OTP Bank Ltd.

First Half 2005 Stock Exchange Report

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

Budapest, August 12, 2005

NON CONSOLIDATED AND CONSOLIDATED, NON AUDITED IFRS REPORTS OF OTP BANK LTD. FOR OF THE PERIOD ENDED JUNE 30, 2005

OTP Bank Ltd. has prepared its non-consolidated and consolidated, non-audited IFRS report for June 30, 2005. Below we present our analysis derived from the unconsolidated and the consolidated condensed IFRS financial statements of June 30, 2005. The differences between HAR and IFRS data presented are summarized in the end of the report.

THE EFFECT OF ADOPTING REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS EFFECTIVE FROM JANUARY 1, 2005 ON THE 2004 FINANCIAL STATEMENTS

Effective from January 1, 2005 the Bank adopted the revised IAS 39 ("Financial Instruments: Recognition and Measurement"), and the IFRS 2 ("Share-based payment"). Revisions to a number of other IAS also took effect in the unconsolidated condensed financial statements of the Bank, but those revisions concerned matters of detailed application which have no significant effect on amounts reported.

IAS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT

The revised IAS 39 standard, which is effective after January 1, 2005 will change the category held for trading instruments by introducing a new category „a financial asset at fair value through profit or loss". In this category could be classified the previous held for trading assets and other instruments upon initial recognition it is designated by the entity as at fair value through profit or loss.

Previously changes in fair value of available-for-sale assets could have been recognised in the profit/loss or directly in the equity. Effective from January 1, 2005 unrealised gains and losses on available-for-sale financial instruments must be recognised directly in equity, unless such available-for-sale security is part of an effective fair value hedge. Such gains and losses will be reported in the profit and loss for the applicable period.

Due to the retrospective application of modified IAS 39, an opening adjustment has been presented in retained earnings and reserves as of January 1, 2004. Due to restatement of prior periods, income after income tax decreased for the year ended December 31, 2004, and the three-month period ended June 30, 2004, respectively.

IFRS 2 SHARE BASED PAYMENTS

For equity settled share based compensation, under IFRS 2 the Bank is required to measure the fair value of services received, based on the fair value of the equity instrument granted, and to recognise such expense in the unconsolidated financial statements. IFRS 2 will be adopted from January 1, 2005 retrospectively, in respect of options, which have a grant date later than November 7, 2002.

The Annual General Meeting of the year of 2000 approved a five-year share option and bonus program for the years 2000 to 2004 which are granted on an annual basis. For the options after the year 2003 and 2004, which are under the scope of IFRS 2, the grant date is December 31, 2002.

HIGHLIGHTS

IFRS CONSOLIDATED

	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Y-o-Y	Q-o-Q
Total assets (HUF bn)	3,609.2	4,693.0	30.0%	3,609.2	4,737.6	4,693.0	30.0%	-0.9%
Total loans and advances (HUF bn)	2,227.1	2,889.1	29.7%	2,227.1	2,742.1	2,889.1	29.7%	5.4%
Total deposits (HUF bn)	2,585.6	3,146.6	21.7%	2,585.6	3,282.7	3,146.6	21.7%	-4.1%
Loan/deposit ratio	86.1%	91.8%	5.7%	86.1%	83.5%	91.8%	5.7%	8.3%
Shareholders' equity (HUF bn)	362.4	476.3	31.4%	362.4	429.7	476.3	31.4%	10.9%
Balance sheet gearing	10.0	9.9	-1.1%	10.0	11.0	9.9	-1.1%	-10.6%
Share of non interest income in total income	37.8%	40.4%	2.6%	40.6%	42.0%	38.8%	-1.8%	-3.2%
Cost to income ratio	57.3%	55.8%	-1.4%	60.1%	53.4%	58.1%	-2.1%	4.7%
Pre-tax profits (HUF bn)	77.7	92.5	19.0%	37.7	45.9	46.5	23.4%	1.3%
After tax profits (HUF bn)	65.4	76.4	16.9%	31.4	38.4	38.1	21.3%	-0.7%
EPS base (HUF)	252	291	15.6%	121	146	145	19.8%	-0.7%
EPS fully diluted (HUF)	251	290	15.4%	121	146	145	19.8%	-0.7%
Return on Assets	3.70%	3.45%	-0.25%	3.51%	3.45%	3.23%	-0.28%	-0.22%
Return on Equity	38.8%	33.6%	-5.2%	36.4%	35.5%	33.6%	-2.7%	-1.9%
Average assets (HUF bn)	3,535.0	4,427.7	25.3%	3,578.6	4,450.0	4,715.3	31.8%	6.0%
Net interest income (HUF bn)	125.5	142.4	13.5%	61.7	65.5	76.9	24.6%	17.5%
Net interest margin after provision	6.62%	5.85%	-0.77%	6.48%	5.28%	6.00%	-0.48%	0.72%

