OTP Bank Rt.

Extracts of the audited Annual Report 2004

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

Budapest, April 29, 2005

*The excerpt of OTP Bank's Annual Report for 2004 contains the HAR and IFRS (former IAS) non consolidated and consolidated balance sheet and profit and loss account for the 12 months ending December 31, 2004. For the sake of easier analysis by international investors, we present both the HAR non-consolidated and consolidated figures in a format that is closer to the international format. Please note, that the consolidated and unconsolidated IFRS reports form the Bank's Audited IFRS Financial Report only accompanied by the Accessory Supplement and Notes of the reports. HAR and IFRS data for 2003 and 2004 in the report are **audited**.*

HIGHLIGHTS

CONSOLIDATED

HAR

Total assets for the group were HUF 4,182,444 million on December 31, 2004, which represented a year-on-year growth of 19.4%, and it was 37.4% higher than total assets of the Bank on December 31, 2004.

OTP Group's consolidated pre-tax profits were HUF 151,365 million, an increase of 47.3% over 2003 and 22.5% higher than the figure of the Bank. OTP Group's consolidated after-tax profits were HUF 125,875 million for 2004, an increase of 51.6% over 2003, and 20.1% higher than the figure of the Bank. Consolidated ROA was 3.28% (2.66% in 2003) and consolidated ROE was 36.3% (30.6% in 2003).

IFRS

Total assets for the group were HUF 4,162,359 million on December 31, 2004, which represented a year-on-year growth of 20.3%, and it was 36.3% higher than total assets of the Bank on December 31, 2004.

OTP Group's consolidated net profit was HUF 140,820 million for 2004, increase of 69,0% over 2003, and 10.0% higher than the figure of the Bank. Consolidated ROA was 3.69% (2.70% in 2003) and consolidated ROE was 37.8% (31.1% in 2003).

	MSZSZ		Financial highlights		IFRS	
2003	2004	change	Consolidated	2003	2004	change
3,502.7	4,182.4	19.4%	Total assets (HUF bn)	3,460.8	4,162.4	20.3%
2,025.7	2,511.1	24.0%	Total loans and advances (HUF bn)	1,982.6	2,506.8	26.4%
2,697.8	2,910.4	7.9%	Total deposits (HUF bn)	2,689.8	2,902.2	7.9%
75.1%	86.3%	11.2%	Loan/deposit ratio	73.7%	86.4%	12.7%
305.1	389.4	27.6%	Shareholders' equity (HUF bn)	311.8	433.3	39.0%
11.5	10.7	-6.4%	Balance sheet gearing	11.1	9.6	-13.4%
42.8%	37.3%	-5.5%	Share of non interest income in total income	47.5%	41.0%	-6.5%
62.0%	55.7%	-6.3%	Cost to income ratio	65.2%	57.6%	-7.6%
102.8	151.4	47.3%	Pre-tax profits (HUF bn)	102.7	166.7	62.4%
83.0	125.9	51.6%	After tax profits (HUF bn)	83.3	140.8	69.0%
322	483	50.0%	EPS undiluted (HUF)	320	537	67.7%
297	450	51.5%	EPS fully diluted (HUF)	319	534	67.6%
2.66%	3.28%	0.62%	Return on Assets	2.70%	3.69%	0.99%
30.6%	36.3%	5.7%	Return on Equity	31.1%	37.8%	6.7%
25.9%	29.5%	3.6%	Real Return on Equity	26.4%	31.0%	4.6%
3,118.4	3,842.6	23.2%	Average assets (HUF bn)	3,088.7	3,811.6	23.4%
177.1	250.9	41.7%	Net interest income (HUF bn)	176.1	260.9	48.2%
5.68%	6.53%	0.85%	Net interest margin	5.35%	6.42%	1.07%

BANK

HAR

Over the 12 months period ending December 31, 2004, total Bank assets grew to HUF 3,044,772 million or by 10.4%. For 2004 OTP Bank's HAR pre-tax profits were HUF 123,521 million, 42.5%

higher than in 2003. OTP Bank's HAR after-tax profits for 2004 were HUF 104,818 million, HUF 33,256 million or 46.5% higher than in 2003.

IFRS

Over the 12 months period ending December 31, 2004, total IFRS Bank assets grew to HUF 3,054,475 million or by 11.8%. OTP Bank's IFRS after-tax profits for 2004 were HUF 127,196 million, HUF 57,055 million or 81.3% higher than in 2003.

	MSZSZ		Financial highlights		IFRS	
2003	2004	change	Bank	2003	2004	change
2,758.6	3,044.8	10.4%	Total assets (HUF bn)	2,731.6	3,054.5	11.8%
1,088.3	1,272.1	16.9%	Total loans and advances (HUF bn)	1,070.4	1,276.2	19.2%
2,234.9	2,318.5	3.7%	Total deposits (HUF bn)	2,264.5	2,340.9	3.4%
48.7%	54.9%	6.2%	Loan/deposit ratio	47.3%	54.5%	7.2%
261.8	325.0	24.1%	Shareholders' equity (HUF bn)	276.2	389.1	40.9%
10.5	9.4	-11.1%	Balance sheet gearing	9.9	7.9	-20.6%
42.0%	43.3%	1.3%	Share of non interest income in total income	49.8%	49.5%	-0.3%
54.1%	47.9%	-6.2%	Cost to income ratio	57.5%	46.1%	-11.4%
86.7	123.5	42.5%	Pre-tax profits (HUF bn)	84.5	148.2	75.4%
71.6	104.8	46.5%	After tax profits (HUF bn)	70.1	127.2	81.3%
269	391	45.1%	EPS undiluted (HUF)	261	471	80.2%
256	374	46.5%	EPS fully diluted (HUF)	260	469	80.2%
2.78%	3.61%	0.83%	Return on Assets	2.74%	4.40%	1.66%
30.6%	35.7%	5.1%	Return on Equity	29.2%	38.2%	9.0%
25.9%	28.9%	3.0%	Real Return on Equity	24.5%	31.4%	6.9%
2,550.0	2,785.4	9.2%	Average assets (HUF bn)	2,560.8	2,893.1	13.0%
118.2	148.0	25.2%	Net interest income (HUF bn)	111.5	151.1	35.5%
4.64%	5.31%	0.68%	Net interest margin	4.08%	4.92%	0.84%

AUDITED CONSOLIDATED HAR FIGURES AS OF DECEMBER 31, 2004

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

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

	Shareholders' Equity		Total assets		Pre-tax profits	
	31-Dec-03	31-Dec-04	31-Dec-03	31-Dec-04	2003	2004
OTP Bank Ltd.	**261,776**	**324,978**	**2,758,606**	**3,044,772**	**86,701**	**123,521**
Subsidiaries total	148,871	176,335	1,550,021	2,010,198	25,200	39,405
Total (non consolidated)	410,647	501,313	4,308,627	5,054,970	111,901	162,926
Consolidated	**305,120**	**389,354**	**3,502,663**	**4,182,444**	**102,751**	**151,365**

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

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

Fully consolidated subsidiaries	25
Equity consolidated companies	23
of which	
- daughter companies	22
- mutually managed companies	1
- associated companies	--

CONSOLIDATED BALANCE SHEET

As at 31 December 2004, the Bank's consolidated balance sheet total stood at HUF 4,182.4 billion, up 19.4%, or HUF 679.8 billion, from a year earlier, exceeding the Bank's year-end 2004 non-consolidated balance sheet total by 37.4%.

Primary **liability-side** factors behind the 2004 growth in the consolidated balance sheet total included a HUF 557.0 billion increase in liabilities and, within this, a rise of HUF 212.5 billion in liabilities towards customers and of HUF 128.3 billion in liabilities towards credit institutions, as well as a HUF 84.2 billion and a HUF 19.1 billion increase respectively in equity and provisions. Liabilities rose by 18.3% compared with a year earlier, and, within this, long-term liabilities saw the most pronounced increase, with the total of such liabilities exceeding the year-end 2003 figure by 71.7%. As a result, the share of short-term liabilities fell slightly in 2004, although they still accounted for 87.6% of total liabilities. Liabilities to customers accounted for over 80% of total liabilities, with a total volume of HUF 2,910.4 billion at the end of 2004. The volume of customer deposits rose by 7.8%, amounting to HUF 2,914.8 billion at year-end, with retail deposits making up more than 75% of this total. The share of corporate and municipality deposits was 18.5% and 6.4% respectively at the end of the year. The share of foreign subsidiaries in the consolidated deposit total was HUF 500 billion, or 17.2%, up by 3 percentage points on the year-end 2003 figure (HUF 384.7 billion, or 14.2%). Although liabilities from credit institutions more than doubled, to HUF 254.6 billion, their share within total liabilities was just 6.1%. Of the liabilities included in the consolidated balance sheet, provisions grew by HUF 19.1 billion, to HUF 135.3 billion. Equity rose by HUF 84.2 billion, or 27.6%, in the year under review, accounting for 9.3% of liabilities as of the end of 2004 (compared to 8.7% at the end of 2003).

Consolidated volume of deposits by subsidiaries and by business lines on Dec 31, 2004 in HUF mn

	Corporate	Municipality	Retail	Total
OTP Bank Ltd.	421,098	159,679	1,737,751	2,318,528
OTP Building Society	2,441	7	57,044	59,492
Merkantil Bank	2,163	0	37,576	39,739
Merkantil Car	103	0	728	831
OTP Banka Slovensko a.s.	58,626	19,434	61,793	139,853
DSK Bank EAD	41,805	6,642	282,900	331,347
Robank SA	15,939	0	12,764	28,703
Total	542,175	185,762	2,190,556	2,918,493
Total consolidated	538,495	185,762	2,190,556	2,914,813

The most significant change in the **assets** of the consolidated balance sheet is a 24.0%, or HUF 485.4 billion, increase in receivables from customers, as a result of which their share within total assets rose from 57.8% in 2003 to 60.0%. The share of retail loans within a HUF 2,583.4 billion portfolio of customer loans was 60.4%, with the volume of such loans amounting to HUF 1,559.7 billion. The HUF 927.1 billion in loans to the corporate sector accounted for 35.9% of the total portfolio, while loans granted to municipalities amounted to HUF 96.6 billion, accounting for 3.7% of the portfolio.

Consolidated gross loan volume by subsidiaries and by business lines on Dec 31, 2004 in HUF mn

	Corporate	Municipality	Total retail	Consumer	Mortgage / Housing	Total
OTP Bank Ltd.	806,280	94,566	371,259	200,887	170,371	1,272,104
OTP Factoring	1,995	447	6,490	417	6,074	8,933
OTP Building Society			7,929		7,929	7,929
Merkantil Bank Ltd.	16,199	21	34,287	34,287		50,507
Merkantil Car Ltd.	19,983	255	116,890	116,890		137,127
HIF Ltd.	11,766					11,766
OTP Mortgage Bank			770,265		770,265	770,265
OTP Banka Slovensko a.s.	114,809	1,095	26,722	4,366	22,355	142,626
DSK Bank EAD	63,082	183	210,799	163,209	47,590	274,065
Robank SA	16,087		258	257	1	16,345
Total	1,050,201	96,568	1,544,899	520,313	1,024,586	2,691,667
Total consolidated	927,112	96,568	1,559,740	535,154	1,024,586	2,583,419

Receivables from credit institutions grew by 24.7%, to HUF 314.7 billion, and liquid assets were up from HUF 276.5 billion at the end of 2003 to HUF 425.3 billion, representing a more than 1.5-fold increase.

