1%	-61.8%
Securities held for trading and available-for-sale	135.0	113	110.7	-2.1%	-18.0%
Debt securities held-to-maturity	378.7	410.3	369.6	-9.9%	-2.4%
Loans, net of allowance for possible loan losses	1,122.3	1,618.7	1,872.8	15.7%	66.9%
Assets held-for-sale	0.2	0.2	0.1	-37.8%	-47.5%
Equity investments	18.7	14.9	16.4	10.0%	-12.5%
Other assets	29.6	8.8	12.7	44.2%	-57.1%
Premises, equipment and intangible assets, net	133.3	129.2	130.0	0.6%	-2.4%
TOTAL ASSETS	2,351.5	2,651.4	2,904.3	9.5%	23.5%
Due to banks and deposits from the National Bank of Bulgaria and other banks	5.3	40.5	72.8	79.9%	1277.0%
Deposits from customers	1,998.0	2,228.7	2,395.4	7.5%	19.9%
Other liabilities	54.8	39.7	76.1	91.6%	38.9%
TOTAL LIABILITIES	2,058.0	2,308.9	2,544.3	10.2%	23.6%
TOTAL SHAREHOLDERS' EQUITY	293.5	342.5	360.0	5.1%	22.7%
Share capital	94.0	94	94.0	0.0%	0.0%
Retained earnings and reserves	111.5	179	196.1	9.5%	75.9%
Revaluation of intangible assets	87.9	69.5	69.9	0.6%	-20.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,351.5	2,651.4	2,904.3	9.5%	23.5%

9M 2004 IFRS results of DSK were outstanding. Interest income grew by 28.1% and interest expenses were 4.3% below 9M 2003 figures. Net interest income jumped by 39.3% to BGN143.4 million. Yield on interest earning assets reached 10.6% while cost of funding at interest bearing liabilities was 2.1% resulting in a spread of 8.5% and margin over total assets of 7.45% (6.40% in 9M 2003). Non interest income grew by 55.1% 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:

	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %	9M 2003	9M 2004	9M 2004 Y-o-Y %
Interest income	49.0	59.0	65.7	11.4%	34.1%	138.8	177.7	28.1%
Interest expense	12.7	10.8	11.9	9.8%	-6.2%	35.9	34.3	-4.3%
Net interest income	36.3	48.2	53.8	11.7%	48.1%	102.9	143.4	39.3%
Non interest income	5.7	11.0	11.2	2.7%	96.9%	21.2	32.9	55.1%
Non interest income in total income	13.6%	18.6%	17.3%	-1.2%	3.7%	17.1%	18.7%	1.6%
Total income	42.0	59.2	65.0	10.0%	54.7%	124.2	176.3	42.0%
Operating costs	26.0	28.6	29.3	2.4%	12.7%	73.3	85.8	17.0%
Cost income ratio	61.8%	48.4%	45.0%	-3.4%	-16.8%	59.1%	48.7%	-10.4%
Operating income	16.1	30.5	35.8	17.2%	122.8%	50.8	90.5	78.2%
Provisions and loan losses	-4.2	-6.7	-5.8	-14.2%	37.0%	-3.3	-11.9	260.6%
Cost of reorganization		3.3	10.1	207.6%			13.5	
Income before income taxes	11.8	20.5	19.8	-3.2%	67.6%	47.5	65.2	37.2%
After tax profit	9.1	15.2	17.1	12.7%	87.6%	36.4	52.2	43.6%
ROAA	1.59%	2.32%	2.40%	0.08%	0.81%	2.22%	2.63%	0.41%
ROAE	12.7%	18.2%	19.5%	1.3%	6.8%	17.6%	21.0%	3.4%

During 3Q 2004 the DSK reached 11.7% higher net interest income and 2.7% higher non interest income than in 2Q 2004. Net fees and commissions were 9.0% above those of 2Q 2004 and during 9M 2004 they were 94.2% above the figures of 9M 2003. Total income was 10% above the performance of 2Q 2004. Expenses in the meantime were 2.4% higher only and the resulting cost to income ratio dropped to 45% (48.4% in 2Q 2004). Part of the results came from the sale of participation in Postabank and Bulstrad resulting in BGN1.3 million profits. Operating results of BGN35.8 million during 3Q 2004 were 122.7% higher than in 3Q 2003 and 17.2% above operating profits of 2Q 2004.

Due to BGN5.8 million provisioning in 3Q 2004 (as opposed to BGN6.7 million in 2Q) and BGN13.5 million reorganization expenses (BGN3.3 million in 2Q 2004) the pre tax profits were 19.8 million which is 30.5% below the results of 2Q 2004. After 13.9% calculated tax burden, after tax results reached 17.1 million, 12.7% higher than in 2Q 2004.

ROA for 9M 2004 reached 2.63% (2.40% in 3Q) and ROE was 21.0% (19.5% in 3Q) with real ROE was 18.5% guarantee capital stood at BGN229.7 million, risk weighted assets were BGN2,900.4 million resulting in capital adequacy of 14.53%.

Evolution of DSK Bank's market shares:

	30-Jun-03	30-Sep-03	31-Dec-03	31-Mar-04	30-Jun-04	30-Sep-04
Deposits	17.3%	16.8%	16.2%	16.1%	15.6%	15.9%
Retail	25.5%	25.5%	25.8%	25.5%	25.5%	25.3%
BGN	51.5%	49.7%	47.7%	46.7%	46.3%	44.8%
FX	9.0%	9.4%	9.9%	10.2%	10.4%	10.7%
Corporate	7.0%	5.8%	4.0%	3.9%	3.6%	4.40%
Loans	14.3%	14.2%	13.6%	13.8%	14.6%	15.3%
Retail	52.4%	47.7%	42.9%	42.7%	42.0%	41.7%
Consumer	58.6%	53.5%	49.4%	49.4%	48.9%	48.2%
Housing	52.7%	48.8%	43.6%	39.5%	37.8%	39.5%
Corporate	2.3%	2.4%	2.9%	3.0%	3.4%	3.9%

The number of retail current accounts increased during the third quarter by 18 thousand and reached 835 thousand at the end of September 2004, which was 34.1% above the figure for September 30, 2003. On the dynamically growing bank card market DSK market share was 19.8% at the end of September, a decline from 20.3% at the end of 2003. The number of debit cards issued approached 645 thousand an increase of almost 25 thousand. During 3Q 2004 the number of ATMs of the bank grew by 50 to 294 and the bank operated POS terminals increased to 400 reaching 18% and 7.1% market share resp.

The number of employees at DSK Bank was 3,975 and 4,675 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 BGN3.2 million, 9M 2004 results were BGN0.5 million losses.

At the beginning of 2003 DSK Bank founded DSK Tours which had total assets of BGN9.9 million at the end of September 2004. During 9M 2004 the company realized BGN0.4 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 profit of BGN27 thousand for 9M 2004 with total assets of BGN2.9 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.

During 9M 2004, the Bank realized HUF7.4 billion interest income and HUF3.7 billion interest expenses resulting in a nearly HUF3.7 billion net interest income. Interest income was 8.2%, interest expenses 5.6% higher than a year earlier resulting in net income growth of 10.9%. Based on average total assets, the margin was 3.09% and it was 47 bp lower than the figures for 2003. Margin in Q3 reached 2.43%. Non interest income grew by 33.3% within which net fees and commissions surpassed the figure of 2003 by 26.9%. Results of securities trading grew significantly, form HUF96 million loss in 9M 2003 to HUF146.9 million gain in 9M 2004. Total income was 17.3%, non interest expenses 10.1% higher than in 9M 2003, mainly due to the 25.3% increase of the personnel expenses.

As a result of HUF354.1 million operating income and HUF194.4 million provision write back, and HUF25.2 million dividend received the pre-tax profits of the Bank reached HUF573.7 million. (During 3Q 2004 operating results were HUF132.1 million which with HUF16.1 million dividend incomes and HUF78.9 million provision write back produced HUF227.1 million pre tax profits for the quarter.)

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

	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %	9M 2003	9M 2004	9M 2004 Y-o-Y %
Total interest income	2,401.0	2,591.9	2,211.7	-14.7%	-7.9%	6,840.6	7,399.8	8.2%
Total interest expense	1,172.2	1,175.5	1,160.7	-1.3%	-1.0%	3,464.1	3,656.9	5.6%
Net interest income	1,228.8	1,416.4	1,051.0	-25.8%	-14.5%	3,376.5	3,742.9	10.9%

Net fees and commissions	280.0	342.6	278.9	-18.6%	-0.4%	728.8	924.6	26.9%
Non interest income	502.7	600.7	719.7	19.8%	43.2%	1,363.2	1,816.7	33.3%
Share of non interest income in total income	29.0%	29.8%	40.6%	10.8%	11.6%	28.8%	32.7%	3.9%
Total income	1,731.5	2,017.1	1,770.7	-12.2%	2.3%	4,739.7	5,559.6	17.3%
Personnel expenses	532.3	697.6	665.4	-4.6%	25.0%	1,490.4	1,867.9	25.3%
Depreciation	202.4	181.3	181.0	-0.2%	-10.6%	600.0	532.6	-11.2%
Other non interest expenses	800.3	1,173.1	792.1	-32.5%	-1.0%	2,636.6	2,805.0	6.4%
Non interest expense	1,534.9	2,052.0	1,638.6	-20.1%	6.8%	4,727.1	5,205.5	10.1%
Cost/income ratio	88.6%	101.7%	92.5%	-9.2%	3.9%	99.7%	93.6%	-6.1%
Operating income	196.6	-34.9	132.1	-478.5%	-32.8%	12.6	354.1	2709.1%
Diminution in value, provisions and loan losses	418.7	-280.8	-78.9	-71.9%	-	149.2	-194.4	-
Dividend received	23.9	9.1	16.1	76.9%	-32.6%	40.6	25.2	-38.0%
Profit before tax/After tax profit	-198.2	255.0	227.1	-10.9%	-214.6%	-96	573.7	-
ROA	-0.16%	0.92%	0.57%	-0.35%	0.73%	0.09%	0.66%	0.58%
ROE	-1.5%	9.9%	7.6%	-2.4%	9.1%	0.9%	7.5%	6.6%

Return on assets based on SAS of OBS was 0.53% and annualized return on equities was 5.6% 9 months of 2004. Guarantee capital of OBS was SKK2,452 million and risk weighted assets were SKK10,531 million, thus capital adequacy based on SAS was 23.3% at the end of September 2004.