CONSOLIDATED IFRS BALANCE SHEET

On June 30, 2005 the consolidated IFRS total assets of the Bank were HUF 4,693.0 billion, representing a HUF 1,083.8 billion or 30.0% increase over the same period a year earlier. Balance sheet declined by HUF 44.6 billion or 0.9% during 2Q 2005 due to fall in corporate and municipality deposits. The IFRS total assets of the Group were 46.5% higher on June 30, 2005 than that of the Bank, thus confirming the overwhelming position of the Bank within the Group.

The Bank's consolidated shareholder's equity on June 30, 2005 was HUF 476.3 billion, 31.4% higher than the consolidated shareholders' equity as of June 30, 2004, and 11.8% higher than the unconsolidated shareholders' equity. Although during the first quarter of 2005 the consolidated shareholders' equity declined by HUF 4 billion due to the pay-out of dividend, in the second quarter of 2005 the consolidated equity increased by HUF 46.7 billion. The increase was caused by the creation of capital reserves from considerable part of the profits after taxes. Book value per share (BVPS) amounted to HUF 1,814 on June 30, 2005.

On the asset side, cash, deposits and balances with the NBH increased by 50.9% compared to 2004, due mainly low base of short-term HUF and foreign currencies placements with the NBH. Their volume fell in 2Q 2005 by 24.7%.

On June 30, 2005 the volume of interbank placements was 56.5% higher due to the change in the structure of placements. They fell by 8.5% in 2Q 2005.

Financial assets at fair value through profit and loss decreased by 25.4% to HUF 57.4 billion. Trading securities declined in 2Q by 28.8% to HUF 18.4 billion and were 39.3% lower than a year earlier.

Available for sale securities grew by 0.3% in 2Q to HUF 382.6 billion and were HUF 107.4 billion higher than a year earlier. This volume was HUF 19.2 billion higher than non-consolidated figure of the Bank, due to securities held by OTP Garancia Insurance, OTP Building Society, OTP Mortgage Bank, DSK and Nova banka subsidiaries and adjustment for mortgage bonds held by the parent bank.

Volume of consolidation loans, net of allowance for possible loan losses grew by 29.7% from HUF 2,227.1 billion on June 30, 2004 to HUF 2,889.1 billion as of June 30, 2005. This represented a 5.4% growth from March 31, 2005.

Within consolidated gross loan volume of HUF 2,980.9 billion, corporate loans represented 35.7% (HUF 1,063.1 billion; +33.7% y-o-y); retail loans 60.4% (HUF 1,800.4 billion; +30.2% y-o-y) and municipality loans 3.9%

(HUF 117.3 billion). Within retail loans housing and mortgage loans stood at HUF 1,120.1 billion (+19.9% y-o-y); consumer loans at 680.3 billion (+51.5% y-o-y). After the entrance of Nova banka, 23.0% of total loans (HUF 684.7 billion) were issued by the foreign subsidiaries.

Apart from the consolidation of RoBank and Nova banka the loan growth of the 12 months period ending on June 30, 2005 was augmented OTP Bank (before consolidation corporate loans grew by HUF 144 billion; consumer loans by HUF 58.9 billion) by OBS (corporate loans grew by HUF 35.4 billion, mortgage loans by HUF 13.4 billion); by DSK corporate loans grew by HUF 20.3 billion; consumer loans by HUF 63.4 billion, mortgage loans by HUF 36.1 billion) and OTP Mortgage Bank where 12 month loan book growth was 76.4 billion. Car financing by Merkantil Group was 39.2 billion above the level on June 30, 2004.

During loan 2Q 2005 volume grew by 5.4% or by HUF 153.8 billion. HUF 26.4 billion (16%) of it was created by foreign subsidiaries as a result of the loan generation at OBS (HUF 25.3 billion); Nova banka (HUF 11.0 billion) and the decline at DSK (HUF –20.4 billion) partially as a response to changes in BNB measure to curtail loan growth in Bulgaria. During 2Q 2005 corporate loans grew by HUF 19.3 billion or 1.8%; retail loans by HUF 116.9 billion or 6.9% (mortgages by HUF 47.6 billion or 4.4%, consumer loans by HUF 69.2 billion or 11.3%). Municipality loans grew by 17.5%.