Government securities, having decreased by 13.0%, accounted for 13.1% of total assets at the end of 2004, with the volume of these securities amounting to HUF 548.9 billion. Of the government securities portfolio, 60% consisted of securities held for investment purposes.

The Bank's market share – measured on bank group level, i.e. taking into account the market share of its fully-owned Hungarian subsidiaries pursuing credit-institution activities – in the balance sheet total, total deposits and total loan portfolio of the Hungarian banking sector was 25.8%, 30,8% and 21.4% respectively at end-2004. The bank group managed over 30% of household savings, including mutual fund shares, but net of other non-credit institution securities.

CONSOLIDATED RESULTS

The Bank's consolidated pre-tax profit for 2004 was HUF 151.4 billion, up 47.3% from a year earlier and 22.5% higher than the parent company's pre-tax profit for the year under review. This is attributable to the HUF 177.4 billion in operating profits, HUF 0.6 billion in dividend income, HUF 18.0 billion in provisions, impairment and loan losses, and HUF 8.6 billion in losses from goodwill write-offs. Compared to the base period, operating profit grew by 50.9% and provisioning and loan losses by 34.0% compared with a year earlier, while the loss arising from goodwill write-offs increased by HUF 6.6 billion.

The Group's net interest income was HUF 250.9 billion, up 41.7% from a year earlier. The increase in net interest income was the result of HUF 424.1 billion in interest income (representing an increase of 52.0%) and HUF 173.2 billion in interest expenses (representing an increase of 69.8%). Non-interest income increased by 13.0%, to HUF 149.5 billion. Within non-interest income, income from securities and foreign-exchange trading grew the most notably, with net gains on stock-exchange prices and net exchange-rate gains up by HUF 9.4 billion and HUF 7.0 billion respectively, and profit on real estate sales increasing by 22.1%. By contrast, income from insurance premiums and other non-interest income fell (by 9.3% and 24.6% respectively). Thus, the Group's total revenues grew from HUF 309.4 billion to HUF 400.4 billion, representing a 29.4% increase, of which non-interest income accounted for 37.3%. The Group's non-interest expenses, which grew at a considerably lower rate than did income, rose by 16.2%. As a result, the group level expense-to-income ratio improved significantly, by 630 basis points, from 62.0% to 55.7%.

Partly owing to the fact that actual tax rates were lower in 2004 (16.8%) than in 2003 (19.2%), the Bank's **consolidated after-tax profit amounted to HUF 125.9 billion**, up by HUF 42.9 billion, or 51.6%, from 2003.

In 2004, **undiluted consolidated earnings per share[1]** (**EPS**) were HUF 483, while the diluted[2] figure was HUF 450, up by 50.2% and 51.6% from a year earlier.

In 2004, the Bank's consolidated return on average assets **(ROAA)** and consolidated return on average equity **(ROAE)** in 2004 were **3.28%** and **36.3%** respectively (2003: 2.66% and 30.6%). Return on real equity[3] was 29.5%, compared to 25.9% in 2003.

MAJOR NON-CONSOLIDATED AUDITED HAR FIGURES FOR 2004

OTP Bank's **pre-tax profit** for 2004 was HUF 123,521 million, a 42.5% increase from a year earlier. This profit was obtained as a result of HUF 136,041 million **operating income**, HUF 13,357 million of diminution in value and provisions, HUF 7,663 million negative acquisition goodwill and HUF 8,500 million dividend income. Compared to the base period, this represents 45.5% increase in operating income, 0.7% higher diminution in value and provisioning expenses and dividend income grew by 10.5%. The negative acquisition goodwill (OBS, DSK, Robank) was HUF 6.4 billion higher compared to 2003 (OBS, DSK).

After tax profit was HUF 104,818 million, HUF 33,256 million, or 46.5% higher than in 2003. (Not counting the dividend income, pre-tax profit of the bank was HUF 115,021 million, after tax profit was HUF 96,318 million, 45.6% and 50.8% higher than in 2003.)

After having generated the HUF 10,482 million of general reserves and the dividend fund for the period, representing 39.3% payout ratio (estimated at HUF 146 per share for the full year), the Bank's retained earnings for 2004 were HUF 53,130 million, an increase of 11.6% over the year earlier.

[1]The method for calculating undiluted earnings per share: adjusted after-tax profit/ (ordinary shares - own shares)
[2]Calculation method: (adjusted after-tax profit + preference dividend)/ (ordinary shares + preference shares).
[3] Calculation method: ROAE – inflation (%)

Earnings per share for the period were HUF 391 undiluted, HUF 374 diluted, which is 45.1% and 46.5% higher than for 2003. US dollar equivalents are USD1.93 and USD1.85 respectively, 60.6% and 62.1% higher than in 2003, based on the central banks average middle exchange rate between January 1, 2004 and December 31, 2004 (202.64 HUF /USD). (Not counting the dividend income the undiluted EPS was HUF 359, diluted EPS was HUF 344 (49.4% and 50.8% increase year-on-year), and USD1.77 and USD1.70 in 2004.)

Annualized return on average equity (ROE) for 2004 was 35.7%, on average assets (ROA) 3.61% (30.6% and 2.78% resp. in 2003). Non consolidated real ROE (ROE less inflation) reached 28.9% - as a result of the growth in equity - and was higher than in 2003 and exceeded the long term target of the Bank. (Not counting the dividend income, ROA was 3.32%, ROE was 32.8% for 2004, were 84 bps and 551 bps higher than in 2003.)

NET INTEREST INCOME

The bank's net interest income for 2004 was HUF 148.0 billion, 25.2% higher than in 2003. The net interest income was a result of HUF 288.2 billion interest income (40.1% increase) and HUF 140.2 billion interest expenses (60.3% increase).

Interest earned on interbank accounts was 91.7% higher due to the decline of the average placement and the increase of the inter-bank interest rate level. Income from securities increased by 28.4% accompanied by the increase of their average volumes and of the yields compared to 2003. In line with the 7.7% increase in average volume and with the increase in rates, interest income from retail accounts grew by 29.4%. The interest income increased by 34.6% in corporate lending and by 32.5% in municipal lending, meanwhile the interest level grew in corporate and declined in municipal lending and the growth in volume was 17.4% in corporate business and 44.0% in municipal volume. 22.0% of interest incomes came from retail accounts, 21.1% form corporate accounts and 28.5% from securities.

The volume of customer liabilities is growing, interest expenses increased by 61.6% on retail accounts in line with the increase in the interest rate level and the liability structure, and increased by 41.6% on corporate and by 75.3% on municipal accounts. Interest paid on interbank accounts grew both in HUF and in foreign exchange. The growth was caused, in HUF, by the HUF 13.5 billion loss on interest swap deals and, in foreign currency, by the interest expenses of the syndicated loans and by swap losses. Interest expenses on securities fell by 42.5%. Share of interest paid on retail accounts was 63.2% correspondently with the liability structure.

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

QUALITY OF LOAN PORTFOLIO, PROVISIONS

Compared to December 31, 2003, total receivables increased by 17.3% (customer receivables by 18.0%), total qualified outstanding was 28.3% higher (increase in customer qualified receivables reached 28.8%), thus portion of qualified receivables changed from 4.4% to 4.8% over December 31, 2003. To-be-monitored loans increased by HUF 21.9 billion during the year. Problem loans decreased from HUF 41.7 billion as on December 31, 2003 to HUF 35.7 billion or by 14.6%. For HUF 71.6 billion of qualified outstanding, total provisions created were HUF 20.8 billion resulting, in harmony with the structural change of the qualified portfolio, in a falling coverage ratio to 29.0% (36.9% at the end of December 2003). Provisions created on HUF 35.7 billion problem loans was HUF 18.3 billion, which means 51.4% coverage ratio (47.2% at the end of December 2003).

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

Provision	19,710	1.5%	18,342	1.2%	-1,368	-6.9%	-0.3%
Coverage (%)	47.2%		51.4%			4.2%	

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

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

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

The provisioning and loan losses on customer receivables for 2004 were HUF 9,334 million (decrease of 10.7% from a year earlier).

The HUF 7.9 billion loan loss provisioning represented 0.67% (annualized) of the average customer receivables (HUF 1,170.5 billion) compared to 0.76% for 2003.

Provisions/loan losses in HUF millions:

HUF million	4Q 2003	3Q 2004	4Q 2004	Q-o-Q %	Y-o-Y %	2003	2004	Y-o-Y %
Provision/depreciation and loan losses	5,756	3,087	1,824	-40.9%	-68.5%	13,261	13,357	0.7%
HAR mandatory	4,366	2,064	1,014	-50.9%	-77.0%	10,448	9,334	-10.7%
From this provision on loans at OTP Mortgage Bank with repurchase guarantee	1,400	-388	-250	-	-	2,400	1,434	-40.2%
General risk provision	917	991	1,497	51.1%	62.7%	2,803	4,514	61.0%
Provision on uncovered derivative positions (without options)	-737	64	-153	-339.1%	-79.2%	-708	395	-155.8%
Provision on option deals	-5	0	0	-	-	0	0	-
Provision for early retirements and severance payments	1,072	-32	-569	-	-153.1%	545	-806	-247.9%
Other provision	143	0	35	-	-75.5%	173	-80	-146.2%

NON-INTEREST INCOME

During the year of 2004 non-interest income was 32.2% higher than in 2003, and reached HUF 113,131 million. Net fees and commissions represented HUF 103,940 million, a 22.1% increase (fees and commissions received increased by 18.3% or HUF 17,587 million, fees and commissions paid were 11.2% or HUF 1,216 million lower).

The fees on loans grew by 36.6% to HUF 47.1 billion. Corporate lending growth positively influenced HUF and FX related fee income. Meanwhile in the retail lending, the growth was sizeable from fees concerning the mortgage loans from own and consortia funding, and also from fees related to the repurchase obligations and besides the agent fees received from the Mortgage Bank, but fees from loans transferred to Mortgage Bank decreased. On the level of the Bank, HUF 40.9 billion fee income is mortgage-related, from this HUF 37.4 billion (HUF 25.1 billion in 2003) is from OTP Mortgage Bank, from which the transfer fee for the loan sold was almost HUF 22.8 billion (HUF 12.2 billion in 2003). The fees from the card business were 26.4% higher than in 2003 and was more than HUF 27 billion. Cash withdrawal (from ATM and POS) and merchant fees increased significantly as a result of the increased turnover. Fee income from retail current accounts increased by 13.6% to HUF 10.7 billion. Deposit business fee income increased by 10.5% to HUF 5.9 billion, mainly due to the growth of corporate account fees. Securities transaction fees declined by 3.8% to HUF 7.5 billion mainly because of the decrease in depository fees and in securities' issuing organizing fees.