On September 30, 2004 OBS's total assets were HUF190.5 billion representing a 38.2% growth over September 30, 2003. Customer receivables were over HUF120 billion, which represents 62.9% of total assets.

Total assets of the Bank based on SAS were SKK30.9 billion (2.8% market share) and increased by 38.4%, net customer receivables were SKK19.4 billion, which means 32.9% growth y-on-y. Within customer receivables corporate loans amounted to SKK15.6 billion (17.7% increase), retail loans grew by 201.2% to SKK3.7 billion. Municipal loans increased by 0.2% to SKK143 million.

IFRS balance sheet of OBS in SKK millions:

	30-Sept-03	30-Jun-04	30-Sept-04	Q-o-Q	Y-o-Y
Cash, due from banks and balances with the National Bank of Slovakia	2,434.7	2,277.4	4,005.9	75.9%	64.5%
Placements with other banks	388.4	941.7	698.6	-25.8%	79.9%
Securities held-for-trading and available-for-sale	2,946.8	2,955.9	2,947.8	-0.3%	0.0%
Loans, net of allowance for possible loan losses	14,240.9	18,323.4	19,394.1	5.8%	36.2%
Accrued interest receivable	70.9	128.9	98.9	-23.3%	39.4%
Equity investments	92.3	108.4	144.4	33.3%	56.4%
Debt securities held-to-maturity	0.0	739.9	1,749.6	136.5%	
Premises, equipment and intangible assets, net	1,529.9	1,728.7	1,712.7	-0.9%	12.0%
Other assets	115.7	113.7	93.5	-17.8%	-19.2%
TOTAL ASSETS	21,819.6	27,317.9	30,845.6	12.9%	41.4%
Due to banks and deposits from the National Bank of Slovakia and other banks	4,066.9	4,295.3	4,421.8	2.9%	8.7%
Deposits from customers	14,909.7	18,513.6	20,829.0	12.5%	39.7%
Issued securities	383.8	1,945.4	2,761.8	42.0%	619.6%
Accrued interest payable	64.4	62.0	88.7	42.9%	37.6%
Other liabilities	107.4	128.0	329.4	157.3%	206.7%
Subordinated loans	0.0	0.0	0.0		
TOTAL LIABILITIES	19,532.3	24,944.4	28,430.7	14.0%	45.6%
TOTAL SHAREHOLDERS' EQUITY	2,287.3	2,373.6	2,414.9	1.7%	5.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,819.6	27,317.9	30,845.6	12.9%	41.4%

The quality of the loan portfolio improved significantly. In the third quarter of 2004 to-be-monitored loans increased by SKK128 million. Non performing loans declined by SKK621 million. Ratio of qualified portfolio reached 11.0%, NPL 6.7% on September 30, 2004 while these rates were 53.7% and 9.9% on June 30, 2004. The coverage of qualified loans declined to 62.3% from 70.0% at the end of June 2004.

The Bank's deposits increased, during the same period, by 38.0% to SKK21.1 billion. Within this, retail deposits grew by 16.7% to SKK9.5 billion. Municipal deposits grew by 125.2% to SKK3.6 billion, corporate deposits increased by 44.3% to SKK8.0 billion from the previous year. Since June 30, 2004, balance sheet grew by 12.9%, deposits were 13.2% and net loans by 5.8% higher.

Number of retail current accounts exceeded 87,100; loan accounts to over 16,000. The number of cards issued was close to 92,000 and the Bank operated 85 ATMs and 523 POS terminals at the end of September 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
Deposits	1.9%	2.0%	2.2%	2.5%	2.5%	2.2%	2.5%
Retail	2.1%	2.1%	2.1%	2.4%	2.5%	2.6%	2.6%
SKK	2.2%	2.2%	2.2%	2.5%	2.6%	2.7%	2.7%
FX	1.3%	1.4%	1.5%	1.7%	1.8%	1.8%	1.9%
Securities	17.2%	24.6%	25.8%	18.6%	16.2%	15.3%	15.2%
Municipal	1.8%	3.0%	3.7%	4.3%	2.8%	1.2%	2.0%
Corporate	1.6%	1.6%	2.1%	2.2%	2.4%	2.2%	2.5%
Loans	4.2%	4.3%	4.6%	4.5%	4.6%	4.8%	4.8%
Retail	0.5%	0.9%	1.6%	2.4%	2.9%	3.3%	3.5%
housing					3.0%	3.5%	3.9%
consumer	2.5%	3.6%	4.3%	4.9%	4.8%	3.1%	3.2%
Municipal	0.9%	0.9%	1.3%	1.0%	0.6%	0.3%	0.5%
Corporate	5.2%	5.2%	5.5%	5.2%	5.5%	5.7%	5.7%

Number of employees of OBS stood at 736 on September 30, 2004, a decline of 9 employees over the quarter.

OTP-Garancia Insurance pre-tax profit for 9M 2004 surpassed HUF2.7 billion. Compared to HUF46 billion in 9M 2003 the realized fee income in 9M 2004 was over to HUF42.3 billion. In life and banc-assurance business line fee income reached HUF20.5 billion, in non life HUF21.8 billion.

Premium income was 8.1% lower than in 9M 2003 and reached HUF42.3 billion, driven by the decline in non banking savings and low demand for bank assurance products. Life insurance premium fee fell by 4.1% caused by a 30% decline in single payment unit linked insurance products. Annuity type life insurance grew by 30%. Non life fee income was 11.6% lower than a year earlier, caused by 79% drop in agricultural insurance due unfavourable changes in the regulatory environment. Significant gains were achieved in residential property (+15%) CASCO (+11%) and property and liability (+15%) products.

Insurance expenses in non-life business declined by 27.4% from 9M 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 54.3%, totalling in 2.8% growth for the company. In non life business the damages and changes in reserves represented 50.2% of 9M 2004 premium income.

Existing volume of annuity type life and bank assurance was HUF15.8 billion an increase of 13.6% during 9M 2004. Premium income on single payment life and bank assurance products reached HUF10.3 billion a decline from HUF13.5 billion in 9M 2003.

Closing volume of non life policies was HUF29.3 billion a decline of 5% from closing value in 2003, mainly driven by a decline in agricultural insurance (from HUF7.6 billion to HUF3.9 billion), while volume of other products increased by HUF2.3 million or 10%.

Shareholder equity grew by 33% year on year to HUF12.9 billion, and the company meets excess solvency requirements of the Hungarian regulations.

Insurance technical reserves were at HUF93.5 billion, of which increase in 9M 2004 represented HUF9.2 billion. Closing reserves of unit linked policies grew by HUF5.8 billion and reached HUF68.7 billion.

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

	30-Sept-03	30-Jun-04	30-Sept-04	Q-o-Q	Y-o-Y
A. Intangible assets	188	197	182	-7.5%	-3.1%
B. Investments	30,211	34,554	36,543	5.8%	21.0%
C. Investment on behalf of unit linked insurance	62,918	67,666	68,720	1.6%	9.2%
D. Receivables	2,381	2,757	2,470	-10.4%	3.8%
E. Other assets	1,031	960	953	-0.8%	-7.6%
F. Prepayments and accrued income	2,324	2,461	3,335	35.5%	43.5%

Total Assets	**99,053**	**108,595**	**112,203**	**3.3%**	**13.3%**
A. Shareholders' equity	10,649	11,985	12,946	8.0%	21.6%
C. Insurance technical reserves	21,309	24,019	24,743	3.0%	16.1%
D. Insurance technical reserves on behalf of unit linked insurance	62,918	67,666	68,720	1.6%	9.2%
G. Liabilities	3,663	3,688	2,418	-34.4%	-34.0%
H. Accruals and deferred income	514	1,237	3,376	172.9%	556.8%
Total Liabilities	**99,053**	**108,595**	**112,203**	**3.3%**	**13.3%**