While mortgage lending in Hungary during 1Q 2005 was weak due to seasonal reasons, which were enhanced by high interest rates and low subsidies plus expectations of further assistance by the government had a withholding effect on already low demand, 2Q 2005 was characterized by a brisker loan demand. Borrowers continued to prefer FX denominated loans. Borrowers continued preferred FX loans in spite of increased FX and interest rate risk. During 2Q 2005 OTP approved loan applications to the value of HUF 63.7 billion (HUF 41.7 billion in 2Q 2004; 36.4 billion in 1Q 2005) and disbursed loans of HUF 56.5 billion (HUF 48.1 billion in 2Q 2004; HUF 31.5 billion in 1Q 2005). Subsidized loans reached HUF 24.6 billion from the above, the rest were OTP loans (HUF 31.9 billion) of which HUF 28.7 billion was denominated in FX. HUF 34.7 billion loans were transferred to the Mortgage bank, while Mortgage Bank clients repaid loans of HUF 16.1 billion, and the parent bank repurchased qualified loans of HUF 0.6 billion.

IFRS consolidated gross loan volume of the Bank by business lines and by subsidiaries on June 30, 2005:

in HUF billion	Corporate		Municipality		Retail		Housing & Mortgage		Consumer		Total	
	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05
OTP Bank	707.8	851.8	119.3	114.5	332.0	420.1	167.2	196.4	164.8	223.8	1,159.1	1,386.4
OTP Factoring	2.5	3.9	0.5	0.4	4.7	8.0	4.3	7.6	0.4	0.4	7.7	12.3
OTP Building Society					8.3	7.0	8.3	7.0			8.3	7.0
Merkantil Bank	18.6	25.5			38.4	54.6			38.4	54.6	57.1	80.2
Merkantil Car	10.8	12.5	0.1	0.1	87.1	110.1			87.1	110.1	98.0	122.7
HIF	13.6	12.8									13.6	12.8
OTP Mortgage Bank					715.1	791.4	715.1	789.3	0.0	2.2	715.1	791.4
OBS	97.3	132.7	0.5	1.5	18.7	34.6	15.0	28.4	3.6	6.2	116.4	168.7
DSK Bank	46.0	66.2	0.1	0.2	167.3	266.8	29.2	65.3	138.1	201.5	213.4	333.2
OTP Leasing		8.1				6.7				6.7		14.8
RoBank		16.5				1.2				1.2		17.7
OTP Faktoring Slovensko		2.9										2.9
Nova banka		54.5		0.7		79.4		35.5		43.9		134.6
Total	896.6	1,187.4	120.5	117.3	1,371.7	1,780.0	939.1	1,129.5	432.6	650.5	2,388.8	3,084.8
Total consolidated	795.0	1,063.1	120.5	117.3	1,383.3	1,800.4	934.2	1,120.1	449.1	680.3	2,298.8	2,980.9
Distribution	34.6%	35.7%	5.2%	3.9%	60.2%	60.4%	19.5%	37.6%	40.6%	22.8%	100.0%	100.0%
Foreign subsidiaries	156.9	293.8	0.6	2.4	186.0	388.6	44.2	129.2	141.8	259.4	343.5	684.7
share of foreign subsidiaries	19.7%	27.6%	0.5%	2.0%	13.4%	21.6%	4.7%	11.5%	31.6%	38.1%	14.9%	23.0%

Quality of the loan book under IFRS was also good. At the end of June 2005; performing portion represented 87.6% of total, 9.1% was to be monitored and non-performing loans (NPL) were 3.3% of total. 15.1% of qualified loans and 11.9% of NPLs were in the books of foreign subsidiaries.