Net result on securities trading in 2004 was HUF 2,976 million compared to HUF 938 million loss in 2003.

Foreign exchange profits totaled at HUF 4,540 million for 2004, in 2003 the loss was HUF 1,402 million.

Losses on real estate transactions were HUF 115 million compared to the HUF 129 million loss in 2003.

Other non interest income of HUF 1,790 million was 38.5% lower than in 2003. From this, income of the mortgage loans sold to OTP Mortgage Bank was HUF 436 million in 2004.

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

Total income for the Bank reached HUF 261,117 million, a 28.1% increase; well above the inflation.

NON-INTEREST EXPENSES

During the year 2004, non-interest expenses reached HUF 125,076 million, 13.5% higher than a year earlier and below the growth rate of the income.

Personnel expenses were 19.3% higher than in 2003. Personnel expenses represented 20.0% of total income compared to 21.5% during 2003. Depreciation was HUF 9,646 million, HUF 247 million or 2.5% lower than a year ago reflecting the impact of the outsourced IT equipments.

The other non-interest expenses were by 11.7% or HUF 6,629 million higher than a year earlier. Within these, the most important items are the material type of costs that grew by HUF 2,825 million or by 7.6%.

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

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

OTP Bank's total assets as at December 31, 2004 were HUF 3,044,772 million, 10.4% higher than a year earlier. The increase is higher than the inflation resulting in real asset growth for the preceding 12 months, but the growth did not reach the average growth rate of the banking sector.

Since December 31, 2003 within banking assets, cash and banks increased by 57.9% driven by the increase of short-term HUF placements with NBH by 109.0%, and the growth account balance with NBH by 35.7% and by the decrease of HUF cash by 3.3%, and of foreign currencies by 11.6%.

The volume of government securities on December 31, 2004 was HUF 294.8 billion, 26.8% lower than a year earlier. Trading securities decreased by HUF 48.8 billion, or 36.2% to HUF 86.2 billion, investment securities fell by HUF 58.9 billion or 22.0% to HUF 208.6 billion. From the above-mentioned, the HUF 55.3 billion decrease in the Hungarian Government Bonds was sizeable.

The volume of the interbank placements increased by 13.7% since the December 31, 2003 and represented 6.2% of total assets.

Within total assets, **receivables from customers** represented 41.8% (39.5% on December 31, 2003), and were HUF 1,272.1 billion, which was 16.9% higher than a year earlier. Within the commercial loan portfolio, in the last 12 months, retail lending grew by 16.7%, corporate lending by 16.6%. Loans to municipalities increased by 19.9%. In the loan portfolio, the share of retail loans was 29.2% corporate loans represented 63.4% and municipal loans 7.4%.

Within **corporate lending** reaching HUF 806.3 billion by the end of December 2004, loans extended to economic entities was 9.4% higher than a year earlier reaching HUF 603.1 billion. Loans granted to other financial agents grew by 52.1% to HUF 141.7 billion from HUF 93.2 billion as it was at the end of December 2003. Loans granted to small businesses and individual entrepreneurs increased by 85.9% or by HUF 17.8 billion, the share of loans to small and individual businesses within the corporate loan portfolio was 4.8%, compared to the 3.0% share a year earlier.

Retail loans increased by HUF 53.1 to HUF 371.3 billion from a year earlier. Within this, the volume of housing loans declined by 7.2% to HUF 170.4 billion. The volume of in July introduced FX housing loans exceeded HUF 9.9 billion at the end of December 2004. The volume of mortgage loans remaining with the Bank (Forrás loans and 2003 and 2004 condition loans) amounted to HUF 51.7 billion on December 31, 2004. The volume of 2000 condition loans decreased by 15.5% to HUF 59.2 billion during 12 months to December 2004. Old loans continued to decline, all in all, to HUF 30.0 billion. The granted building society loans grew from HUF 10.1 billion on December 31, 2003 to HUF 19.6 billion on December 31, 2004. Volume of mortgage-based home equity loans fell by 22.5% to HUF 24.2 billion over last 12 months.

Consumer loans were 70.9% higher and reached HUF 176.7 billion at the end of December 2004. Loans financing consumer purchases increased from HUF 2.5 billion to HUF 7.1 billion, personal loans – due to the in the spring introduced new product – increased vigorously from HUF 4 million a year earlier to HUF 73.7 billion at the end of December 2004. Within consumer loans current account related loans decreased by 9.4% reaching HUF 82.4 billion. Volume of lombard loans declined from HUF 8.8 billion as on December 31, 2003 to HUF 8.4 billion as on December 31, 2004.

The volume of **municipal loans** increased further and reached HUF 78.9 billion from HUF 94.6 billion. Loans to budgetary organizations decreased to HUF 0.6 billion by the end of December 2004.

On December 31, 2004, **customer deposits** represented 76.1% of the Bank's liabilities. Their volume was HUF 83.7 billion or 3.7% higher than a year earlier and reached HUF 2,318.5 billion. The increase in retail business was HUF 81.4 billion, in municipal business was HUF 2.5 billion, deposits in corporate business fell by HUF 0.3 billion.

Volume of **retail deposits** increased by 4.9% to HUF 1,737.8 billion during 12 months, their share within customer deposits represented 75.0%. HUF retail deposits increased by HUF 95.9 billion or by 6.8%, while FX deposits expressed in HUF declined by HUF 14.5 billion or by 5.9%.

Within HUF deposits, passbook deposits decreased by 11.2%. Current account deposits, the leading retail product of the Bank increased significantly - in line with the business policy announced by the management - from HUF 996.2 billion to HUF 1,130.4 billion or by 13.5% and their share in retail deposits grew from 70.6% to 75.1%.

Volume of **corporate deposits** decreased by 0.1% to HUF 421.1 billion from a year earlier. Deposits of legal entities decreased by 2.9% in HUF and grew by 63.3% in foreign currencies. HUF deposits of small businesses and individual entrepreneurs declined by 22.4%, and foreign currency deposits grew from HUF 0.4 billion to HUF 5.1 billion year on year.

Municipal deposits increased by 1.6% and were HUF 159.7 billion on December 31, 2004.

Within the Bank's liabilities the volume of provisions grew from HUF 26.8 billion at the end of December 2003 to HUF 32.6 billion on December 31, 2004.

SHAREHOLDERS' EQUITY

Shareholders' equity of OTP Bank on December 31, 2004 reached HUF 325.0 billion, an increase of 24.1% compared to the same period a year ago. The increase of HUF 63.2 billion was a result of an additional HUF 10.5 billion in general reserves, as well as a HUF 46.9 billion increase in retained earnings, a HUF 0.3 billion increase in fixed reserves and a HUF 5.5 billion growth in net profits. Non-audited book value of 1 share on December 31, 2004 was HUF 1,161.

On December 31, 2004, the HAR **guarantee capital** of the Bank stood at HUF 193,018 million. With HUF 1,725.7 billion risk weighted assets (a 26.5% growth compared to December 31, 2003) the **capital adequacy ratio** was 11.19% as at December 31, 2004 in excess of the 8% required by the Banking Act.

SUBSIDIARIES

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

	2003	2004	Change
Merkantil Bank Ltd.	*2,646*	*3,096*	*17.0%*
Merkantil-Car Ltd.	*1,452*	*1,471*	*1.3%*
Merkantil Bérlet Ltd.	*158*	*368*	*132.9%*
NIMO 2002 Ltd.	*-38*	*6*	--
Merkantil Group	**4,218**	**4,941**	**17.1%**
OTP Building Society Ltd.	360	783	117.5%
OTP Mortgage Bank Ltd.	8,548	12,653	48.0%
OTP Banka Slovensko a. s.[4]	-207	-57	263.2%
DSK Group[5]	1,573	11,253	615.4%
Robank SA	--	86	--
OTP Garancia Insurance Ltd.	2,605	4,049	55.4%
OTP Fund Management Ltd.	4,338	3,300	-23.9%
HIF Ltd.	259	175	-32.4%
OTP Real Estate Ltd.	1,347	1,012	-24.9%
OTP Factoring Real Estate Ltd.	*1,321*	*752*	*-43.1%*
OTP Factoring Ltd.	*64*	*19*	*-70.3%*
OTP Factoring Group	**1,385**	**771**	**-44.3%**
Bank Center No. I. Ltd.	81	138	70.4%
OTP Fund Servicing and Consulting Ltd.	225	105	-53.3%
OTP Mérleg Ltd.	196	-35	--
Inga Ltd.'s	104	142	36.5%
Concordia Info Ltd.	168	43	-74.4%
OTP Card Manufacturing Co.	--	46	--
Subsidiaries total	**25,200**	**39,405**	**56.4%**

[4] Pre-tax profits of OBS according to Slovakian GAAP for 2004 reached HUF 522 million and HUF 81 in 2003.

[5] Pre-tax profits of DSK Group, consisting of DSK Bank, POK DSK-Rodina, DSK Trans Security EOOD and DSK Tours EOOD were for 2004 according to Bulgarian GAAP HUF 11,346 million.

Main consolidated data and main figures of the subsidiaries as at December 31, 2004 and for the year 2004, according to HAR:

HUF million	Total assets	Loans	Deposits	Equity	Net interest income	Non interest income	Non interest expenses	Cost to income ratio	Pre-tax profit	After tax profit
OTP Bank Ltd.	3,044,772	1,264,489	2,314,092	324,978	147,986	113,130	125,075	47.9%	123,521	104,818
Merkantil Bank Ltd.	58,945	45,129	39,739	11,442	6,541	-509	2,976	49.3%	3,096	2,751
OTP Mortgage Bank Ltd.	885,863	770,245		31,382	39,276	-22,433	3,767	22.4%	12,653	10,665
OTP Building Society Ltd.	65,784	7,891	59,492	2,555	3,559	-1,246	1,509	65.2%	783	664
OTP Bank Slovensko, a. s.	215,094	133,838	139,853	14,151	4,954	2,123	7,027	99.3%	-57	-57
DSK Group	409,760	270,516	331,270	50,513	24,732	7,338	18,475	57.6%	11,254	8,960
Robank SA	44,566	16,070	28,703	7,693	1,150	692	1,382	75.0%	86	52
OTP Garancia Insurance Ltd.	116,273			12,049		58,526	54,875	93.8%	4,049	3,400
OTP Fund Management Ltd.	8,601			6,352		4,135	836	20.2%	3,300	2,775
Merkantil Car Ltd.	135,374	130,709	831	1,925	10,577	-5,050	1,879	34.0%	1,471	916
Merkantil Bérlet Ltd.	1,705			740		2,465	2,196	89.1%	368	285
OTP Factoring Ltd.	7,826	7,018		2,582	-72	3,128	1,569	51.3%	752	589
OTP Factoring Asset Management Ltd.	1,565			414		238	220	92.3%	19	17
OTP Fund Servicing and Consulting Ltd.	1,967			1,659		1,692	1,587	93.8%	105	95
HIF Ltd.	12,340	11,665		1,936	479	80	428	76.6%	175	123
OTP Real Estate Ltd.	18,239			6,091		4,314	3,370	78.1%	1,012	845
Other subsidiaries	26,296			24,850		2,188	2,388	109.1%	341	273
Subsidiaries total	2,010,198	1,393,081	599,889	176,335	91,195	57,682	104,482	70.2%	39,406	32,352
Total	5,054,970	2,657,570	2,913,981	501,313	239,182	170,812	229,556	56.0%	162,926	137,170
Consolidated	4,182,444	2,511,101	2,910,378	389,354	250,915	149,530	223,059	55.7%	151,365	125,875

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

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

CONSOLIDATED IFRS BALANCE SHEET

On December 31, 2004 the consolidated IFRS total assets of the Bank were HUF 4,162.4 billion, representing a HUF 701.5 billion or 20.3% increase over the same period a year earlier. The IFRS total assets of the Group were 36.3% higher on December 31, 2004 than that of the Bank.