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

	Total			Life			Non-life		
	9M 2003	9M 2004	Y-o-Y %	9M 2003	9M 2004	Y-o-Y %	9M 2003	9M 2004	Y-o-Y %
Insurance fee income	42,702	37,875	-11.3%	21,223	20,303	-4.3%	21,479	17,572	-18.2%
from this: gross fees	46,049	42,319	-8.1%	21,380	20,501	-4.1%	24,669	21,818	-11.6%
Insurance technical income	3,205	6,384	99.2%	3,205	6,384	99.2%	0	0	0.0%
Expenses related to damages	-21,632	-22,233	2.8%	-7,517	-11,597	54.3%	-14,115	-10,636	-24.7%
Changes in reserves	-11,657	-8,001	-31.4%	-10,443	-7,872	-24.6%	-1,213	-129	-89.3%
Net operating costs	-10,963	-11,010	0.4%	-5,050	-4,396	-12.9%	-5,913	-6,614	11.9%
Insurance technical expenses from investments	-84	-107	26.5%	-84	-107	26.5%	0	0	0.0%
Other insurance technical expenses	-405	-375	-7.3%	0	0	0.0%	-405	-376	-7.3%
Insurance technical result	1,166	2,533	117.2%	1,333	2,716	103.7%	-168	-183	9.3%
Investment income	674	782	16.0%			0.0%	674	782	16.0%
Balance of other income/expenses	-173	-455	163.3%	-80	-220	174.7%	-93	-234	153.4%
Operating income	1,667	2,860	71.5%	1253	2496	99.1%	414	364	-12.0%
Extraordinary income/(losses)	-107	-126	18.2%	-49	-61	23.4%	-57	-65	13.8%
Pre-tax profits	1,561	2,734	75.2%	1204	2435	102.3%	357	299	-16.2%
Tax	-311	-437	40.4%	-240	-390	62.1%	-71	-48	-32.8%
After tax profits	1,249	2,296	83.8%	963	2,045	112.3%	286	251	-12.0%

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

	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %	9M 2003	9M 2004	9M 2004 Y-o-Y %
Fee income from life insurances	6,718	9,353	5,946	-36.4%	-11.5%	21,380	20,501	-4.1%
Fee income from non-life insurances	8,489	6,955	7,783	11.9%	-8.3%	24,669	21,818	-11.6%
Total fee income	15,208	16,308	13,729	-15.8%	-9.7%	46,049	42,319	-8.1%
Incomes from investments	1,738	2,592	2,462	-5.0%	41.7%	4,074	7,667	88.2%
Other incomes	11	35	15	-56.3%	33.3%	67	65	-3.8%
Total income	16,956	18,935	16,207	-14.4%	-4.4%	50,190	50,050	-0.3%
Pre-tax profits from life insurances	250	1,176	1,181	0.4%	371.7%	1,204	2,435	102.3%
Pre-tax profits from non-life insurances	278	-346	-37	-89.4%	-113.2%	357	299	-16.3%
Pre-tax profits	528	830	1,144	37.9%	116.5%	1,561	2,734	75.2%
After tax profits	422	697	961	37.9%	127.6%	1,249	2,296	83.9%
Combined ratio (%)	103	100	101	1.2%	-1.6%			
Total assets	99,199	108,595	112,203	3.3%	13.1%	99,199	112,203	13.1%

Pre-tax profit of ***OTP Fund Management*** for 9M 2004 was over HUF2.3 billion, which is 27.2% lower than in 9M 2003. Total assets were close to HUF7.7 billion.

The assets at fund management companies stagnated in 3Q 2004. The assets of the funds managed by OTP Fund Management stood at HUF309.7 billion at the end of September 2004 an decrease of 3.3% in 3Q 2004. The market share of the company on funds investing in securities was 39.4% at the end of 9M 2004.

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

	30-Sept-03	30-Jun-04	30-Sept-04	Q-o-Q		Y-o-Y	
Optima	454,077.6	255,730.3	245,407.6	-10,322.7	-4.0%	-208,670.0	-46.0%
Maxima	10,807.8	4,699.4	3,742.6	-956.8	-20.4%	-7,065.2	-65.4%
Euro	4,140.4	3,887.1	3,510.4	-376.7	-9.7%	-630.0	-15.2%
US Dollar	2,825.2	2,140.5	1,738.4	-402.1	-18.8%	-1,086.8	-38.5%
Paletta	2,752.3	2,261.1	2,197.1	-64.0	-2.8%	-555.2	-20.2%
Quality	19,344.7	23,805.6	25,048.5	1,242.9	5.2%	5,703.8	29.5%
OTP-UBS fund of funds	9,172.0	19,678.2	18,997.9	-680.3	-3.5%	9,825.9	107.1%
Fantazia		1,065.3	1,037.8	-27.5	-2.6%	1,037.8	-
Institutional equity		7,076.2	8,032.8	956.6	13.5%	8,032.8	-
Total	503,120.0	320,343.7	309,713.1	-10,630.6	-3.3%	-193,406.9	-38.4%

The assets managed by the company for pension funds reached HUF255.8 billion while other institutional assets were HUF63.4 billion on September 30, 2004. Total assets under management reached HUF628.9 billion an increase of 2.2% over June 30, 2004. Managed assets in investment funds decreased by 3.3%, while increased in pension funds by 9.6%, funds in other assets grew by 3.1%.

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

	3Q 2003	2Q 2004	3Q 2004	3Q 2004 Q-o-Q %	3Q 2004 Y-o-Y %	9M 2003	9M 2004	9M 2004 Y-o-Y %
Fees and commissions received	2,104.1	1,779.2	1,388.0	-34.0%	-22.0 %	5,821.3	4,852.2	-16.6%
Fee and commission expense	739.1	870.7	577.2	-21.9%	-33.7 %	2,275.1	2,302.3	1.2%
Net fees and commissions	1,365.0	908.5	810.7	-40.6%	-10.8 %	3,546.2	2,549.9	-28.1%
Gains in securities trading	35.7	257.6	12.9	-63.9%	-95.0 %	292.0	270.4	-7.4%
Other non interest income	15.1	20.3	-0.9			29.5	36.9	25.0%
Non interest income	1,415.7	1,186.4	822.7	-41.9%	-30.7 %	3,867.7	2,857.3	-26.1%
Non interest expense	313.8	175.0	164.8	-47.5%	-5.8 %	698.4	548.9	-21.4%
Cost/income ratio	22.2%	14.8%	20.0%	-9.6%	35.8%	18.1%	19.2%	6.4%
Pre tax profits	1,101.9	1,011.4	657.9	-40.3%	-34.9 %	3,169.3	2,308.4	-27.2%
After tax profits	881.1	850.3	553.3	-37.2%	-34.9 %	2,558.3	1,941.1	-24.1%

In 9M 2004, net sales of ***OTP Real Estate*** were close to HUF10.6 billion. Its pre-tax profit reached HUF616 million. The 83.5% cost/income ratio, which is higher than in 9M 2003. The company's total assets were HUF18.2 billion. Current assets amounted to HUF15.4 billion of which inventories represented HUF12.4 billion.

OTP Factoring concluded contracts with OTP Bank for the purchase of 32 thousand receivables in a gross value of HUF8.6 billion until September 30, 2004. From third parties, the company purchased 4,700 contracts at HUF13.7 billion value. Gross income was HUF4.5 billion and the net factoring income reached HUF2.2 million.

Due to the favourable development of the incomes, pre tax profit of the company for 9M 2004 was HUF582 million and the cost/income ratio was 47.9%.

NON CONSOLIDATED AND CONSOLIDATED, NON AUDITED IFRS REPORTS OF OTP BANK LTD. FOR OF THE PERIOD ENDED SEPTEMBER 30, 2004

OTP Bank Ltd. has prepared its non consolidated and consolidated, non audited IFRS report for September 30, 2004. Below we present our analysis derived from the unconsolidated and the consolidated condensed IFRS financial statements of September 30, 2004. The differences between HAR and IFRS data presented are summarized in the end of the report.

CONSOLIDATED IFRS BALANCE SHEET

On September 30, 2004 the consolidated IFRS total assets of the Bank were HUF3,863.8 billion, representing a HUF862.4 billion or 28.7% increase over the same period a year earlier. The IFRS total assets of the Group were 34.2% higher on September 30, 2004 than that of the Bank. The high increase from a year earlier was partially caused by the consolidation of DSK Bank. Total assets of the Group were HUF254.6 billion or 7.1% higher than on June 30, 2004.

The Bank's consolidated shareholder's equity on September 30, 2004 was HUF401.2 million, 35.5% higher than the consolidated shareholders' equity as of September 30, 2003, and 11.6% 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 43.9% compared to 9M 2003, due to the low basis of short term HUF and FX deposits with the NBH. Compared to end June 2004 the increase was 13.3%.

On September 30, 2004 the volume of interbank placements was 3.6% lower y-o-y due to the change in the structure of placements, and grew by36.5% in 3Q 2004.

Volume of trading and available-for-sale securities increased by 12.1% to HUF335.8 billion. This volume was 1.5% lower 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 HUF152.4 billion and available-for-sale securities were HUF183.4 billion.

Volume of loans, net of allowance for possible loan losses grew by 42.3% from HUF1,666.2 billion to HUF2,371.6 billion as of September 30, 2004. The increase in the third quarter of 2004 was HUF144.5 billion or 6.5%. In the third quarter of 2004 corporate loans increased by 6.1%, mortgage and housing loans by 4.5% and consumer loans by 11.1%. Volume of municipal loans grew by 6.6%.

Within consolidated gross loan volume of HUF2,447.2 billion, corporate loans represented 34.5% (HUF843.6 billion); retail loans 60.3% (HUF1,475.1 billion) and municipality loans 5.3% (HUF128.6 billion). 16.1% of total loans (HUF392.9 billion) were carried on the books of foreign subsidiaries on September 30, 2004.

Quality of the loan book under IFRS was good at the end of September 2004; performing portion represented 87.9% of total, while 8.4% was to be monitored and problem loans were 3.7% of total. 14.0% of qualified loans and 8.3% of problem loans were in the books of foreign subsidiaries. The consolidated loan loss provisioning of HUF75.6 billion represented 25.5% coverage over the qualified loans. During the third quarter of 2004 performing loans grew by HUF111.4 billion, qualified loans by HUF37.0 billion (mainly due to the creation for new FX loans at Merkantil Car the consolidation of RoBank) and non performing loans grew by HUF7.1 billion. In the same time provisions increased by HUF3.9 billion, coverage declined by 2.1%.