Quality of the portfolio by companies:

in HUF million	Qualified loans	Qualified ratio	Provision	Coverage	NPL	NPL ratio	Provision	Coverage
OTP Bank	70,701	5.1%	18,314	25.9%	26,223	1.9%	15,223	58.1%
OTP Factoring	10,586	86.4%	2,279	21.5%	6,130	50.0%	2,279	37.2%
OTP Building Society	107	1.5%	42	39.5%	76	1.1%	42	54.7%
Merkantil Bank	54,375	67.8%	6,018	11.1%	7,167	8.9%	5,087	71.0%
Merkantil Car	122,385	99.8%	6,668	5.4%	9,038	7.4%	4,115	45.5%
HIF Ltd.	12,762	100.0%	101	0.8%	2	0.0%	2	100.0%
OTP Mortgage Bank	18,240	2.3%	154	0.8%	498	0.1%	154	31.0%
OBS	7,120	4.2%	1,251	17.6%	3,195	1.9%	1,174	36.7%
DSK Bank	17,018	5.1%	8,689	51.1%	5,941	1.8%	6,816	114.7%
OTP Leasing	1,148	7.7%	394	34.4%	548	3.7%	306	55.9%
RoBank	14,841	83.8%	477	3.2%	606	3.4%	472	77.9%
OTP Faktoring Slovensko	286	9.8%	20	7.0%	217	7.4%	20	9.2%
Nova banka	2,945	2.2%	113	3.8%	1,306	1.0%	113	8.6%
Total	332,514	10.8%	44,522	13.4%	60,947	2.0%	35,802	58.7%
Total consolidated	371,096	12.4%	91,787	24.7%	99,530	3.3%	78,949	79.3%
Foreign subsidiaries	56,120	8.2%	11,046	19.7%	11,814	1.7%	8,902	75.3%
share of foreign subsidiaries	15.1%		12.0%		11.9%		11.3%	

The consolidated loan loss provisions were HUF 91.8 billion of which HUF 86.9 billion related to qualified portfolio, representing 24.7% coverage over the qualified loans. HUF 74.0 billion provisioning covering HUF 99.5 billion problem loans represented 74.0% coverage ratio. During the second quarter performing loans grew by HUF 110.4 billion, qualified loans were up by HUF 43.4 billion (mainly due to the decrease at Merkantil Car and Nova banka, and the creation at OTP Bank, Merkantil Bank for new FX loans DSK; RoBank). NPLs increased by HUF 0.6 billion. In the same time provisions for qualified loans increased by HUF 6.8 billion, coverage declined by 2.5%.

Historical loan quality data:

in HUF million	30-Jun-04	31-Mar-05	30-Jun-05	Q-o-Q	Y-o-Y
Performing loans	2,039,337	2,499,404	2,609,815	4.4%	28.0%
To-be-monitored loans	176,579	228,805	271,567	18.7%	53.8%
Below average	23,834	22,562	23,504	4.2%	-1.4%
Doubtful	20,213	25,961	22,885	-11.8%	13.2%
Bad	38,867	50,365	53,141	5.5%	36.7%
Total receivables	2,298,830	2,827,097	2,980,911	5.4%	29.7%
QUALIFICATION					
Total qualified	259,492	327,693	371,096	13.2%	43.0%
NPL	82,913	98,888	99,530	0.6%	20.0%
qualified rate	11.3%	11.6%	12.4%	0.9%	1.2%
NPL rate	3.6%	3.5%	3.3%	-0.2%	-0.3%
COVERAGE					
Provision on NPL			74,032		
Coverage on NPL			74.4%		
Provision on qualified	71,703	85,011	91,787	8.0%	28.0%
Coverage of qualified	27.6%	25.9%	23.4%	-2.5%	-4.2%
Net loans	2,227,127	2,742,086	2,889,124	5.4%	29.7%

Volume of debt securities held-to-maturity decreased by 11.7% to HUF 238.9 billion y-o-y, and volume declined by 9.5% since March 31, 2005.

On the liability side, customer liabilities were HUF 3,505.8 billion, or 22.8% higher than a year earlier and 51.7% higher than at the Bank. During the second quarter customer deposits fell HUF 136.1 billion or by 4.1% to HUF 3,145.1 billion; 17.9% of deposits came from corporate; 77.0% from retail and 5.1% from municipality sector customers.

Deposits by business lines and companies:

in HUF million	Corporate		Municipality		Retail		Total	
	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05
OTP Bank	357,558	401,323	122,502	113,782	1,647,440	1,781,051	2,127,500	2,296,156
OTP Building Society	2,000	3,263	8	7	50,502	66,863	52,510	70,133
Merkantil Bank	1,565	3,986			2,589	2,646	4,154	6,633
Merkantil Car		23				86		109
OBS	43,896	57,698	13,962	31,058	58,551	59,732	116,408	148,488
DSK Bank	30,710	56,277	7,463	8,586	252,178	318,138	290,351	383,002
OTP Leasing		440		17		389		846
RoBank		12,951				12,962		25,912
OTP Faktoring Slovensko		728						728
Nova banka		31,124		5,680		179,279		216,083
Total	435,729	567,813	143,935	159,130	2,011,260	2,421,147	2,590,923	3,148,090
Consolidated	430,453	564,848	143,935	159,160	2,011,260	2,421,147	2,585,648	3,145,125
Distribution	16.6%	18.0%	5.6%	5.1%	77.8%	77.0%	100.0%	100.0%
Foreign subsidiaries	74,606	159,217	21,425	45,342	310,729	570,499	406,759	775,059
Share of foreign subsidiaries	17.3%	28.2%	14.9%	28.5%	15.4%	23.6%	15.7%	24.6%

Deposits grew by 21.6% or by HUF 559.5 billion in 12 months mostly at the parent bank, DSK (corporate and retail), OBS (corporate and municipality), RoBank and due to Nova banka consolidation. Foreign subsidiaries collected 24.6% of total deposits as at June 2005 up from 15.7% a year earlier.

During 2Q 2005 deposits at the OBS, Nova banka and DSK grew significantly (by HUF 13.1 billion, HUF 11.6 billion and HUF 8.4 bn resp.), and deposits declined by HUF 165.0 billion at the parent bank in the corporate and municipality business.

Volume of issued securities was 6.5% higher than a year earlier and reached HUF 325.7 million. 2Q 2005 increase was HUF 11.1 billion or 3.5% due to of issuance of mortgage bonds by Mortgage Bank to third parties.

CONSOLIDATED IFRS STATEMENT OF OPERATIONS (PROFIT AND LOSS ACCOUNT)

FIRST HALF 2005 PERFORMANCE

The 1H 2005 consolidated IFRS net income of OTP Bank was HUF 76.4 billion, HUF 11.0 billion or 16.8% higher than for 1H 2004 rebased. Consolidated PAT was only HUF 6.4 billion or 9.3% higher than at the parent bank, due to deconsolidation of dividends paid by the subsidiaries to the parent bank during 1H 2005.

Income before income taxes grew by 19.0% to HUF 92.5 billion and was HUF 14.7 bn higher than in 1H 2004.

The consolidated net interest income reached HUF 142.4 billion representing a 13.5% increase from 1H 2004 and was 80.6% higher than at the Bank.

Provisions for possible loan and placement losses were 52.6% higher than in 1H 2004 reaching HUF 12.9 billion. The growth was significant partly at the parent bank and party at the newly consolidated subsidiaries. Provisioning cost as a percentage of average loans reached 0.96% compared to 0.80% a year earlier.

Gross consolidated interest margin over mathematical average total assets (HUF 4,427.2 bn) was 6.43% during the first half of 2005, 67 bps below 1H 2004 figure. Net interest margin (after provisioning) also declined in the first half of the year and was 5.85% compared to 6.62% for 1H 2004. Adjusting for the effects of swaps (writing back IAS 39 adjustments) gross margin in 1H 2005 was 6.46% and net margin was 5.87%, which was 54 bps and 65 bps only lower than in 1H 2004, due to positive swap adjustment.

Non-interest income was 26.4% higher than a year earlier and was HUF 96.3 billion. Within non-interest income the increase in fee and commission income was 28.1% to HUF 54.7 billion. Fee and commission income was 9.1% below fees and commissions at the Bank, due to the deconsolidation of fees from OTP Mortgage Bank fee and commission expenses were 15% below 1H 2004. Net fees and commissions were HUF 46.2 bn, which is 41.3% higher than in 1H 2004.

Net gains on securities trading were HUF 3.3 billion compared to the profit of HUF 0.8 billion in 1H 2004. Net losses on foreign exchange transactions were HUF 1.2 billion while the Group reported HUF 0.3 billion gains in 1H 2004. The losses were in part related to the swap deals, real estate transactions results were HUF 1.3 billion. Consolidated non-interest income was higher than at the Bank, partly due to the insurance premium of HUF 32.5

billion at OTP Garancia Insurance subsidiary which were 29% higher than in 1H 2004. Other income decreased by 5.1% to HUF 6.0 billion.

Consolidated non-interest expenses reached HUF 133.3 billion and were 15.4% higher than during 1H 2004 and 95.5% above the figures of the Bank.