The Bank's consolidated shareholder's equity on December 31, 2004 was HUF 433.3 billion, 39.0% higher than the consolidated shareholders' equity as of December 31, 2003, and 11.4% higher than the unconsolidated shareholders' equity.

On the **asset side**, cash, deposits and balances with the NBH increased by 68.5% compared to 2003, due to the low basis of short term HUF deposits with the NBH.

On December 31, 2004 the volume of interbank placements was 13.4% higher y-o-y due to the change in the structure of placements.

Volume of trading and available-for-sale securities decreased by 3.7% to HUF 363.1 billion in 2004. This volume was HUF 20.2 billion higher than non-consolidated figure of the Bank. Within this held-for-trading securities were HUF 67.3 billion and available-for-sale securities were HUF 295.8 billion.

Volume of loans, net of allowance for possible loan losses grew by 26.4% from HUF 1,982.6 billion to HUF 2,506.8 billion as of December 31, 2004.

Within consolidated gross loan volume of HUF 2,586.1 billion, corporate loans represented 35.6% (HUF 920.6 billion); retail loans 59.8% (HUF 1,547.4 billion) and municipality loans 4.6% (HUF 118.1 billion). Within retail loans housing and mortgage loans represented HUF 1,015.5 billion and consumer loans HUF 531.9 billion. 16.9% of total loans (HUF 436.1 billion) were carried on the books of foreign subsidiaries on December 31, 2004.

The increase in the fourth quarter of 2004 was HUF 138.0 billion or 5.6%. In the fourth quarter of 2004 corporate loans increased by 9.3%, retail loans by 47% and within this mortgage and housing loans by 4.2%, consumer loans by 5.7%. Volume of municipal loans decreased by 8.3%.

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

	Corporate	Municipal	Retail	Housing	Consumer	Total
OTP Bank Ltd.	805.8	116.2	374.1	169.4	204.7	1,296.1
OTP Factoring Ltd.	2.0	0.4	6.5	6.1	0.4	8.9
OTP Building Society	0.0	0.0	7.9	7.9	0.0	7.9
Merkantil Bank Ltd.	16.2	0.0	34.2	0.0	34.2	50.4
Merkantil Car Ltd.	18.1	0.3	103.7	0.0	103.7	122.1
HIF Ltd.	11.8	0.0	0.0	0.0	0.0	11.8
OTP Mortgage Bank	0.0	0.0	770.3	770.3	0.0	770.3
OBS	108.3	1.0	25.2	21.1	4.1	134.6
DSK Bank	62.9	0.2	210.4	47.6	162.8	273.4
Robank SA	16.1	0.0	0.3	0.0	0.3	16.3
Total gross loans	1,041.1	118.1	1,532.5	1,022.3	510.2	2,691.8
Consolidated	920.6	118.1	1,547.4	1,015.5	531.9	2,586.1
Foreign subsidiaries	199.0	1.2	235.9	68.7	167.2	436.1
Share of foreign subsidiaries	21.6%	1.0%	15.2%	6.8%	31.4%	16.9%

Quality of the loan book under IFRS was good at the end of December 2004; performing portion represented 88.3% of total, while 8.1% was to-be-monitored and problem loans were 3.5% of total. 12.6% of qualified loans and 7.0% of problem loans were in the books of foreign subsidiaries. The consolidated loan loss provisioning of HUF 79.3 billion represented 26.3% coverage over the qualified loans.

Volume of debt securities held-to-maturity decreased further by 17.5% to HUF 247.3 billion y-o-y.

On the **liability side**, liabilities to customers were HUF 3,219.4 billion on December 31, 2004, 14.4% higher than a year earlier and 37.4% over the Bank' figure. Customer deposits grew by 7.9% of HUF 212.4 billion reaching HUF 2,902.2 billion on December 31, 2004. 18.9% of deposits came from corporate; 74.3% from retail and 6.8% from municipality sector customers. Therefore foreign subsidiaries collected 17.2% of total deposits as at December 31, 2004 compared to 14.2% on December 31, 2003.

Volume of issued securities was 154.0% higher than a year earlier and reached HUF 317.2 billion, due to issuance of mortgage bonds to third parties.

CONSOLIDATED IFRS STATEMENT OF OPERATIONS (PROFIT AND LOSS ACCOUNT)

The 2004 consolidated IFRS net income of OTP Bank was HUF 140.8 billion, HUF 57.5 billion or 69.0% higher than for 2003 and 10.7% or HUF 13.6 billion higher than the non-consolidated after-tax profit for the same period. Income before income taxes grew by 62.4% to HUF 166.7 billion.

The consolidated net interest income reached HUF 260.9 billion representing a 48.2% increase from 2003 and was 72.7% higher than at the Bank. Consolidated interest income amounted to HUF 433.7 billion, 53.0% above 2003 levels mainly due to the 51.7% increase of interest income from loans. Consolidated interest income from loans was HUF 104.3 billion or 76.1% above the Bank's data. Increase in interest income was particularly significant from interbank accounts (+103.8%), securities held-for-trading and available-for-sale (+56.8%) partly in line with changes in volumes and with the structure of balance sheet, with the dynamically growing mortgage lending and partly reflect the HUF 31.1 billion 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 (82.8%), from debt securities held-to-maturity declined (4.1%).

Interest expense was HUF 172.8 billion, 61.0% higher than in 2003. Interest paid on customers' deposits grew by 61.9% to HUF 131.8 billion and was 10.7% above the Bank's figure. Interest expenses on issued securities was 175.2% higher and were HUF 19.2 billion above the Bank due to securities issued by Merkantil Bank, OTP Mortgage Bank and OBS.

The provisioning for 2004 was HUF 16.0 billion, 48.4% higher than in the previous year. The provisioning represented 0.69% of the average loan volume compared to 0.64% in 2003.

Gross consolidated interest margin over mathematical average of total assets improved further during the year of 2004 and was 6.85%, 115 bps above 2003 figure. Net interest margin also grew in 2004 and was 6.42% compared to 5.35% for 2003. Adjusting for the effects of swaps gross margin in 2004 was 6.43% and net margin was 6.01% which was 66 bps and 59 bps higher than in 2003 owing to the advantageous impact of the higher average interest rate level on the liability side spreads.

Non-interest income was 13.6% higher than a year earlier and reached HUF 170.0 billion. Within non-interest income the increase in fee and commission income was 12.2% to HUF 91.6 billion. 2004 fee income was 19.0% lower than net fees and commissions at the Bank, due to the consolidation effect of fees from OTP Mortgage Bank. Net fees and commissions reached HUF 71.0 billion in 2004, which is 15.1% increase compared to 2003. Gains on securities trading were HUF 14.8 billion contrary to the loss of HUF 7.6 billion in 2003. Net profits on foreign exchange transactions were HUF 1.3 billion while it reported HUF 5.2 billion gains in 2003. Real estate transactions resulted HUF 1.4 billion. HUF 49.3 billion IFRS insurance premium income was 12.3% below the 2003 performance. Other income decreased by 12.8% to HUF 10.7 billion.

Consolidated non-interest expenses reached HUF 248.2 billion and were 16.9% higher than during 2003 and 85.1% above the figures of the Bank. Consolidated fees and commission expenses increased by 3.2% y-o-y, and were 112.4% higher than at the Bank. Consolidated personnel expenses were 25.9% higher than a year earlier, and 48.5% above the Bank's figures. Insurance expenses declined by 3.7% (net insurance income declined by 37.2% to HUF 9.1 billion). Other expenses were 16.8% higher than in 2003. Within this provisions created for shares and stakes grew by HUF 392 million. HUF 997 million provision was created during the year 2003 and HUF 924 million was wrote back during the year 2004 for pending and future liabilities.

Consolidated cost-income ratio was 57.6%, 7.6% less than in 2003 (cost income ratio similar to HAR was 55.5%, 7.4% less than in 2003).

Consolidated ROAA on average total assets grew considerably to 3.69% (2.70% in 2003), while consolidated ROAE reached 37.8% nominal, 6.7%-points higher than a year earlier. Real ROAE increased form 26.4% in 2003 to 31.0% in 2004. Consolidated net asset value per share was HUF

1,547 on December 31, 2004. Basic earnings per share (EPS) reached HUF 537, HUF 217 above 2003 data.

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

CALCULATION OF THE CONSOLIDATED PRE-TAX PROFITS

(in HUF mn)

	HAR	Fair value adjustment[6]	IFRS	Difference
OTP Bank Ltd.	**123,521**		**148,244**	**24,723**
Merkantil Group	4,941	*0*	4,782	-159
OTP Building Society Ltd.	783	*1,221*	2,004	1,221
OTP Mortgage Bank Ltd.	12,653	*2,503*	15,156	2,503
OTP Banka Slovensko, a. s.[7]	-57	*143*	512	569
DSK Group[7]	11,253	*1,590*	13,415	2,162
Robank SA	86	*0*	84	-2
OTP Garancia Insurance Ltd.	4,049	*2,847*	6,896	2,847
OTP Fund Management Ltd.	3,300	*-64*	3,236	-64
HIF Ltd.	175	*0*	180	5
OTP Real Estate Ltd.	1,012	*0*	1,012	0
OTP Faktoring Ltd.	752	*0*	752	0
OTP Faktoring Asset Management Ltd.	19	*0*	19	0
Bank Center No l. Ltd.	138	*0*	138	0
OTP Fund Services Ltd.	105	*0*	105	0
OTP Mérleg Ltd.	-35	*0*	-35	0
Inga Ltd.-s	142	*0*	142	0
Concordia-Info Ltd.	43	*0*	43	0
OTP Card Manufacturer Ltd.	46	*0*	46	0
I. Aggregated pre-tax profit	**162,926**	***8,240***	**196,731**	**33,805**
Difference from OTP Bank	*39,405*	*8,240*	*48,487*	
Equity consolidation	-74	*0*	0	74
Capital consolidation	-10,252	*0*	-16,894	-6,642
Filtering of intra-company relations	-1,235	*0*	-1,037	198
II. Total consolidation effect	**-11,561**	***0***	**-17,931**	**-6,370**
III. Filtering due to trading and available-for-sale mortgage bonds	**--**	***-12,124***	**-12,124**	**-12,124**
Consolidated pre-tax profits	**151,365**	***-3,884***	**166,676**	**15,311**

NON CONSOLIDATED IFRS BALANCE SHEET

Total assets of the Bank were HUF 3,054.5 billion on December 31, 2004, which was 11.8% higher than a year earlier and HUF 9.7 billion higher than the HAR total assets of the Bank.