Volume of debt securities held-to-maturity decreased further by 10.4% to HUF269.7 billion y-o-y, and by 0.4% since June 30, 2004.

On the liability side, customer deposits grew by 21.1 reaching HUF2,723.9 billion on September 30, 2004 and were 23.3% higher than the volume at the Bank. 17.2% of deposits came from corporate; 75.6% from retail and 7.2% from municipality sector customers. In the third quarter of 2004 deposits grew by 5.3%, mainly due to the increase of retail and municipal loans at the parent bank, retail deposit growth at DSK and the consolidation of RoBank. Foreign subsidiaries collected 16.8% of total deposits as at September 30, 2004 (15.7% on June 30, 2004).

Volume of issued securities was 195.1% higher than a year earlier and reached HUF253.8 billion, in the third quarter of 2004 increase was HUF15.1 billion or 6.3% 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 9M 2004 consolidated IFRS net income of OTP Bank was HUF108.4 billion, HUF38.8 billion or 55.8% higher than for 9M 2003 and 10% or HUF9.9 billion higher than the non-consolidated after-tax profit for the same period. Income before income taxes grew by 50.8% to HUF128.1 billion. In 3Q 2004 income before income taxes was HUF48.5 billion and net income was HUF41.2 billion, 26.1% and 28.4% higher than in 2Q 2004.

The consolidated net interest income reached HUF194.5 billion representing a 61.3% increase from 9M 2003 and was 69.8% higher than at the Bank. HUF69.1 billion net interest income for 3Q 2004 was 11.9% above the performance of 2Q 2004. Consolidated interest income amounted to HUF320.5 billion, 62.4% above 9M 2003 levels. Increase in interest income was particularly significant from interbank accounts (+110.5%), loans (+61.3%), securities held-for-trading and available-for-sale (+76.1%) partly in line with changes in volumes and with the structure of balance sheet, with the dynamically growing mortgage lending and partly reflect the high 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 (78.8%), from debt securities held-to-maturity declined (4.1%).

Interest expense was HUF126.0 billion, 64.2% higher than in 9M 2003. Interest paid on customers' deposits grew by 75.7% to HUF98.5 billion and was 9.4% above the Bank's figure. In 3Q 2004 interest paid on customers' deposits was 4.3% lower than in 2Q 2004, reflecting the declining interest rate level and the drop in deposits. Interest expenses on issued securities was 193% higher and were HUF13.1 billion above the Bank due to securities issued by Merkantil Bank, OTP Mortgage Bank and foreign subsidiaries.

Gross consolidated interest margin over mathematical average of total assets improved further during the first 9 months of 2004 and was 7.08%, 146 bps above 9M 2003 figure. Net interest margin also grew in the first 9 months and was 6.66% compared to 5.49% for 9M 2003. Adjusting for the effects of swaps gross margin in 9M 2004 was 6.53% and net margin was 6.10% which was 72 bps and 43 bps higher than in 9M 2003 owing to the advantageous impact of the higher average interest rate level on the liability side spreads. In 3Q 2004 margins without swap results are below the figures in 2Q 2004 while nominal margins are higher than in the second quarter of 2004 due to the strong swap results.

Non-interest income was 6.2% higher than a year earlier and reached HUF119.1 billion. Within non-interest income the increase in fee and commission income was 11.2% to HUF652 billion. 9M 2004 fee income was 21.3% 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 HUF48.1 billion in the first 9 months of 2004, which is 4.5% increase compared to 9M 2003, and were HUF16.9 billion in 3Q 2004, 0.7% below the 2Q 2004 data. Gains on securities trading were HUF5.6 billion contrary to the loss of HUF1.4 billion in 9M 2003. In the third quarter of 2004 securities portfolio caused HUF4.1 billion gains. Net profits on foreign exchange transactions were HUF1.8 billion while it reported HUF4.7 billion gains in 9M 2003. In 3Q 2004 the profits on FX transactions amounted to HUF0.1 billion partly due to the change of the result of swap positions. Real estate transactions resulted HUF0.9 billion. The insurance premium amounted to HUF12.1 billion in 3Q 2004 which is 16.2% lower than in the second quarter. Therefore the 9 months HUF37.3 billion IFRS insurance premium income was 12% below the 9M 2003 performance. Other income increased by 14.5% to HUF7.8 billion.

Consolidated non-interest expenses reached HUF174 billion and were 20.1% higher than during 9M 2003 and 91.3% above the figures of the Bank. Non-interest expenses declined by 5.4% compared to 2Q 2004.

Consolidated fees and commission expenses increased by 36.0% y-o-y, and were 88.5% higher than at the Bank. Consolidated personnel expenses were 26.5% higher than a year earlier, and 48.3% above the Bank's figures. Personnel expenses were 8.3% lower than in 2Q 2004. Insurance expenses declined by 10%, while other expenses were 16.9% higher than in 9M 2003.

Consolidated cost-income ratio was 55.5%, 6.8% less than in 9M 2003 (cost income ratio similar to HAR was 52.9%, 7.2% less than in 9M 2003).

Consolidated ROAA on average total assets grew considerably to 3.95% (3.24% in 9M 2003), while consolidated ROAE reached 40.5% nominal, 4.9%-points higher than a year earlier. Real ROAE increased form 31.0% in 9M 2003 to 33.5% in 9M 2004. Consolidated net asset value per share was HUF1,433 on September 30, 2004. Basic earnings per share (EPS) reached HUF416, HUF150 above 9M 2003 data.

NON CONSOLIDATED IFRS BALANCE SHEET

Total assets of the Bank were HUF2,879.0 billion on September 30, 2004, which was 10.0% higher than a year earlier and 5.2% higher than on June 30, 2004 and HUF10.9 billion less 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 38.9%, placements with other banks declined by 35.9% compared to September 30, 2003. The volume of trading securities grew by 20.4% to HUF341.0 billion; however their structure has changed significantly. Within securities held-for-trading the volume of discounted treasury bills was HUF18.1 billion; the volume of Government Bonds was HUF4.4 billion, mortgage bonds reached HUF1.9 billion. Within securities available-for-sale the volume of Government Bonds was HUF59.3 billion and mortgage bonds reached HUF224.7 billion.

The gross volume of loans grew by 16.4% y-o-y to HUF1,227.9 billion. Within this the loans maturing over a year amounted to HUF807.7 billion, their proportion was to 65.8%. The volume of provisions was 33.7% higher than a year earlier, reached HUF21.4 billion. The net volume of loans was HUF1,206.5 billion, 16.2% growth year on year. Within loans, loans to enterprises amounted to HUF737.4 billion (18.5% growth), loans to municipalities HUF127.0 billion (16.7% increase), consumer loans HUF193.8 billion (101.8% growth) while housing loans amounted to HUF169.7 billion (25.4% decline) at the end of September 2004. Corporate loans represented 60.1%, retail loans 29.6% of total loans on September 30, 2004.

The volume of debt securities kept until maturity decreased by 10.8% to HUF529.1 billion. Within these, the volume of government securities was HUF220.5 billion, mortgage bonds were HUF289.9 billion.

On the liability side, the 4.2% year on year increase of customer deposits was significant, thus the share of customer deposits in total liabilities decreased to 76.8% (81.0% in 2003). Within HUF2,209.7 billion customer deposits, HUF deposits amounted to HUF1,942.6 billion. 75.6% of the total deposits was retail (HUF1,617.7 billion volume; 9.1% increase), 16.8% corporate (8.1% decline in volume) and 7.5% (8.7% decline in volume) was municipal deposit. The liabilities from issued securities decreased by 3.0%.

The shareholders' equity of the Bank was 33.3% higher than in the same period of 2003 due to the 28.5% increase of reserves, the 53.5% growth of result of ordinary business activities and the 5.3% decrease of own shares at book value. Shareholders' equity reached HUF359.4 billion and represented 12.5% of total assets.

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

The net interest income of the Bank according to IFRS was HUF114.6 billion, which was 43.0% higher than in 9M 2003. This was a result of 47.5% increase in interest income and 52.9% increase in interest expenses.

Interest income from interbank accounts increased significantly by 114.5%, due to the disparate volume of swap deals. The HUF15.2 billion results of the swap transaction show up on the interest income and expenses on interbank accounts lines and were HUF19.1 billion higher than in 9M 2003 (HUF3.9 billion loss). Since during 9M 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 HUF5.98 billion higher and interest expenses (losses) on swaps was HUF438 million higher than in HAR. Thus the change in results of swaps improved by HUF4.76 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 partly compensated by the HUF4.6 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 70.5%, 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 133.3% and reached HUF7.0 billion. Provisioning on average volume of loans was 0.82% compared to 0.39% in 9M 2003.

Non-interest income grew by HUF13.5 billion or 16.1% to HUF97.2 billion. Within this, net FX results reached HUF2.1 billion, fees and commissions income amounted to HUF82.8 billion (21% increase). Net fees and commissions grew by 19.9% compared to 9M 2003 and reached HUF73.7 billion. Net gain on securities trading was HUF2.4 billion which is HUF3.1 billion improvement compared to 9M 2003. Main part of the profit (HUF2.4 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 the first 9 months of 2004 which is HUF809 million or 10.5% higher than in the first 9 months of 2003. Other non-interest income fell by 48% to HUF1.6 billion compared to 9M 2003.