Consolidated personnel expenses were 20.3% higher than a year earlier. Increase in personnel expenses has reflected besides the 13.7% salary increase and the 7% increase in the headquarter also the IFRS2 effect. Depreciation declined due to the disappearance of goodwill amortization in IFRS consolidated account. 1H 2005 expense was HUF 3.9 bn lower than in 1H 2004. Insurance expenses grew by 37.5% from 1H 2004; while net insurance income at HUF 4.7 bn was 5.6% lower than a year earlier due 100.4% increase in reserve generation (form HUF 7.4 billion to HUF 14.8 billion).

Other non-interest expenses were 23.8% higher than in 1H 2004. In 1H 2005 net interest income tax of HUF 4.8 bn was booked within other non-interest expenses.

Consolidated cost-income ratio was 55.8% down 1.4% from 1H 2004 (cost income ratio similar to HAR was 54.2%; 0.8% less than in 1H 2005). Consolidated ROAA on average total assets was 3.45% (3.70% in 1H 2004), while consolidated ROAE reached 33.6% nominal, 5.2%-points lower than a year earlier. Consolidated net asset value per share was HUF 1,814 on June 30, 2005. Basic earnings per share (EPS) reached HUF 291, HUF 39 above 1H 2004 data.

CONSOLIDATED IFRS STATEMENT OF OPERATIONS (PROFIT AND LOSS ACCOUNT)

PERFORMANCE IN 2Q 2005

The 1Q 2005 consolidated IFRS net income of OTP Bank was HUF 38.1 billion, HUF 0.3 billion or 0.7% lower than for 1Q 2005 and 21.3% or HUF 6.7 bn higher than in 2Q 2004. Income before income taxes grew q-o-q by 1.3% to HUF 46.5 billion and was HUF 8.8 bn or 23.4% higher than in 2Q 2004.

The consolidated net interest income reached HUF 76.9 billion representing a 17.5% increase from 1Q 2005 and was 24.6% higher than in 2Q 2004. Consolidated interest income amounted to HUF 116.7 billion, 4.7% above 1Q 2005 levels. Increase in interest income was particularly significant from loans (7.4% increase), in line with changes in volumes and with growing average mortgage volumes. Consolidated interest income from loans was HUF 31.6 billion, or 87.3% above unconsolidated data. These changes are in part in harmony with changes in the volumes, the balance sheet and loan structures and also with the slower than earlier decline in interest rate environment during 2Q 2005. The net swap results of HUF 0.8 billion also contributed, though it was lower than earlier due to negative results on interest rate swaps of the parent bank covering part of the fixed rate mortgage bond portfolio purchased from the mortgage banking subsidiary.

Increase of interest income from interbank placements (18%), from securities for trading, held-to-maturity and from available for sale (75.8%, 4.8%, 9.0% resp.) was significant.

Interest expense was HUF 39.8 billion, 13.4% lower than in 1Q 2005. Interest paid on customers' deposits declined by 13.1% q-o-q to HUF 26.6 billion and 15.5% y-o-y due to falling interest rates in Hungary. Interest expense on issued securities was 6.1% lower and was HUF 6.0 bn higher than at the parent bank, mostly due to securities issued by Mortgage Bank, OBS and Merkantil Bank. Losses on swaps, booked on interbank interest expense line fell 28.7% to HUF 4.6 billion which resulted in a net swap results of HUF 3.2 bn compared to HUF 0.6 bn a quarter earlier.

Provisions for possible loan and placement losses were 7.7% lower than in 1Q 2005 reaching HUF 6.2 billion. Provisioning cost as a percentage of average loans reached 0.85% compared to 0.70% a year earlier and 0.99% in 1Q 2005.

Gross consolidated interest margin over mathematical average total assets (HUF 4,715.3 bn) was 6.52% during the 2Q of 2005, 37 bps below 2Q 2004 figure and 64 bps above 1Q 2005. Net interest margin (after provisioning) also declined was 6.00% also declined from 6.48% in 2Q 2004; and increased from to 5.28% for 1Q 2005. Adjusting for the effects of swaps (writing back IAS 39 adjustments) gross margin in 2Q 2005 was 6.51% which was 37 bps higher than 1Q 2005; and 84 bps lower than in 2Q 2004.

Non-interest income was 15.6% higher than a year earlier and was HUF 48.8 billion an increase of 2.8% q-o-q. Within non-interest income the increase in fee and commission income was 10.6% to HUF 28.8 billion. Net fees and commissions were HUF 25.0 bn, which is 17.8% higher than in 1Q 2005.