On the **asset side**, the volume of cash, due from banks and balances with the National Bank of Hungary increased by 57.9%, placements with other banks declined by 21.1% compared to December 31, 2003. The volume of trading securities grew by 9.8% to HUF 342.9 billion; however their structure has changed significantly. Within HUF 18.8 billion securities held-for-trading the volume of discounted treasury bills was HUF 5.1 billion; the volume of Government Bonds was HUF 8.5 billion, mortgage bonds reached HUF 2.2 billion. Within HUF 342.1 billion securities available-for-sale the volume of Government Bonds was HUF 60.3 billion and mortgage bonds reached HUF 235.4 billion.

The gross volume of loans grew by 19.0% y-o-y to HUF 1,296.1 billion. Within this the loans maturing over a year amounted to HUF 804.8 billion, their proportion was 62.1%. The volume of provisions was

[6] Without OTP Bank Ltd.

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

6.3% higher than a year earlier, reached HUF 19.8 billion. The net volume of loans was HUF 1,276.2 billion, 19.2% growth year on year. Within loans, loans to enterprises amounted to HUF 805.8 billion (18.7% growth), loans to municipalities HUF 116.2 billion (26.9% increase), consumer loans HUF 204.7 billion (50.6% growth) while housing loans amounted to HUF 169.4 billion (7.2% decline) at the end of December 2004. Corporate loans represented 62.2%, retail loans 28.9% of total loans on December 31, 2004.

The volume of debt securities kept until maturity decreased by 18.8% to HUF 507.5 billion. Within these, the volume of government securities was HUF 210.9 billion, mortgage bonds were HUF 289.8 billion.

On the liability side, the 3.4% year on year increase of customer deposits was significant, thus the share of customer deposits in total liabilities decreased to 76.6% (82.9% in 2003). Within HUF 2,340.9 billion customer deposits, HUF deposits amounted to HUF 2,071.0 billion. 74.3% of the total deposits was retail (HUF 1,738.6 billion volume; 4.7% increase), 18.5% corporate (1.8% decline in volume) and 7.3% (3.6% increase in volume) was municipal deposit. The liabilities from issued securities decreased by 2.1%.

The shareholders' equity of the Bank was 40.9% higher than in the same period of 2003 due to the 28.7% increase of reserves, the 81.3% growth of result of ordinary business activities and the 3.6% decrease of own shares at book value. Shareholders’ equity reached HUF 389.1 billion and represented 12.7% of total assets.

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

The net interest income of the Bank according to IFRS was HUF 151.1 billion, which was 35.5% higher than in 2003. This was a result of 42.4% increase in interest income and 50.8% increase in interest expenses.

Interest income from interbank accounts increased significantly by 99.7%, due to the disparate volume and results (HUF 11.0 billion in 2003 and HUF 31.1 billion in 2004) of swap deals. The HUF 15.8 billion results of the swap transaction show up on the interest income and expenses on interbank accounts lines and were HUF 17.9 billion higher than in 2003 (HUF 2.2 billion loss). Since during 2004 the medium term swap volumes were already significant, the fact that the HUF exchange rate fluctuated sorely in a wide band influenced significantly the results of these lines. The fair value adjustments based on IAS 39 resulted that the interest income on swaps was HUF 3.5 billion higher and interest expenses (losses) on swaps was HUF 99 million lower than in HAR. Thus the change in results of swaps improved by HUF 3.6 billion the IFRS net interest income and highly contributed to that IRFS net interest margin was higher than in HAR. The fair value adjustment of swap deals and the net FX rate results are moving reversely thus the swap income was compensated by the HUF 5.0 billion worsening of the FX transaction accounts.

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

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

Provisioning for possible loan and placement losses increased by 25.2% and reached HUF 8.8 billion. Provisioning on average volume of loans was 0.75% compared to 0.68% in 2003.

Non-interest income grew by HUF 36.1 billion or 34.8% to HUF 139.9 billion. Within this, net FX results reached HUF 0.9 billion, fees and commissions income amounted to HUF 113.3 billion (18.2% increase). Net fees and commissions grew by 22.2% compared to 2003 and reached HUF 103,6 billion. Net gain on securities trading was HUF 14.6 billion which is HUF 23.5 billion improvement compared to 2003. Main part of the profit (HUF 12.2 billion) was caused by the fair value adjustment of the fixed income mortgage bonds held in the portfolio of the Bank. The Bank collected HUF 8.5 billion dividend from its subsidiaries in 2004 which is 10.5% higher than in 2003. Other non-interest income fell by 18.7% to HUF 2.7 billion compared to 2003.

Non-interest expenses altogether were HUF 134.1 billion; 8.4% higher than a year earlier. Within these the personnel expenses grew by 19.4% to HUF 52.0 billion, depreciation increased by 5.1% to HUF 13.4 billion and fees and commissions paid declined by 12.4% to HUF 9.7 billion. Other non-interest type expenses increased by 4.8% y-o-y to HUF 59.0 billion.

IFRS pre-tax profit of the Bank was HUF 148.2 billion which represented a 75.4% growth y-o-y. After-tax profit grew by 81.3% to HUF 127.2 billion. The decline of the nominal and effective tax rate had a share in the profit growth too (the effective rate was 17.0% in 2004 and 14.0% in 2003). Basic and diluted earnings per share reached HUF 471 (in 2003 HUF 261), while fully diluted were HUF 469 (in 2003: HUF 260).

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

The gross interest margin of the Bank according to IFRS calculated on the mathematical average of total assets was 5.22% in 2004, its net interest margin 4.92%, and partially due to the swap result 87 and 85 bps higher than in 2003. Disregarding the results of swaps the gross margin in 2004 was 5.12% and the net margin 4.82% which is 74 and 72 bps higher than in 2003.

ROA calculated on the average total assets was 4.40% (in 2003: 2.74%), while ROE calculated on average shareholders' equity was 38.2% (in 2003: 29.2%). Real ROE of the Bank grew from 24.5% to 31.4%. Net asset value per share of the Bank (diluted) grew by HUF 210 to HUF 471.

PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE YEAR 2004 AT OTP BANK LTD.

During the year 2004 the Top Management, the Auditor, the Board of Directors of the Bank did not change.

The membership of Mrs Zsófia Zsakó Gyulai in the Supervisory Board discontinued on February 29, 2004.

The Annual General Meeting of OTP Bank Ltd. held on 29th of April 2004 elected Mr. Antal Kovács a member of the Company’s Supervisory Board till the date of Annual General Meeting for the business year 2004.

Budapest, April 29, 2005

FINANCIAL DATA

Selected consolidated financial data (HUF millions)

	2003	2004	Change %
Interest from interbank accounts	30,911	59,986	94.1
Interest from customer accounts	93,200	149,773	60.7
Interest from corporate accounts	56,577	78,651	39.0
Interest from municipal accounts	10,269	13,591	32.3
Interest from bonds	79,966	109,146	36.5
Interest from mandatory reserves	8,164	12,973	58.9
Total interest income	279,087	424,120	52.0
Interest to interbank accounts	12,838	21,014	63.7
Interest on customer accounts	59,855	98,559	64.7
Interest on corporate accounts	15,105	22,531	49.2
Interest on municipal accounts	6,188	10,705	73.0
Interest on bonds	7,291	19,453	166.8
Interest on subordinated loan	748	943	26.1
Total interest expense	102,025	173,205	69.8
Net interest income	**177,062**	**250,915**	**41.7**
Fees & commissions income	81,810	91,826	12.2
Fees & commissions paid	19,715	20,514	4.1
Net fees & commissions	62,095	71,312	14.8
Securities trading	-1,878	7,528	-500.9
Forex trading	-2,106	4,885	-332.0
Losses on property transactions	1,382	1,688	22.1
Insurance fee income	60,171	54,547	-9.3
Other	12,688	9,570	-24.6
Non interest income	**132,352**	**149,530**	**13.0**
Ratio of non interest income	*42.8%*	*37.3%*	*-5.5*
Total income	**309,414**	**400,445**	**29.4**
Staff costs	61,530	77,454	25.9
Depreciation	15,734	18,075	14.9
Insurance costs	42,810	41,390	-3.3
Other costs	71,825	86,140	19.9
Operating costs	**191,899**	**223,059**	**16.2**
Cost/income ratio	*62.0%*	*55.7%*	*-6.3*
Operating income/Profit	**117,515**	**177,386**	**50.9**
Diminution in value, provisions and loan losses	13,412	17,975	34.0
Dividend received	668	572	-14.4
Accounting for acquisition goodwill	-2,020	-8,618	326.6
Pre-tax profit	**102,751**	**151,365**	**47.3**
Taxes	19,956	25,756	29.1
Taxes due to consolidation	-227	-266	17.2
Tax rate	19.2%	16.8%	-2.4
After tax profits	**83,022**	**125,875**	**51.6**

The Bank's 2003 and 2004 audited 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)

	2003	2004	Change %
Interest from interbank accounts	29,347	56,261	91.7
Interest from customer accounts	48,961	63,369	29.4
Interest from corporate accounts	45,248	60,900	34.6
Interest from municipal accounts	10,210	13,529	32.5
Interest from bonds	63,919	82,057	28.4
Interest from mandatory reserves	7,949	12,069	51.8
Total interest income	205,634	288,185	40.1
Interest on interbank accounts	11,253	19,939	77.2
Interest on customer accounts	54,799	88,567	61.6
Interest on corporate accounts	14,522	20,564	41.6
Interest on municipal accounts	5,716	10,021	75.3
Interest on bonds	414	238	-42.5
Interest on long term debt	748	870	16.3
Total interest expense	87,452	140,199	60.3
Net interest income	**118,182**	**147,986**	**25.2**
Fees & commissions income	96,009	113,596	18.3
Fees & commissions paid	10,872	9,656	-11.2
Net fees & commissions	85,137	103,940	22.1
Gains (losses) on securities trading	-938	2,976	-417.3
Gains (losses) on forex trading	-1,402	4,540	-423.8
Gains (losses) on property transactions	-129	-115	-10.9
Other	2,912	1,790	-38.5
Non interest income	**85,580**	**113,131**	**32.2**
Share of non interest income in total income	*42.0%*	*43.3%*	*1.3*
Total income	**203,762**	**261,117**	**28.1**
Staff costs	43,820	52,280	19.3
Depreciation	9,893	9,646	-2.5
Other operating expenses	56,521	63,150	11.7
Operating costs	**110,234**	**125,076**	**13.5**
Cost/Income ratio %	*54.1%*	*47.9%*	*-6.2*
Operating income	**93,528**	**136,041**	**45.5**
Diminution in value, provisions and loan losses	13,261	13,357	0.7
Dividend received	7,691	8,500	10.5
Accounting for acquisition goodwill	-1,257	-7,663	509.6
Income before income taxes	**86,701**	**123,521**	**42.5**
Taxes	15,139	18,703	23.5
Tax rate	17.5%	15.1%	-2.4
After tax profits	**71,562**	**104,818**	**46.5**