Non-interest expenses altogether were HUF90.9 billion; 8.1% higher than a year earlier. Within these the personnel expenses grew by 20.3% to HUF34.8 billion, fees and commissions paid by 31.1% to HUF9.0 billion and depreciation decreased by 2.2% to HUF9.7 billion. Other non-interest type expenses decreased by 2.6% y-o-y to HUF37.4 billion.

IFRS pre-tax profit of the Bank was HUF113.8 billion which represented a 48.4% growth y-o-y. After-tax profit grew by 53.5% to HUF98.5 billion. The decline of the nominal and effective tax rate had a share in the profit growth too (the effective rate was 13.5% in 9M 2004 and 16.4% in 9M 2003). Basic and diluted earnings per share reached HUF367 (in 9M 2003 HUF239), while fully diluted were HUF365 (in 9M 2003: HUF238).

Calculated cost to income ratio for 9M 2004 was 44.4%, 7.9% lower than in 9M 2003. (After the calculation similar to the Hungarian standards, cost/income ratio was 40.4% for 9M 2004, 49.2% in 9M 2003.)

The gross interest margin of the Bank according to IFRS calculated on the mathematical average of total assets was 5.45% in 9M 2004, its net interest margin 5.11%, and partially due to the swap result 118 and 100 bps higher than in 9M 2003. Disregarding the results of swaps the gross margin in 9M 2004 was 4.72% and the net margin 4.39% which is 25 and 7 bps higher than in 9M 2003.

ROA calculated on the average total assets was 4.68% (in 9M 2003: 3.42%), while ROE calculated on average shareholders' equity was 41.3% (in 9M 2003: 36.2%). Real ROE of the Bank grew from 31.5% to 34.3%. Net asset value per share of the Bank (diluted) grew by 33.3% to HUF1,284.

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

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

Budapest, November 10, 2004

FINANCIAL DATA

Selected consolidated financial data (HUF millions)

	9M 2003	9M 2004	Change %
Interest from interbank accounts	22,659	42,175	86.1
Interest from customer accounts	62,618	111,692	78.4
Interest from corporate accounts	39,263	55,930	42.4
Interest from municipal accounts	7,671	9,967	29.9
Interest from bonds	55,239	80,901	46.5
Interest from mandatory reserves	5,482	9,928	81.1
Total interest income	192,932	310,593	61.0
Interest on interbank accounts	8,039	13,120	63.2
Interest on customer accounts	41,988	73,144	74.2
Interest on corporate accounts	9,810	17,078	74.1
Interest on municipal accounts	4,027	8,235	104.5
Interest on bonds	4,704	13,258	181.8
Interest on subordinated loan	588	694	18.0
Total interest expense	69,156	125,529	81.5
Net interest income	**123,776**	**185,064**	**49.5**
Fees & commissions income	58,679	65,376	11.4
Fees & commissions paid	12,434	14,785	18.9
Net fees & commissions	46,245	50,591	9.4
Gains (losses) on securities trading	387	4,267	1,002.6
Gains (losses) on forex trading	-2,927	3,731	-227.5
Gains (losses) on property transactions	707	859	21.5
Insurance fee income	45,372	41,531	-8.5
Other	8,181	6,961	-14.9
Non interest income	**97,965**	**107,940**	**10.2**
Share of non interest income in total income	*44.2%*	*36.8%*	*-7.4*
Total income	**221,741**	**293,004**	**32.1**
Staff costs	39,885	51,589	29.3
Depreciation	11,483	13,149	14.5
Insurance costs	33,646	30,345	-9.8
Other operating expenses	47,005	56,889	21.0
Operating costs	**132,019**	**151,972**	**15.1**
Cost/Income ratio	*-59.5%*	*-51.9%*	*7.6*
Operating income	**89,722**	**141,032**	**57.2**
Diminution in value, provisions and loan losses	6,937	14,457	108.4
Dividend received	647	572	-11.6
Accounting for acquisition goodwill	-54	-6,308	11,581.5
Income before income taxes	**83,378**	**120,839**	**44.9**
Taxes	15,610	20,325	30.2
Taxes due to consolidation	-97	-238	145.4
Tax rate %	18.6%	16.6%	-2.0
After tax profits	**67,865**	**100,752**	**48.5**

The Bank's 9M 2003 and 9M 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)

	9M 2003	9M 2004	Change %
Interest from interbank accounts	21,354	40,338	88.9
Interest from customer accounts	35,987	46,016	27.9
Interest from corporate accounts	31,494	45,353	44.0
Interest from municipal accounts	7,631	9,924	30.0
Interest from bonds	45,191	62,530	38.4
Interest from mandatory reserves	5,336	9,283	74.0
Total interest income	146,993	213,444	45.2
Interest on interbank accounts	6,815	12,579	84.6
Interest on customer accounts	39,267	66,257	68.7
Interest on corporate accounts	9,515	16,064	68.8
Interest on municipal accounts	3,806	7,699	102.3
Interest on bonds	325	190	-41.5
Interest on subordinated loan	588	637	8.3
Total interest expense	60,316	103,426	71.5
Net interest income	**86,677**	**110,018**	**26.9**
Fees & commissions income	68,486	83,077	21.3
Fees & commissions paid	6,838	6,794	-0.6
Net fees & commissions	61,648	76,283	23.7
Gains (losses) on securities trading	150	1,729	1,052.7
Gains (losses) on forex trading	-2,302	3,963	-272.2
Gains (losses) on property transactions	7	-93	-1,428.6
Insurance fee income			
Other	2,239	1,340	-40.2
Non interest income	**61,742**	**83,222**	**34.8**
Share of non interest income in total income	*41.6%*	*43.1%*	*1.5*
Total income	**148,419**	**193,240**	**30.2**
Staff costs	28,964	34,784	20.1
Depreciation	7,786	6,980	-10.4
Insurance costs			
Other operating expenses	37,522	39,703	5.8
Operating costs	**74,272**	**81,467**	**9.7**
Cost/Income ratio	*-50.0%*	*-42.2%*	*7.8*
Operating income	**74,147**	**111,773**	**50.7**
Diminution in value, provisions and loan losses	7,505	11,533	53.7
Dividend received	7,691	8,500	10.5
Accounting for acquisition goodwill	572	-5,586	-1,076.6
Income before income taxes	**74,905**	**103,154**	**37.7**
Taxes	12,461	15,231	22.2
Taxes due to consolidation			
Tax rate %	16.6%	14.8%	-1.8
After tax profits	**62,444**	**87,923**	**40.8**

The Bank's 9M 2003 and 9M 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 September 30, 2004

HUF million

	30-Sep-03 OTP Bank	30-Sep-04 OTP Bank	Change	30-Sep-03 Consolidated	30-Sep-04 Consolidated	Change
ASSETS						
1. Cash in hand, balances with central banks	**238,077**	**331,406**	**39.2%**	**244,322**	**352,365**	**44.2%**
2. Treasury bills	**401,162**	**325,931**	**-18.8%**	**559,746**	**552,748**	**-1.3%**
a) held-for-trade	124,090	110,507	-10.9%	211,236	219,301	3.8%
b) held as financial fixed assets (for long term investment)	277,072	215,424	-22.2%	348,510	333,447	-4.3%
3. Loans and advances to credit institutions	**235,777**	**145,025**	**-38.5%**	**261,965**	**246,379**	**-5.9%**
a) repayable on demand	3,796	5,549	46.2%	3,798	18,555	388.5%
b) other receivables from financial services	231,976	139,294	-40.0%	258,162	227,642	-11.8%
ba) maturity not more than one year	218,313	126,540	-42.0%	244,799	215,125	-12.1%
bb) maturity more than one year	13,663	12,754	-6.7%	13,363	12,517	-6.3%
c) receivables from investment services	5	182	3,540.0%	5	182	3,540.0%
4. Loans and advances to customers	**1,061,362**	**1,201,356**	**13.2%**	**1,714,236**	**2,384,341**	**39.1%**
a) receivables from financial services	1,059,856	1,200,326	13.3%	1,712,704	2,383,278	39.2%
aa) maturity not more than one year	394,080	395,674	0.4%	407,027	551,935	35.6%
ab) maturity more than one year	665,776	804,652	20.9%	1,305,677	1,831,343	40.3%
b) receivables from investment services	1,506	1,030	-31.6%	1,532	1,063	-30.6%
5. Debt securities including fixed-income securities	**463,581**	**542,047**	**16.9%**	**22,852**	**40,830**	**78.7%**
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)	0	1,300	0.0%	0	1,300	0.0%
aa) held-for-trade		600			600	
ab) held as financial fixed assets (for long term investment)		700			700	
b) securities issued by other bodies	463,581	540,747	16.6%	22,852	39,530	73.0%
ba) held-for-trade	70,031	2,251	-96.8%	5,799	3,539	-39.0%
bb) held as financial fixed assets (for long term investment)	393,550	538,496	36.8%	17,053	35,991	111.1%
6. Shares and other variable-yield securities	**9,748**	**7,650**	**-21.5%**	**15,717**	**9,384**	**-40.3%**
a) shares and participations for trade	100	123	23.0%	103	339	229.1%
b) other variable-yield securities	9,648	7,527	-22.0%	15,614	9,045	-42.1%
ba) held for trade		4		5,337	739	-86.2%
bb) held as financial fixed assets (for long term investment)	9,648	7,523	-22.0%	10,277	8,306	-19.2%
7. Shares and participating interest as financial fixed assets	**662**	**1,010**	**52.6%**	**5,731**	**6,623**	**15.6%**
a) shares and participating interest as financial fixed assets	662	1,010	52.6%	5,731	6,623	15.6%
b) revaluation surplus on shares and participating interests						
8. Shares and participating interest in affiliated undertakings	**57,486**	**108,400**	**88.6%**	**4,602**	**40,942**	**789.7%**
a) shares and participating interest in affiliated undertakings	57,486	108,400	88.6%	4,570	3,760	-17.7%
b) revaluation surplus on shares and participating interests						
c) capital consolidation difference				32	37,182	116,093.8%
9. Intangible assets	**4,256**	**47,715**	**1,021.1%**	**6,821**	**14,775**	**116.6%**
10. Tangible assets	**56,831**	**64,354**	**13.2%**	**81,656**	**108,995**	**33.5%**
a) tangible assets for financial and investment services	53,815	61,684	14.6%	68,000	95,291	40.1%
b) tangible assets not for directly financial and investment services	3,016	2,670	-11.5%	13,656	13,593	-0.5%
c) revaluation surplus on tangible assets					111	
11. Own shares	**14,495**	**13,727**	**-5.3%**	**25,543**	**25,433**	**-0.4%**
12. Other assets	**44,983**	**41,841**	**-7.0%**	**55,731**	**65,396**	**17.3%**
a) stocks (inventories)	1,335	1,067	-20.1%	11,649	15,949	36.9%
b) other receivables (not from financial and investment securities)	43,648	40,774	-6.6%	44,082	49,382	12.0%
13. Prepayments and accrued income	**47,453**	**59,434**	**25.2%**	**39,033**	**47,599**	**21.9%**
TOTAL ASSETS	***2,635,873***	***2,889,896***	***9.6%***	***3,037,955***	***3,895,810***	***28.2%***
From this:						
-CURENT ASSETS	*1,109,476*	*1,029,434*	*-7.2%*	*1,205,232*	*1,454,572*	*20.7%*
- FIXED ASSETS	*1,478,944*	*1,801,028*	*21.8%*	*1,793,690*	*2,393,639*	*33.4%*