Net gains on securities trading were HUF 1.1 billion compared to the profit of HUF 2.2 billion in 1Q 2005, due to slowdown of rate erosion. Net loss on foreign exchange transactions were HUF 1.5 billion while the Group reported HUF 0.3 billion gains in 1Q 2005, and 4.2 billion gains in 2Q 2004. The losses were partly related to the FX swap deals, since IAS 39 adjustment influences the bank's FX open position, thus balance sheet revaluation gains/losses. Real estate transactions results were HUF 0.1 billion. Consolidated non-interest income was higher than at the Bank, partly due to the insurance premium of HUF 18.3 billion at OTP Garancia Insurance subsidiary an increase of 28.7% q-o-q and 26.7% y-o-y. Other income decreased by 46.9% y-o-y and 69.9% q-o-q to HUF 1.4 billion.

Consolidated non-interest expenses reached HUF 73.0 billion and were 16.7% higher than during 2Q 2004 and 90.3% above the figures of the Bank. Compared to 1Q 2005 non-interest expenses increased by 21.1%.

Consolidated personnel expenses were 25% higher than a quarter earlier and 24.3% y-o-y. Increase in personnel expenses has already reflected IFRS2 effect. Depreciation declined significantly due to the disappearance of goodwill amortization in IFRS consolidated account. 2Q 2005 expense was HUF 0.4 bn lower than in 1Q 2005, and HUF 2 billion lower than in 2Q 2004. Insurance damages were HUF 6.4 billion; 1.8% below the figure at 2Q 2004 and 8.9% lower than in 1Q 2005. Insurance expenses grew by 37.7% from 2Q 2004. Insurance technical reserves grew by HUF 9.7 bn in 2Q 2005 compared to HUF 4.7 bn in 2Q 2004 and 5.1 bn in 1Q 2005. Net insurance income at HUF 2.1 bn was 21.3% lower than a year earlier and 15.9% below previous quarter.

Other non-interest expenses were 25.6% higher than in 2Q 2004 and 25.5% above 1Q 2005. Following release of provision for equity investment in 1Q 2005 new provisions were created in 2Q 2005 decreasing quarterly results by HUF 200 million. Provisioning for off balance sheet items decreased q-o-q results by HUF 1.8 billion.

Material cost was up 1.8 billion or 36.1% q-o-q, marketing expenses and services purchased grew by HUF 0.8 billion each (+73.6% and 16.6% resp.). In 1H 2005 special net interest income tax of HUF 2.5 bn was booked within other non-interest expenses.

Consolidated cost-income ratio was 58.1% down 2.1% from 2Q 2004 and an increase of 4.7%-points from 1Q 2005 (cost income ratio similar to HAR was 56.8%; 5.5% above 1Q 2005).

Consolidated ROAA on average total assets was 3.23% (3.51% in 2Q 2004 and 3.45% in 1Q 2005), while consolidated ROAE reached 33.6% nominal, 2.7%-points lower than a year earlier and 1.9% below 1Q 2005. Basic earnings per share (EPS) reached HUF 145, HUF 24 above 1H 2004 and HUF 1 below 1Q 2005.

CONSOLIDATED PRE-TAX PROFIT

The pre-tax profits of the fully consolidated major subsidiaries affecting the profit figures of the consolidated report are as follows for the half year ending on June 30, 2005 (in HUF millions):

	HAR	IFRS	Difference
OTP Bank Ltd.	84,322	80,597	-3,725
Merkantil Group	3,892	4,436	544
OTP Building Society Ltd.	877	877	0
OTP Mortgage Bank Ltd.	8,729	9,631	902
OTP Banka Slovensko, a. s.	37	556	519
DSK Group	9,776	9,712	-64
RoBank S.A.	-794	-792	2
Nova banka Group	883	885	2
OTP Garancia Insurance Ltd.	2,601	2,601	0
OTP Fund Management Ltd.	1,943	1,943	0
HIF Ltd.	83	81	-2
OTP Real Estate Ltd.	278	278	0
OTP Factoring Ltd.	323	323	0
OTP Factoring Asset Management Ltd.	30	30	0
OTP Faktoring Slovensko, a.s.	11	11	0
OTP Leasing, a.s.	22	22	0
Bank Center No l. Ltd.	21	21	0
OTP Fund Services Ltd.	57	57	0
Inga Ltd.-s	22	22	0
Concordia-Info Ltd.	24	24	0
OTP Card Manufacturer Ltd.	44	44	0
Subsidiaries total	28,859	30,762	1,903
I. Aggregated pre-tax profit	113,181	111,359	-1,822
Equity consolidation	147	0	-147
Capital consolidation	-17,463	-15,087	2,376
Filtering of intra-company relations	-2,742	-2,538	204
II. Total consolidation effect	-20,058	-17,625	2,433
III. Filtering due to trading and available-for-sale mortgage bonds	0	-1,261	0
Consolidated pre-tax profits	93,123	92,473	-650