The Bank's 2003 and 2004 audited 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
(audited, unconsolidated and consolidated, based on HAR) as at December 31, 2004

HUF million

	31-Dec-03 OTP Bank	31-Dec-04 OTP Bank	Change	31-Dec-03 Consolidated	31-Dec-04 Consolidated	Change
ASSETS						
1. Cash in hand, balances with central banks	**252,975**	**399,401**	**57.9%**	**276,501**	**425,263**	**53.8%**
2. Treasury bills	**402,543**	**294,802**	**-26.8%**	**630,642**	**548,900**	**-13.0%**
a) held-for-trade	135,011	86,187	-36.2%	246,870	220,831	-10.5%
b) held as financial fixed assets (for long term investment)	267,532	208,615	-22.0%	383,772	328,069	-14.5%
3. Loans and advances to credit institutions	**165,209**	**188,033**	**13.8%**	**252,314**	**314,726**	**24.7%**
a) repayable on demand	4,700	4,191	-10.8%	9,915	9,136	-7.9%
b) other receivables from financial services	160,509	183,789	14.5%	242,399	305,536	26.0%
ba) maturity not more than one year	149,978	172,463	15.0%	232,088	295,407	27.3%
bb) maturity more than one year	10,531	11,326	7.5%	10,311	10,129	-1.8%
c) receivables from investment services		53			54	
4. Loans and advances to customers	**1,089,158**	**1,264,489**	**16.1%**	**2,025,694**	**2,511,101**	**24.0%**
a) receivables from financial services	1,088,064	1,264,375	16.2%	2,024,574	2,510,960	24.0%
aa) maturity not more than one year	399,920	463,122	15.8%	505,539	645,440	27.7%
ab) maturity more than one year	688,144	801,253	16.4%	1,519,035	1,865,520	22.8%
b) receivables from investment services	1,094	114	-89.6%	1,120	141	-87.4%
ba) receivables from investment service activities on the on the stock exchange						
bb) receivables from over-the-counter investment service activities						
bc) receivables from clients for investment service activities	1,094	114	-89.6%	1,120	141	-87.4%
bd) receivables from clearing houses						
be) other receivables from investment services						
5. Debt securities including fixed-income securities	**533,136**	**540,175**	**1.3%**	**32,590**	**38,871**	**19.3%**
a) securities issued by local self-governing bodies and by other public body (not include the treasury bills issued by Hungarian state and securities issued by Hungarian National Bank)	1,300	700	-46.2%	1,559	700	-55.1%
aa) held-for-trade	600		-100.0%	600		-100.0%
ab) held as financial fixed assets (for long term investment)	700	700	0.0%	959	700	-27.0%
b) securities issued by other bodies	531,836	539,475	1.4%	31,031	38,171	23.0%
ba) held-for-trade	124,406	2,509	-98.0%	7,362	3,042	-58.7%
bb) held as financial fixed assets (for long term investment)	407,430	536,966	31.8%	23,669	35,129	48.4%
6. Shares and other variable-yield securities	**7,628**	**7,639**	**0.1%**	**12,762**	**9,541**	**-25.2%**
a) shares and participations for trade	90	119	32.2%	94	123	30.9%
b) other variable-yield securities	7,538	7,520	-0.2%	12,668	9,418	-25.7%
ba) held for trade	4	5	25.0%	4,502	1,067	-76.3%
bb) held as financial fixed assets (for long term investment)	7,534	7,515	-0.3%	8,166	8,351	2.3%
7. Shares and participating interest as financial fixed assets	**754**	**999**	**32.5%**	**6,396**	**7,379**	**15.4%**
a) shares and participating interest as financial fixed assets	754	999	32.5%	6,396	7,379	15.4%
From this: – shares and participating interest in credit institutions	1	1	0.0%	345	1	-99.7%
b) revaluation surplus on shares and participating interests						
From this: – revaluation surplus on shares and on participating interests in credit institutions						
8. Shares and participating interest in affiliated undertakings	**100,199**	**108,749**	**8.5%**	**43,663**	**39,668**	**-9.1%**
a) shares and participating interest in affiliated undertakings	100,199	108,749	8.5%	4,926	4,589	-6.8%
From this: – shares and participating interest in credit institutions	72,833	81,112	11.4%			
b) revaluation surplus on shares and participating interests						
From this: – revaluation surplus on shares and on participating interests in credit institutions						
c) capital consolidation difference				38,737	35,079	-9.4%
- from subsidiaries and joint managed companies				38,737	35,079	-9.4%
- from affiliated companies						
9. Intangible assets	**43,961**	**52,231**	**18.8%**	**9,569**	**21,738**	**127.2%**
a) intangible assets	43,961	52,231	18.8%	9,569	21,738	127.2%
b) revaluation surplus on intangible assets						
10. Tangible assets	**63,589**	**69,592**	**9.4%**	**108,698**	**114,243**	**5.1%**
a) tangible assets for financial and investment services	60,450	66,682	10.3%	93,544	100,890	7.9%
aa) land and buildings	40,247	42,966	6.8%	67,897	70,068	3.2%
ab) technical equipment, fittings and vehicles	16,042	18,748	16.9%	19,719	23,945	21.4%
ac) investment	4,159	4,952	19.1%	5,910	6,828	15.5%
ad) advance payments on investment	2	16	700.0%	18	49	172.2%
b) tangible assets not for directly financial and investment services	3,139	2,910	-7.3%	15,037	13,243	-11.9%
ba) land and buildings	2,751	2,312	-16.0%	8,880	8,943	0.7%
bb) technical equipment, fittings and vehicles	176	214	21.6%	5,680	3,826	-32.6%
bc) investment	212	384	81.1%	476	474	-0.4%
bd) advance payments on investment				1		-100.0%
c) revaluation surplus on tangible assets				117	110	-6.0%
11. Own shares	**14,328**	**13,808**	**-3.6%**	**25,420**	**25,867**	**1.8%**
12. Other assets	**45,070**	**49,906**	**10.7%**	**39,241**	**76,544**	**95.1%**
a) stocks (inventories)	995	973	-2.2%	12,763	15,381	20.5%
b) other receivables (not from financial and investment securities)	44,075	48,933	11.0%	26,478	61,071	130.6%
c) receivables from income tax due to consolidation (calculates)					92	
13. Prepayments and accrued income	**40,056**	**54,948**	**37.2%**	**39,173**	**48,603**	**24.1%**
a) accrued income	37,630	52,152	38.6%	32,965	41,692	26.5%
b) prepayments	2,426	2,796	15.3%	6,208	6,911	11.3%
c) deffered charges						
TOTAL ASSETS	***2,758,606***	***3,044,772***	***10.4%***	***3,502,663***	***4,182,444***	***19.4%***
From this:						
-CURENT ASSETS	*1,128,176*	*1,191,878*	*5.6%*	*1,349,252*	*1,702,915*	*26.2%*
- FIXED ASSETS	*1,590,374*	*1,797,946*	*13.1%*	*2,114,238*	*2,430,926*	*15.0%*

HUF million

	31-Dec-03 OTP Bank	31-Dec-04 OTP Bank	Change	31-Dec-03 Consolidated	31-Dec-04 Consolidated	Change
LIABILITIES						
1. Liabilities to credit institutions	**91,080**	**203,864**	**123.8%**	**126,353**	**254,646**	**101.5%**
a) repayable on demand	5,430	2,596	-52.2%	2,829	3,347	18.3%
b) liabilities from financial services with maturity dates or periods of notice	85,650	201,181	134.9%	123,524	251,212	103.4%
ba) not more than one year	24,738	106,094	328.9%	54,896	135,079	146.1%
bb) more than one year	60,912	95,087	56.1%	68,628	116,133	69.2%
c) liabilities from investment services		87			87	
2. Liabilities to customers	**2,228,287**	**2,314,092**	**3.9%**	**2,697,843**	**2,910,378**	**7.9%**
a) saving deposits	345,772	318,628	-7.9%	442,155	425,510	-3.8%
aa) repayable on demand	46,846	45,818	-2.2%	137,023	146,312	6.8%
ab) maturity not more than one year	298,874	272,810	-8.7%	304,890	279,008	-8.5%
ac) maturity more than one year	52		-100.0%	242	190	-21.5%
b) other liabilities from financial services	1,881,637	1,994,846	6.0%	2,254,810	2,484,249	10.2%
ba) repayable on demand	819,959	835,206	1.9%	894,949	961,761	7.5%
bb) maturity not more than one year	1,060,963	1,159,562	9.3%	1,298,772	1,453,433	11.9%
bc) maturity more than one year	715	78	-89.1%	61,089	69,055	13.0%
c) liabilities from investment services	878	618	-29.6%	878	619	-29.5%
ca) liabilities from investment service activities on the on the stock exchange						
cb) liabilities from over-the-counter investment service activities						
cc) liabilities from clients for investment service activities	878	618	-29.6%	878	619	-29.5%
cd) liabilities from clearing houses						
ce) other liabilities from investment services						
3. Liabilities from issued debt securities	**58,130**	**49,756**	**-14.4%**	**136,661**	**326,580**	**139.0%**
a) issued bond	2,101	2,101	0.0%	1,104	1,104	0.0%
aa) maturity not more than one year		2,101			1,104	
ab) maturity more than one year	2,101		-100.0%	1,104		-100.0%
b) issued other debt securities	238	196	-17.6%	79,766	278,016	248.5%
ba) maturity not more than one year	238	196	-17.6%	10,885	58,776	440.0%
bb) maturity more than one year				68,881	219,240	218.3%
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities	55,791	47,459	-14.9%	55,791	47,460	-14.9%
ca) maturity not more than one year	18,444	26,561	44.0%	18,444	26,562	44.0%
cb) maturity more than one year	37,347	20,898	-44.0%	37,347	20,898	-44.0%
4. Other liabilities	**49,879**	**74,393**	**49.1%**	**63,645**	**91,027**	**43.0%**
a) maturity not more than one year	49,879	74,393	49.1%	60,942	89,470	46.8%
b) maturity more than one year				2,530	1,557	-38.5%
c) (Calculated) Corporate tax difference due to consolidation				173		-100.0%
5. Accruals and deferred income	**27,268**	**30,781**	**12.9%**	**37,089**	**56,513**	**52.4%**
a) accrued liabilities	338	241	-28.7%	2,442	7,918	224.2%
b) accrued costs and expenses	24,450	28,823	17.9%	34,607	48,564	40.3%
c) deferred income	2,480	1,717	-30.8%	40	31	-22.5%
6. Provisions	**26,773**	**32,584**	**21.7%**	**116,232**	**135,329**	**16.4%**
a) provisions for pensions and similar obligations	1,546	740	-52.1%	1,546	748	-51.6%
b) risk provision for off-balance sheet items (for pending and future liabilities)	7,294	9,002	23.4%	5,492	5,851	6.5%
c) general risk provision	17,057	21,571	26.5%	20,738	26,588	28.2%
d) other provision	876	1,271	45.1%	88,456	102,142	15.5%
7. Subordinated liabilities	**15,413**	**14,324**	**-7.1%**	**19,720**	**18,617**	**-5.6%**
a) subordinated loan capital	15,413	14,324	-7.1%	15,413	14,324	-7.1%
aa) equity consolidation difference				4,307	4,293	-0.3%
- from subsidiaries and joint management companies				4,307	4,293	-0.3%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives						
c) other subordinated liabilities						
8. Subscribed capital	**28,000**	**28,000**	**0.0%**	**28,000**	**28,000**	**0.0%**
From this: repurchased own shares at face value	1,324	1,010	-23.7%	2,115	1,801	-14.8%
9. Subscribed but unpaid capital (-)						
10. Capital reserves	**52**	**52**	**0.0%**	**52**	**52**	**0.0%**
a) premium (from share issue)						
b) other	52	52	0.0%	52	52	0.0%
11. General reserves	**41,325**	**51,807**	**25.4%**	**41,325**	**51,807**	**25.4%**
12. Retained earnings (accumulated profit reserve) (+)	**130,465**	**177,401**	**36.0%**	**132,733**	**178,946**	**34.8%**
13. Legal reserves	**14,328**	**14,588**	**1.8%**	**14,328**	**14,588**	**1.8%**
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (+)	**47,606**	**53,130**	**11.6%**	**58,101**	**72,783**	**25.3%**
16. Subsidiaries' equity increases/decreases (+-) *				**29,313**	**39,938**	**36.2%**
17. Increases/decreases due to consolidation (+-)				**851**	**2,837**	**233.4%**
- from debt consolidation difference				6,646	6,748	1.5%
- from intermediate result difference				-5,795	-3,911	-32.5%
18. Participation of outside members (other owners)				**417**	**403**	**-3.4%**
19 .Difference from exchange rate						
TOTAL LIABILITIES	***2,758,606***	***3,044,772***	***10.4%***	***3,502,663***	***4,182,444***	***19.4%***
From this:						
- SHORT-TERM LIABILITIES	*2,326,249*	*2,526,042*	*8.6%*	*2,784,681*	*3,155,558*	*13.3%*
- LONG-TERM LIABILITIES	*116,540*	*130,387*	*11.9%*	*259,541*	*445,690*	*71.7%*
- EQUITY (CAPITAL AND RESERVES)	*261,776*	*324,978*	*24.1%*	*305,120*	*389,354*	*27.6%*
* Book value of shares owned by subsidiaries				11,092	12,059	