	30-Sep-03 OTP Bank	30-Sep-04 OTP Bank	Change	30-Sep-03 Consolidated	30-Sep-04 Consolidated	Change
LIABILITIES						
1. Liabilities to credit institutions	**99,579**	**174,146**	**74.9%**	**134,354**	**216,540**	**61.2%**
a) repayable on demand	5,856	9,046	54.5%	4,757	9,540	100.5%
b) liabilities from financial services with maturity dates or periods of notice	93,723	165,100	76.2%	129,597	207,000	59.7%
ba) not more than one year	35,749	41,651	16.5%	60,234	73,268	21.6%
bb) more than one year	57,974	123,449	112.9%	69,363	133,732	92.8%
c) liabilities from investment services						
2. Liabilities to customers	**2,073,739**	**2,172,640**	**4.8%**	**2,247,827**	**2,724,779**	**21.2%**
a) saving deposits	334,107	305,372	-8.6%	341,784	428,689	25.4%
aa) repayable on demand	45,014	43,900	-2.5%	46,733	140,545	200.7%
ab) maturity not more than one year	289,042	261,428	-9.6%	294,820	287,071	-2.6%
ac) maturity more than one year	51	44	-13.7%	231	1,073	364.5%
b) other liabilities from financial services	1,738,709	1,866,784	7.4%	1,905,119	2,295,606	20.5%
ba) repayable on demand	677,599	781,316	15.3%	705,667	890,677	26.2%
bb) maturity not more than one year	1,058,231	1,085,161	2.5%	1,112,693	1,312,602	18.0%
bc) maturity more than one year	2,879	307	-89.3%	86,759	92,327	6.4%
c) liabilities from investment services	923	484	-47.6%	924	484	-47.6%
3. Liabilities from issued debt securities	**60,249**	**51,867**	**-13.9%**	**99,252**	**265,129**	**167.1%**
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	267	206	-22.8%	40,267	214,465	432.6%
ba) maturity not more than one year	267	206	-22.8%	267	47,340	17,630.3%
bb) maturity more than one year				40,000	167,125	317.8%
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities	57,881	49,560	-14.4%	57,881	49,560	-14.4%
ca) maturity not more than one year	52,885	16,364	-69.1%	52,885	16,364	-69.1%
cb) maturity more than one year	4,996	33,196	564.5%	4,996	33,196	564.5%
4. Other liabilities	**66,029**	**79,566**	**20.5%**	**81,171**	**97,723**	**20.4%**
a) maturity not more than one year	66,029	79,566	20.5%	80,844	95,583	18.2%
b) maturity more than one year				24	2,140	8,816.7%
c) (Calculated) Corporate tax difference due to consolidation				303		-100.0%
5. Accruals and deferred income	**38,320**	**45,984**	**20.0%**	**46,116**	**69,131**	**49.9%**
6. Provisions	**25,561**	**32,239**	**26.1%**	**114,923**	**129,338**	**12.5%**
a) provisions for pensions and similar obligations	472	1,309	177.3%	472	1,312	178.0%
b) risk provision for off-balance sheet items (for pending and future liabilities)	6,827	9,432	38.2%	7,785	6,049	-22.3%
c) general risk provision	16,141	20,074	24.4%	17,382	24,729	42.3%
d) other provision	2,121	1,424	-32.9%	89,284	97,248	8.9%
7. Subordinated liabilities	**15,601**	**14,949**	**-4.2%**	**19,869**	**19,255**	**-3.1%**
a) subordinated loan capital	15,601	14,949	-4.2%	15,601	14,948	-4.2%
aa) equity consolidation difference	0			4,268	4,307	0.9%
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	1,380	1,095	-20.7%	2,171	1,886	-13.1%
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	**40,414**	**50,118**	**24.0%**	**40,414**	**50,118**	**24.0%**
12. Retained earnings (accumulated profit reserve) (+)	**129,614**	**178,138**	**37.4%**	**131,823**	**179,560**	**36.2%**
13. Legal reserves	**14,495**	**13,727**	**-5.3%**	**14,495**	**13,727**	**-5.3%**
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (+)	**44,220**	**48,470**	**9.6%**	**49,301**	**60,261**	**22.2%**
16. Subsidiaries' equity increases/decreases (+-)*				**29,077**	**38,937**	**33.9%**
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)				**430**	**424**	**-1.4%**
19 .Difference from exchange rate						
TOTAL LIABILITIES	***2,635,873***	***2,889,896***	***9.6%***	***3,037,955***	***3,895,810***	***28.2%***
From this:						
- SHORT-TERM LIABILITIES	*2,231,595*	*2,319,122*	*3.9%*	*2,360,127*	*2,873,474*	*21.8%*
- LONG-TERM LIABILITIES	*83,602*	*174,046*	*108.2%*	*222,346*	*449,952*	*102.4%*
- EQUITY (CAPITAL AND RESERVES)	*256,795*	*318,505*	*24.0%*	*294,443*	*373,915*	*27.0%*
** Book value of shares owned by subsidiaries*				11,048	11,706	

PK4. Profit and Loss Statement

PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the 9 months ended September 30, 2004