PK4. Profit and Loss Statement

PROFIT AND LOSS ACCOUNT

(audited, unconsolidated and consolidated, based on HAR) for the year ended December 31, 2004

in HUF million

		2003 OTP Bank	2004 OTP Bank	Change	2003 Consolidated	2004 Consolidated	Change
1.	*Interest received and interest-type income*	*205,634*	*288,185*	*40.1%*	*279,087*	*424,120*	*52.0%*
	a) interest received on securities with fixed-interest signifying a creditor relationship	63,919	82,057	28.4%	79,965	109,146	36.5%
	b) other interest received and interest-type income	141,715	206,128	45.5%	199,122	314,974	58.2%
2.	*Interest paid and interest-type expenses*	*87,452*	*140,199*	*60.3%*	*102,025*	*173,205*	*69.8%*
	Interest difference	**118,182**	**147,986**	**25.2%**	**177,062**	**250,915**	**41.7%**
3.	*Incomes from securities*	*7,691*	*8,500*	*10.5%*	*668*	*572*	*-14.4%*
4.	*Fees and Commission received*	*94,680*	*112,507*	*18.8%*	*73,825*	*85,275*	*15.5%*
	a) revenues from other financial services	87,446	105,411	20.5%	70,427	81,712	16.0%
	b) revenues from investment services (except incomes from trading activities)	7,234	7,096	-1.9%	3,398	3,563	4.9%
5.	*Fees and Commission paid*	*10,872*	*9,656*	*-11.2%*	*15,620*	*16,329*	*4.5%*
	a) expenses on other financial services	10,536	9,335	-11.4%	15,279	15,993	4.7%
	b) expenses on investment services (except expenses from trading activities)	336	321	-4.5%	341	336	-1.5%
6.	*Profit or loss from financial transactions*	*-5,194*	*4,868*	*-193.7%*	*-5,854*	*5,196*	*-188.8%*
	a) revenues from other financial services	14,393	12,466	-13.4%	20,872	22,145	6.1%
	b) expenses on other financial services	19,315	8,833	-54.3%	26,328	17,961	-31.8%
	c) revenues from investment services (revenues from trading activities)	11,961	7,702	-35.6%	11,920	8,032	-32.6%
	From this: - reversal of write-off of trading securities						
	d) expenses on investment services (expenses from trading activities)	12,233	6,467	-47.1%	12,318	7,020	-43.0%
	From this: - write-off of trading securities					403	
7.	*Other incomes from business*	*475,008*	*229,636*	*-51.7%*	*119,768*	*104,961*	*-12.4%*
	a) incomes from non financial and investment services	8,389	7,841	-6.5%	99,505	97,498	-2.0%
	a1) income of consolidated investment service providers				12,230	11,026	-9.8%
	a2) income of consolidated insurance companies				61,662	61,055	-1.0%
	a3) income of other consolidated companies				25,613	25,417	-0.8%
	b) other revenues	466,619	221,795	-52.5%	20,102	7,227	-64.0%
	From this: -reversal of write-off of inventory				7		
	b1) income of consolidated investment service providers				19,186	4,922	-74.3%
	b2) income of consolidated insurance companies				107	127	18.7%
	b3) income of other consolidated companies				809	2,178	169.2%
	ba) consolidation difference income due to debtor consolidation					9	
	bb) other income due to consolidation				161	227	41.0%
8.	*General administration expenses*	*81,204*	*92,489*	*13.9%*	*94,632*	*116,821*	*23.4%*
	a) personnel expenses	43,820	52,280	19.3%	51,707	66,797	29.2%
	aa) wage costs	25,455	27,850	9.4%	30,849	38,554	25.0%
	ab) other payments to personnel	7,346	9,716	32.3%	8,156	10,825	32.7%
	ac) contributions on wages and salaries	11,019	14,714	33.5%	12,702	17,418	37.1%
	b) other administration expenses	37,384	40,209	7.6%	42,925	50,024	16.5%
9.	*Depreciation and amortization*	*11,913*	*18,072*	*51.7%*	*11,613*	*14,282*	*23.0%*
10.	*Other expenses from business*	*493,849*	*254,757*	*-48.4%*	*132,828*	*135,996*	*2.4%*
	a) expenses from non-financial and investment services	7,049	6,609	-6.2%	52,013	50,519	-2.9%
	a1) expense of consolidated investment service providers				9,803	10,429	6.4%
	a2) expense of consolidated insurance companies				42,184	40,021	-5.1%
	a3) expense of other consolidated companies				26	69	165.4%
	b) other expenses	486,800	248,148	-49.0%	42,422	38,423	-9.4%
	From this: - write-off of inventory	49			49	199	306.1%
	b1) expense of consolidated investment service providers				40,668	34,908	-14.2%
	b2) expense of consolidated insurance companies				541	621	14.8%
	b3) expense of other consolidated companies				1,213	2,894	138.6%
	ba) consolidation difference expense due to debtor consolidation				11		-100.0%
	bb) other expense due to consolidation				2,378	9,371	294.1%
	c) expense of consolidated investment service providers				36,004	37,683	4.7%
	c1) expense of consolidated insurance companies				15,668	16,308	4.1%
	c2) expense of other consolidated companies				20,336	21,375	5.1%
11.	*Write-off of loans and provision for contingent and future liabilities*	*17,114*	*16,517*	*-3.5%*	*31,417*	*40,842*	*30.0%*
	a) write-off of loans	11,152	11,520	3.3%	27,314	36,822	34.8%
	b) provision for contingent and future liabilities	5,962	4,997	-16.2%	4,103	4,020	-2.0%
12.	*Reversal of write-off of loans and credit for contingent and future liabilities*	*13,895*	*15,481*	*11.4%*	*27,012*	*34,829*	*28.9%*
	a) reversal of write-off of loans	11,394	12,248	7.5%	23,875	31,202	30.7%
	b) credit for contingent and future liabilities	2,501	3,233	29.3%	3,137	3,627	15.6%
12/A.	*Difference between the creation and write-off of general risk provision*	*-2,803*	*-4,514*	*61.0%*	*-3,189*	*-6,004*	*88.3%*
13.	*Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company*	*97*	*2*	*-97.9%*	*183*	*2*	*-98.9%*
14.	*Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company*	*322*	*257*	*-20.2%*	*349*	*84*	*-75.9%*
15.	**Result of ordinary business activities**	**86,732**	**123,228**	**42.1%**	**103,348**	**151,556**	**46.6%**
	Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	*85,392*	*121,996*	*42.9%*	*92,698*	*143,470*	*54.8%*
	- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	*1,340*	*1,232*	*-8.1%*	*10,650*	*8,086*	*-24.1%*
16.	*Extraordinary revenues*	*1,735*	*2,220*	*28.0%*	*141*	*194*	*37.6%*
17.	*Extraordinary expenses*	*1,766*	*1,927*	*9.1%*	*738*	*385*	*-47.8%*
18.	**Extraordinary profit or loss (16-17)**	**-31**	**293**	**-1,045.2%**	**-597**	**-191**	**-68.0%**
19.	**Profit or loss before tax (±15±18)**	**86,701**	**123,521**	**42.5%**	**102,751**	**151,365**	**47.3%**
20.	*Tax liabilities*	*15,139*	*18,703*	*23.5%*	*19,956*	*25,756*	*29.1%*
	a) Tax difference due to consolidation				-227	-266	17.2%
21.	**After-tax profit or loss (±19-20+20/a)**	**71,562**	**104,818**	**46.5%**	**83,022**	**125,875**	**51.6%**
22.	*Formation and utilization of general reserves (±)*	*-7,156*	*-10,482*	*46.5%*	*-8,128*	*-11,890*	*46.3%*
23.	*Use of accumulated profit reserve for dividends and profit-sharings*						
24.	*Dividends and profit-sharings paid (approved)*	*16,800*	*41,206*	*145.3%*	*16,793*	*41,202*	*145.4%*
25.	***Balance-sheet profit or loss figure (±21±22+23-24)***	***47,606***	***53,130***	***11.6%***	***58,101***	***72,783***	***25.3%***

IFRS FINANCIAL REPORTS

Consolidated, IFRS Balance Sheets (in HUF mn)

	Dec 31, 2004	Dec 31, 2003	Change
Cash, due from banks and balances with the National Bank of Hungary	465,887	276,501	68.5%
Placements with other banks, net of allowance for possible placement losses	286,200	252,335	13.4%
Securities held-for-trading and available-for-sale	363,093	377,016	-3.7%
Loans, net of allowance for possible loan losses	2,506,795	1,982,587	26.4%
Accrued interest receivable	31,400	32,432	-3.2%
Equity investments	9,389	5,878	59.7%
Debt securities held-to-maturity	247,259	299,772	-17.5%
Premises, equipment and intangible assets, net	174,775	167,337	4.4%
Other assets	77,561	66,981	15.8%
TOTAL ASSETS	**4,162,359**	**3,460,839**	**20.3%**
Due to banks and deposits from the National Bank of Hungary and other banks	254,125	126,402	101.0%
Deposits from customers	2,902,190	2,689,833	7.9%
Liabilities from issued securities	317,222	124,887	154.0%
Accrued interest payable	27,015	16,395	64.8%
Other liabilities	213,798	175,677	21.7%
Subordinated bonds and loans	14,324	15,413	-7.1%
TOTAL LIABILITIES	**3,728,674**	**3,148,607**	**18.4%**
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	431,127	309,220	39.4%
Treasury shares	-25,867	-25,420	1.8%
TOTAL SHAREHOLDERS' EQUITY	**433,260**	**311,800**	**39.0%**
MINORITY INTEREST	425	432	-1.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,162,359**	**3,460,839**	**20.3%**

Consolidated, IFRS Statements of Operations (in HUF mn)

for the years ended December 31, 2004 and 2003

	2004	2003	Change
Interest Income:			
Loans	241,233	159,054	51.7%
Placements with other banks	42,431	20,820	103.8%
Due from banks and balances with the National Bank of Hungary	33,818	18,499	82.8%
Securities held-for-trading and available-for-sale	89,201	56,874	56.8%
Securities held-to-maturity	26,995	28,155	-4.1%
Total Interest Income	*433,678*	*283,402*	*53.0%*
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	20,640	18,096	14.1%
Deposits from customers	131,824	81,418	61.9%
Liabilities from issued securities	19,382	7,044	175.2%
Subordinated bonds and loans	943	748	26.1%
Total Interest Expense	*172,789*	*107,306*	*61.0%*
NET INTEREST INCOME	**260,889**	**176,096**	**48.2%**
Provision for possible loan and placement losses	16,048	10,817	48.4%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**244,841**	**165,279**	**48.1%**
Non-Interest Income:			
Fees and commissions	91,625	81,644	12.2%
Foreign exchange gains and losses, net	1,250	5,167	-75.8%
Gains and losses on securities, net	14,770	-7,591	-294.6%
Gains and losses on real estate transactions, net	1,818	1,473	23.4%
Dividend income and gains and losses of associated companies	593	437	35.7%
Insurance premiums	49,337	56,269	-12.3%
Other	10,680	12,249	-12.8%
Total Non-Interest Income	*170,073*	*149,648*	*13.6%*
Non-Interest Expenses:			
Fees and commissions	20,588	19,944	3.2%
Personnel expenses	77,190	61,303	25.9%
Depreciation and amortization	29,150	19,793	47.3%
Insurance expenses	40,264	41,825	-3.7%
Other	81,046	69,401	16.8%
Total Non-Interest Expense	*248,238*	*212,266*	*16.9%*
INCOME BEFORE INCOME TAXES	166,676	102,661	62.4%
Income taxes	25,844	19,324	33.7%
INCOME AFTER INCOME TAXES	**140,832**	**83,337**	**69.0%**
Minority interest	-12	-1	1100.0%
NET INCOME	**140,820**	**83,336**	**69.0%**

Unconsolidated, IFRS Balance Sheets (in HUF mn)

	Dec 31, 2004	Dec 31, 2003	Change
Cash, due from banks and balances with the National Bank of Hungary	399,401	252,975	57.9%
Placements with other banks, net of allowance for possible placement losses	200,100	165,209	21.1%
Securities held-for-trading and available-for-sale	342,888	312,395	9.8%
Loans, net of allowance for possible loan losses	1,276,241	1,070,425	19.2%
Accrued interest receivable	41,180	31,792	29.5%
Investments in subsidiaries	154,298	138,808	11.2%
Securities held-to-maturity	507,503	625,309	-18.8%
Premises, equipment and intangible assets, net	96,538	86,400	11.7%
Other assets	36,326	48,315	-24.8%
TOTAL ASSETS	**3,054,475**	**2,731,628**	**11.8%**
Due to banks and deposits from the National Bank of Hungary and other banks	203,777	91,081	123.7%
Deposits from customers	2,340,924	2,264,528	3.4%
Liabilities from issued securities	1,997	2,039	-2.1%
Accrued interest payable	9,414	7,895	19.2%
Other liabilities	94,987	74,496	27.5%
Subordinated bonds and loans	14,324	15,413	-7.1%
TOTAL LIABILITIES	**2,665,423**	**2,455,452**	**8.6%**
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	374,860	262,504	42.8%
Treasury shares	-13,808	-14,328	-3.6%
TOTAL SHAREHOLDERS' EQUITY	**389,052**	**276,176**	**40.9%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,054,475**	**2,731,628**	**11.8%**

Unconsolidated, IFRS Statements of Operations (in HUF mn)

for the years ended December 31, 2004 and 2003

	2004	2003	Change
Interest Income:			
Loans	136,968	103,415	32.4%
Placements with other banks	40,634	20,350	99.7%
Due from banks and balances with the National Bank of Hungary	30,872	17,148	80.0%
Securities held-for-trading or available-for-sale	29,258	19,553	49.6%
Securities held-to-maturity	53,203	43,779	21.5%
Total Interest Income	***290,935***	***204,245***	***42.4%***
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	19,699	16,508	19.3%
Deposits from customers	119,116	75,311	58.2%
Liabilities from issued securities	167	169	-1.2%
Subordinated bonds and loans	870	748	16.3%
Total Interest Expense	***139,852***	***92,736***	***50.8%***
NET INTEREST INCOME	**151,083**	**111,509**	**35.5%**
Provision for possible loan and placement losses	***8,628***	***7,053***	***22.3%***
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**142,455**	**104,456**	**36.4%**
Non-Interest Income:			
Fees and commissions	113,299	95,850	18.2%
Foreign exchange gains, net	914	5,903	-84.5%
Losses and gains on securities, net	14,618	-8,909	-264.1%
Losses on real estate transactions, net	-103	-35	194.3%
Dividend income	8,500	7,691	10.5%
Other	2,654	3,266	-18.7%
Total Non-Interest Income	***139,882***	***103,766***	***34.8%***
Non-Interest Expenses:			
Fees and commissions	9,692	11,067	-12.4%
Personnel expenses	51,994	43,555	19.4%
Depreciation and amortization	13,401	12,745	5.1%
Other	59,006	56,327	4.8%
Total Non-Interest Expense	***134,093***	***123,694***	***8.4%***
INCOME BEFORE INCOME TAXES	**148,244**	**84,528**	**75.4%**
Income taxes	21,048	14,387	46.3%
NET INCOME AFTER INCOME TAXES	**127,196**	**70,141**	**81.3%**

Reconciliation of financial statements prepared under HAR and financial statements prepared under IFRS (in HUF mn)

	Retained Earnings and Reserves January 1, 2004	Net income for the year ended December 31, 2004	Dividend	Direct Movements on Reserves	Retained Earnings and Reserves December 31, 2004
Hungarian financial statements	**233,776**	**104,818**	**-41,206**	**-410**	**296,978**
Adjustments to Hungarian financial statements:					
Reversal of statutory general provision	17,056	4,514	-	-	21,570
Premium and discount amortization on investment securities	-348	-361	-	-	-709
Allowance for possible loan losses	-1,340	-	-	-	-1,340
Allowance for possible losses on off-balance sheet commitments and contingent liabilities	-76	76	-	-	-
Differences in carrying value of subsidiaries	717	82	-	-	799
Difference in accounting for finance leases	-465	129	-	-	-336
Fair value adjustment of held-for-trading and available-for-sale financial assets	-4,973	14,609	-	-	9,636
Fair value adjustment of derivative financial instruments	2,189	-1,738	-	-	451
Gain on sale of Treasury Shares	0	-1,960	-	1,960	-
Reversal of statutory goodwill and negative goodwill	685	7,663	-	-	8,348
Revaluation of investments denominated in foreign currency to historical cost	-2,124	2,163	-	-	39
Difference in accounting of repo transactions	48	-69	-	-	-21
Reclassification of direct charges	-	-410	-	410	-
Deferred taxation	559	-2,320	-	-	-1,761
Dividend for the year 2003	16,800	-	-16,800	-	-
Dividend payable for the year 2004 proposed at the Annual General Meeting	-	-	41,206	-	41,206
International financial statements	**262,504**	**127,196**	**-16,800**	**1,960**	**374,860**

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

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

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

	End of reference period	Current period opening	Current period closing
Company	7,980	7,980	7,777
Group	16,992	16,992	16,973

Senior officers, strategic employees and their shareholding of OTP shares

December 31, 2004

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi	Chairman and CEO	2,174,945
IT	Dr. Zoltán Spéder	Deputy Chairman and Deputy CEO	1,608,400
IT	Mihály Baumstark	member	90,000
IT	Dr. Tibor Bíró	member	20,000
IT	Péter Braun	member	651,905
IT	Dr. István Kocsis	member	43,500
IT	Csaba Lantos	member, Deputy CEO	229,900
IT	Géza Lenk	member, Deputy CEO	101,027
IT	Dr. Antal Pongrácz	member, Deputy CEO	182,000
IT	Dr. László Utassy	member	30,000
IT	Dr. József Vörös	member	90,000
FB	Dr. Tibor Tolnay	Chairman	80,000
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member	0
FB	Dr. Gábor Nagy	member	140,000
FB	Dr. Sándor Pintér	member	0
FB	Klára Vécsei	member	32,000
SP	Gyula Pap	Deputy CEO	271,820
SP	László Wolf	Deputy CEO	710,380
Total:			6,465,877

[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-04			31-Dec-04		
	%[2]	%[3]	Qty	%[2]	%[3]	Qty
Domestic institution/company	5.8%	9.5%	16,337,210	2.4%	4.1%	6,614,671
Foreign institution/company	78.8%	79.1%	220,713,596	83.9%	84.7%	234,842,980
Domestic individual	2.7%	4.4%	7,606,994	1.6%	2.8%	4,543,062
Foreign individual	0.0%	0.0%	46,404	0.0%	0.0%	53,576
Employees, senior officers	2.9%	4.7%	8,127,462	3.3%	5.7%	9,184,567
Treasury shares	7.6%	0.0%	21,152,660	6.4%	0.0%	18,011,034
Government held owner [4]	0.1%	0.2%	415,675	0.4%	0.7%	1,150,111
International Development Institutions [5]	2.0%	2.0%	5,600,000	2.0%	2.0%	5,600,000
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	100.0%	100.0%	280,000,001	100.0%	100.0%	280,000,001

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

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