in HUF million

	HUF million	9M 2003 OTP Bank	9M 2004 OTP Bank	Change	9M 2003 Consolidated	9M 2004 Consolidated	Change
1.	*Interest received and interest-type income*	*146,993*	*213,444*	*45.2%*	*192,932*	*310,593*	*61.0%*
	a) interest received on securities with fixed-interest signifying a creditor relationship	45,191	62,530	38.4%	55,239	80,901	46.5%
	b) other interest received and interest-type income	101,802	150,914	48.2%	137,693	229,692	66.8%
2.	*Interest paid and interest-type expenses*	*60,316*	*103,426*	*71.5%*	*69,156*	*125,529*	*81.5%*
	Interest difference	**86,677**	**110,018**	**26.9%**	**123,776**	**185,064**	**49.5%**
3.	*Incomes from securities*	*7,691*	*8,500*	*10.5%*	*647*	*572*	*-11.6%*
4.	*Fees and Commission received*	*67,441*	*82,297*	*22.0%*	*52,781*	*60,468*	*14.6%*
	a) revenues from other financial services	62,061	76,755	23.7%	50,499	57,761	14.4%
	b) revenues from investment services (except incomes from trading activities)	5,380	5,542	3.0%	2,282	2,707	18.6%
5.	*Fees and Commission paid*	*6,838*	*6,794*	*-0.6%*	*10,031*	*11,413*	*13.8%*
	a) expenses on other financial services	6,667	6,580	-1.3%	9,861	11,190	13.5%
	b) expenses on investment services (except expenses from trading activities)	171	214	25.1%	170	223	31.2%
6.	*Profit or loss from financial transactions (6/a-6/b+6/c-6/d)*	*-3,867*	*3,832*	*-199.1%*	*-4,459*	*3,919*	*-187.9%*
	a) revenues from other financial services	11,898	9,719	-18.3%	15,115	10,351	-31.5%
	b) expenses on other financial services	16,088	6,520	-59.5%	19,795	7,112	-64.1%
	c) revenues from investment services (revenues from trading activities)	8,055	5,243	-34.9%	7,923	5,423	-31.6%
	d) expenses on investment services (expenses from trading activities)	7,732	4,610	-40.4%	7,702	4,743	-38.4%
7.	*Other incomes from business*	*348,225*	*183,808*	*-47.2%*	*88,266*	*74,100*	*-16.0%*
	a) incomes from non financial and investment services	6,195	5,373	-13.3%	73,411	69,824	-4.9%
	a1) income of consolidated investment service providers				9,002	8,129	-9.7%
	a2) income of consolidated insurance companies				45,867	44,068	-3.9%
	a3) income of other consolidated companies				18,542	17,627	-4.9%
	b) other revenues	342,030	178,435	-47.8%	14,732	4,071	-72.4%
	b1) income of consolidated investment service providers				14,095	3,362	-76.1%
	b2) income of consolidated insurance companies				106	96	-9.4%
	b3) income of other consolidated companies				531	613	15.4%
	ba) consolidation difference income due to debtor consolidation				8	8	0.0%
	bb) other income due to consolidation				115	197	71.3%
8.	*General administration expenses*	*53,962*	*62,682*	*16.2%*	*61,194*	*79,635*	*30.1%*
	a) personnel expenses	28,964	34,784	20.1%	32,987	43,839	32.9%
	b) other administration expenses	24,998	27,898	11.6%	28,207	35,796	26.9%
9.	*Depreciation and amortization*	*7,786*	*13,138*	*68.7%*	*8,480*	*10,245*	*20.8%*
10.	*Other expenses from business*	*360,399*	*196,689*	*-45.4%*	*93,056*	*92,535*	*-0.6%*
	a) expenses from non-financial and investment services	5,056	4,667	-7.7%	39,719	36,708	-7.6%
	a1) expense of consolidated investment service providers				7,016	7,436	6.0%
	a2) expense of consolidated insurance companies				32,676	29,230	-10.5%
	a3) expense of other consolidated companies				27	42	55.6%
	b) other expenses	355,343	192,022	-46.0%	27,569	22,564	-18.2%
	b1) expense of consolidated investment service providers				26,323	21,059	-20.0%
	b2) expense of consolidated insurance companies				387	636	64.3%
	b3) expense of other consolidated companies				859	869	1.2%
	ba) consolidation difference expense due to debtor consolidation						
	bb) other expense due to consolidation				513	6,712	1,208.4%
	c) expense of consolidated investment service providers				25,255	26,551	5.1%
	c1) expense of consolidated insurance companies				10,605	11,633	9.7%
	c2) expense of other consolidated companies				14,650	14,918	1.8%
11.	*Write-off of loans and provision for contingent and future liabilities*	*11,084*	*14,966*	*35.0%*	*20,624*	*31,837*	*54.4%*
	a) write-off of loans	7,055	10,399	47.4%	15,633	28,530	82.5%
	b) provision for contingent and future liabilities	4,029	4,567	13.4%	4,991	3,307	-33.7%
12.	*Reversal of write-off of loans and credit for contingent and future liabilities*	*10,649*	*11,419*	*7.2%*	*17,920*	*26,679*	*48.9%*
	a) reversal of write-off of loans	9,655	9,016	-6.6%	16,588	23,937	44.3%
	b) credit for contingent and future liabilities	994	2,403	141.8%	1,332	2,742	105.9%
12/A.	*Difference between the creation and write-off of general risk provision*	*-1,886*	*-3,017*	*60.0%*	*-2,066*	*-4,196*	*103.1%*
13.	*Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company*	*25*	*2*	*-92.0%*	*25*	*2*	*-92.0%*
14.	*Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company*	*250*	*143*	*-42.8%*	*278*	*5*	*-98.2%*
15.	**Result of ordinary business activities**	**75,086**	**102,729**	**36.8%**	**83,733**	**120,944**	**44.4%**
	Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	*73,947*	*102,023*	*38.0%*	*75,905*	*115,175*	*51.7%*
	- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	*1,139*	*706*	*-38.0%*	*7,828*	*5,769*	*-26.3%*
16.	*Extraordinary revenues*	*68*	*2,199*	*3,133.8%*	*16*	*150*	*837.5%*
17.	*Extraordinary expenses*	*249*	*1,774*	*612.4%*	*371*	*255*	*-31.3%*
18.	**Extraordinary profit or loss (16-17)**	**-181**	**425**	**-334.8%**	**-355**	**-105**	**-70.4%**
19.	**Profit or loss before tax (±15±18)**	**74,905**	**103,154**	**37.7%**	**83,378**	**120,839**	**44.9%**
20.	*Tax liabilities*	*12,461*	*15,231*	*22.2%*	*15,610*	*20,325*	*30.2%*
	a) Tax difference due to consolidation				-97	-238	145.4%
21.	**After-tax profit or loss (±19-20+20/a)**	**62,444**	**87,923**	**40.8%**	**67,865**	**100,752**	**48.5%**
22.	*Formation and utilization of general reserves (±)*	*-6,245*	*-8,793*	*40.8%*	*-6,941*	*-9,816*	*41.4%*
23.	*Use of accumulated profit reserve for dividends and profit-sharings*						
24.	*Dividends and profit-sharings paid (approved)*	*11,979*	*30,660*	*155.9%*	*11,623*	*30,675*	*163.9%*
25.	***Balance-sheet profit or loss figure (±21±22+23-24)***	***44,220***	***48,470***	***9.6%***	***49,301***	***60,261***	***22.2%***

IFRS FINANCIAL REPORTS

Consolidated, IFRS Balance Sheets (in HUF mn)

	Sep 30,2004	Sep 30,2003	Change
Cash, due from banks and balances with the National Bank of Hungary	352,365	244,804	43.9%
Placements with other banks, net of allowance for possible placement losses	252,170	261,501	-3.6%
Securities held-for-trading and available-for-sale	335,827	299,584	12.1%
Loans, net of allowance for possible loan losses	2,371,630	1,666,188	42.3%
Accrued interest receivable	30,995	33,027	-6.2%
Equity investments	6,429	5,553	15.8%
Debt securities held-to-maturity	269,654	300,817	-10.4%
Premises, equipment and intangible assets, net	167,997	100,047	67.9%
Other assets	76,734	89,897	-14.6%
TOTAL ASSETS	**3,863,801**	**3,001,418**	**28.7%**
Due to banks and deposits from the National Bank of Hungary and other banks	216,090	133,966	61.3%
Deposits from customers	2,723,944	2,249,075	21.1%
Liabilities from issued securities	253,770	85,994	195.1%
Accrued interest payable	38,894	24,001	62.1%
Other liabilities	214,503	196,275	9.3%
Subordinated bonds and loans	14,949	15,601	-4.2%
TOTAL LIABILITIES	**3,462,150**	**2,704,912**	**28.0%**
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	290,280	224,068	29.6%
Result on ordinary business activities	108,362	69,537	55.8%
Treasury shares	-25,433	-25,543	-0.4%
TOTAL SHAREHOLDERS' EQUITY	**401,209**	**296,062**	**35.5%**
MINORITIES	442	444	-0.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,863,801**	**3,001,418**	**28.7%**

Consolidated, IFRS Statements of Operations (in HUF mn)

for the 9 months ended September 30, 2004 and 2003

	9M 2004	9M 2003	Change
Interest Income:			
Loans	176,963	109,723	61.3%
Placements with other banks	32,741	15,551	110.5%
Due from banks and balances with the National Bank of Hungary	24,662	13,793	78.8%
Securities held-for-trading and available-for-sale	66,502	37,768	76.1%
Debt securities held-to-maturity	19,677	20,526	-4.1%
Total Interest Income	***320,545***	***197,361***	***62.4%***
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	13,626	15,634	-12.8%
Deposits from customers	98,466	56,028	75.7%
Liabilities from issued securities	13,196	4,504	193.0%
Subordinated bonds and loans	694	588	18.0%
Other enterpreneurs	27	0	0.0%
Total Interest Expense	***126,009***	***76,754***	**64.2%**
NET INTEREST INCOME	**194,536**	**120,607**	**61.3%**
Provision for possible loan losses	11,641	2,981	290.5%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**182,895**	**117,626**	**55.5%**
Non-Interest Income:			
Fees and commissions	65,168	58,611	11.2%
Foreign exchange gains and losses, net	1,836	4,672	-60.7%
Gains and losses on securities, net	5,573	-1,418	-493.0%
Gains and losses on real estate transactions, net	914	761	20.1%
Dividend income	572	355	61.1%
Insurance premiums	37,261	42,359	-12.0%
Other	7,819	6,829	14.5%
Total Non-Interest Income	***119,143***	***112,169***	***6.2%***
Non-Interest Expenses:			
Fees and commissions	17,020	12,518	36.0%
Personnel expenses	51,662	39,887	29.5%
Depreciation and amortization	21,389	13,143	62.7%
Insurance expenses	29,576	32,848	-10.0%
Other	54,304	46,465	16.9%
Total Non-Interest Expense	***173,951***	***144,861***	***20.1%***
INCOME BEFORE INCOME TAXES	**128,087**	**84,934**	**50.8%**
Income taxes	19,703	15,394	28.0%
INCOME AFTER INCOME TAXES	**108,384**	**69,540**	**55.9%**
Minorities	22	3	633.3%
NET INCOME	**108,362**	**69,537**	**55.8%**

MAJOR DIFFERENCES IN THE HAR AND IFRS NON AUDITED FINANCIAL REPORTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004

CALCULATION OF THE CONSOLIDATED PRE-TAX PROFITS

(in HUF mn)

	HAR	Fair value adjustment*			IFRS	Difference
		Write back in 2003	Sep 30, 2004	Total effect on result		
OTP Bank Ltd.	**103,154**				**113,849**	**10,695**
Merkantil Group	3,952	--	--	*0*	3,950	-2
OTP Building Society Ltd.	630	536	-432	*104*	734	104
OTP Mortgage Bank Ltd.	9,023	3,407	-2,914	*493*	9,516	493
OTP Banka Slovensko, a. s.	574	--	--	*0*	838	264
DSK Group**	8,262	--	592	*592*	9,228	966
OTP-Garancia Insurance Ltd.	2,734	723	170	*893*	3,627	893
OTP Fund Management Ltd.	2,308	-82	-6	*-88*	2,220	-88
HIF Ltd.	127	--	--	*0*	130	3
OTP Real Estate Ltd.	616	--	--	*0*	616	0
OTP Faktoring Ltd.	582	--	--	*0*	582	0
OTP Faktoring Asset Management Ltd.	2	--	--	*0*	2	0
Bank Center No I. Ltd.	123	--	--	*0*	123	0
OTP Fund Services Ltd.	98	--	--	*0*	98	0
OTP Mérleg Ltd.	24	--	--	*0*	24	0
Inga Ltd.-s	108	--	7	*7*	115	7
Concordia-Info Ltd.	55	--	--	*0*	55	0
OTP Card Manufactoring Ltd.	57	--	--	*0*	57	0
I. Aggregated pre-tax profit	**132,429**	**4,584**	**-2,583**	***2,001***	**145,764**	**13,335**
Difference from OTP Bank	*29,275*				*31,915*	
Equity consolidation	-231	--	--	--	0	231
Capital consolidation	-9,768	--	--	--	-14,744	-4,976
Filtering of intra-company relations	-1,591	--	--	--	-1,525	66
II. Total consolidation effect	**-11,590**	**--**	**--**	**--**	**-16,269**	**-4,679**
III. Filtering due to trading and available-for-sale mortgage bonds[4]	**--**	**-5,457**	**4,049**	***-1,408***	**-1,408**	**-1,408**
Consolidated pre-tax profits	**120,839**	**-873**	**1,466**	***593***	**128,087**	**7,248**
Difference from OTP Bank	*17,685*				*14,238*	

* Without OTP Bank Ltd.

** 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 wrote back.

[4] Fair valuation adjustment of mortgage bonds issued by OTP Mortgage Bank Ltd. and kept on the books of the parent bank, decreased the result in its individual IFRS report. With the filtering of the intra-company relations in the consolidated report the appreciation was wrote back as well. With the write back of the previous year's result increasing consolidation impact decreased the result by **HUF5,457 million**, and the filtering of the valuation for the current period increased the result with **HUF4,049 million**.

Difference in result: HUF-1,408 million

Unconsolidated, IFRS Balance Sheets (in HUF mn)

	Sep 30,2004	Sep 30,2003	Change
Cash, due from banks and balances with the National Bank of Hungary	331,406	238,558	38.9%
Placements with other banks, net of allowance for possible placement losses	150,793	235,291	-35.9%
Securities held for trading and available-for-sale	340,981	283,284	20.4%
Loans, net of allowance for possible loan losses	1,206,509	1,038,638	16.2%
Accrued interest receivable	39,195	33,514	17.0%
Equity investments	151,631	54,554	177.9%
Debt securities held-to-maturity	529,050	592,829	-10.8%
Premises, equipment and intangible assets, net	88,362	77,493	14.0%
Other assets	41,106	62,880	-34.6%
TOTAL ASSETS	**2,879,033**	**2,617,041**	**10.0%**
Due to banks and deposits from the National Bank of Hungary and other banks	174,146	99,142	75.7%
Deposits from customers	2,209,721	2,119,812	4.2%
Liabilities from issued securities	2,007	2,068	-3.0%
Accrued interest payable	23,149	18,003	28.6%
Other liabilities	95,680	92,859	3.0%
Subordinated bonds and loans	14,949	15,601	-4.2%
TOTAL LIABILITIES	**2,519,652**	**2,347,485**	**7.3%**
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	345,108	256,051	34.8%
Treasury shares	-13,727	-14,495	-5.3%
TOTAL SHAREHOLDERS' EQUITY	**359,381**	**269,556**	**33.3%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,879,033**	**2,617,041**	**10.0%**

Unconsolidated, IFRS Statements of Operations (in HUF mn)

for the 9 months ended September 30, 2004 and 2003

	9M 2004	9M 2003	Change
Interest Income:			
Loans	100,562	75,257	33.6%
Placements with other banks	32,092	14,958	114.5%
interest income without swap	*7,083*	*6,975*	1.5%
results of swaps	*25,009*	*7,983*	213.3%
Due from banks and balances with the National Bank of Hungary	22,661	12,915	75.5%
Securities held-for-trading and available-for-sale	22,852	14,734	55.1%
Securities held-to-maturity	40,200	30,172	33.2%
Total Interest Income	***218,367***	***148,036***	***47.5%***
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	13,055	14,408	-9.4%
interest expenses without swap	*3,205*	*2,501*	*28.1%*
losses of swaps	*9,850*	*11,907*	*-17.3%*
Deposits from customers	89,994	52,790	70.5%
Liabilities from issued securities	124	126	-1.6%
Subordinated bonds and loans	637	588	8.3%
Total Interest Expense	***103,810***	***67,912***	***52.9%***
NET INTEREST INCOME	**114,557**	**80,124**	**43.0%**
Provision for possible loan losses	7,023	2,993	134.6%
Provision for possible placement losses	-11	13	-184.6%
Provision for possible loan and placement losses	***7,012***	***3,006***	***133.3%***
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**107,545**	**77,118**	**39.5%**
Non-Interest Income:			
Fees and commissions	82,775	68,418	21.0%
Foreign exchange gains and losses, net	2,065	5,293	-61.0%
Losses and gains on securities, net	2,388	-678	-452.2%
Losses on real estate transactions, net	-69	13	-630.8%
Dividend income	8,500	7,691	10.5%
Other	1,564	3,007	-48.0%
Total Non-Interest Income	***97,223***	***83,744***	***16.1%***
Non-Interest Expenses:			
Fees and commissions	9,029	6,889	31.1%
Personnel expenses	34,830	28,964	20.3%
Depreciation and amortization	9,704	9,917	-2.1%
Other	37,356	38,370	-2.6%
Total Non-Interest Expense	***90,919***	***84,140***	***8.1%***
INCOME BEFORE INCOME TAXES	**113,849**	**76,722**	**48.4%**
Income taxes	15,360	12,575	22.1%
NET INCOME AFTER INCOME TAXES	**98,489**	**64,147**	**53.5%**

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 Sep 30, 2004	Dividend	Direct Movement on Reserves	Retained Earnings and reserves Sep 30, 2004
Hungarian financial statements	**233,776**	**87,923**	**-30,660**	**-534**	**290,505**
Adjustments to Hungarian financial statements:					
Reversal of statutory general provision	17,056	3,017	-	-	20,073
Premium and discount amortization on investment securities	-348	-266	-	-	-614
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	-	-	-	1,012
Difference in accounting for finance leases	-465	93	-	-	-372
Fair value adjustment of held for trading and available-for-sale financial assets (IAS 39)	-4,973	2,450	-	-	-2,523
Fair value adjustment of derivative financial instruments (IAS 39)	2,189	-1,405	-	-	784
Profit/loss on sale of Treasury Shares	0	-915	-	915	-
Correction of business/company value	685	5,586	-	-	6,271
Correction of investment in foreign currencies to cost	-2,124	2,615	-	-	491
Correction of company value due to transformation	-295	27	-	-	-268
Correction due to repo	48	-31	-	-	17
Expenses charged directly to equity	0	-534	-	534	-
Deferred taxation	559	-147	-	-	412
Dividend payable for the year 2003 decided at the AGM	16,800	-	-16,800	-	-
Dividend payable for the 9M 2004 accounted in the Hungarian report	-	-	30,660	-	30,660
International financial statements	**262,504**	**98,489**	**-16,800**	**915**	**345,108**

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

	January 1	March 31	June 30	September 30	December 31
Company	13,238,640	13,118,660	10,987,437	10,947,666	
Subsidiaries	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	

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

	End of reference period	Current period opening	Current period closing
Company	8,301	7,894	8,120
Group	12,437	17,000	17,350

Senior officers, strategic employees and their shareholding of OTP shares

September 30, 2004

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi	Chairman and CEO	1,874,945
IT	Dr. Zoltán Spéder	Deputy Chairman and Deputy CEO	1,408,400
IT	Mihály Baumstark	member	70,000
IT	Dr. Tibor Bíró	member	43,000
IT	Péter Braun	member	651,905
IT	Dr. István Kocsis	member	43,500
IT	Csaba Lantos	member, Deputy CEO	157,900
IT	Géza Lenk	member, Deputy CEO	101,027
IT	Dr. Antal Pongrácz	member, Deputy CEO	150,000
IT	Dr. László Utassy	member	29,680
IT	Dr. József Vörös	member	90,000
FB	Tibor Tolnay	Chairman	80,000
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member	16,050
FB	Dr. Gábor Nagy	member	140,000
FB	Dr. Sándor Pintér	member	0
FB	Klára Vécsei	member	22,000
SP	Gyula Pap	Deputy CEO	189,820
SP	László Wolf	Deputy CEO	763,380
Total:			5,841,607

[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			30-Sep-04		
	%[2]	%[3]	Qty	%[2]	%[3]	Qty
Domestic institution/company	5.8%	9.5%	16,337,210	2.7%	4.6%	7,431,259
Foreign institution/company	78.8%	79.1%	220,713,596	83.4%	84.4%	233,504,897
Domestic individual	2.7%	4.4%	7,606,994	1.7%	3.0%	4,898,640
Foreign individual	0.0%	0.0%	46,404	0.0%	0.0%	59,981
Employees, senior officers	2.9%	4.7%	8,127,462	3.1%	5.3%	8,560,297
Treasury shares	7.6%	0.0%	21,152,660	6.7%	0.0%	18,861,686
Government held owner [4]	0.1%	0.2%	415,675	0.4%	0.7%	1,083,241
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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