MAIN BALANCE SHEET DATA OF SUBSIDIARIES (IFRS):

in HUF million	June 30, 2004				June 30, 2005			
	Assets	**Loans**	**Deposits**	**Equity**	**Assets**	**Loans**	**Deposits**	**Equity**
OTP Bank Ltd.	***2,735,733***	***1,139,104***	***2,127,500***	***323,247***	***3,203,119***	***1,386,425***	***2,296,156***	***426,153***
Merkantil Bank	63,017	57,100	4,154	12,466	86,610	80,190	6,633	13,463
OTP Mortgage Bank Ltd.	791,206	715,083	0	32,034	886,887	791,436	0	35,146
OTP Building Society Ltd.	58,246	8,291	52,510	4,406	79,468	7,023	70,133	7,339
OTP Banka Slovensko, a. s.	173,143	116,427	116,408	14,996	240,560	168,734	148,488	15,742
DSK Group	347,556	213,423	290,027	48,930	509,973	333,184	382,928	62,607
RoBank S.A.					48,759	17,711	26,585	7,674
Nova banka					269,903	134,590	216,871	24,503
OTP Garancia Insurance Ltd.	108,676	0	0	12,066	137,055	90	0	18,592
Merkantil Car	117,606	97,957	0	2,098	133,290	122,685	109	3,880
OTP Fund Management Ltd.	7,489	0	0	6,765	8,797	0	0	8,021
HIF Ltd.	14,319	13,647	0	2,120	13,347	12,762	0	2,110
OTP Leasing a.s.					16,785	14,845	846	46
OTP Real Estate Ltd.	18,028	24	0	6,506	17,546	0	0	6,325
OTP Factoring Ltd.	0	0	0	0	2,915	2,915	728	162
OTP Faktoring Slovensko	6,813	7,735	0	2,741	10,501	12,256	0	2,853
Other subsidiaries	30,760	0	0	26,427	29,396	0	0	26,397
Subsidiaries total	***1,736,859***	***1,229,687***	***463,099***	***171,554***	***2,491,793***	***1,698,421***	***853,321***	***234,861***
Total	**4,472,592**	**2,388,766**	**2,590,599**	**494,801**	**5,694,913**	**3,084,846**	**3,149,477**	**661,014**
Consolidated	**3,609,240**	**2,227,127**	**2,585,648**	**362,403**	**4,692,992**	**2,889,124**	**3,146,585**	**476,315**

MAIN P&L DATA OF SUBSIDIARIES (IFRS):

1H 2005 in HUF million	Interest income	Interest expenses	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit
OTP Bank Ltd.	***142,416***	***63,572***	***78,844***	***6,416***	***76,332***	***68,162***	***80,597***	***69,916***
Merkantil Bank	4,286	1,288	2,999	694	1,347	2,331	1,321	1,292
OTP Mortgage Bank Ltd.	59,402	34,033	25,368	134	6,755	22,358	9,631	7,536
OTP Building Society Ltd.	2,852	1,031	1,822	4	769	1,710	877	666
OTP Banka Slovensko, a. s.	4,693	2,077	2,616	361	3,057	4,756	555	555
DSK Group	20,946	4,367	16,579	3,085	4,603	8,386	9,712	8,420
RoBank S.A.	2,268	1,351	916	311	690	2,087	-792	-811
Nova banka	3,634	1,307	2,327	147	1,223	2,518	885	706
OTP Garancia Insurance Ltd.	4,491	0	4,491	0	35,425	37,316	2,601	2,185
Merkantil Car	7,417	1,284	6,133	1,337	259	2,107	2,948	1,930
OTP Fund Management Ltd.	0	0	0	0	4,651	2,709	1,943	1,636
HIF Ltd.	398	157	241	1	21	180	81	56
OTP Leasing a.s.	431	221	210	394	399	192	22	22
OTP Real Estate Ltd.	38	58	-21	0	1,834	1,536	278	234
OTP Factoring Ltd.	0	190	-189	364	1,733	856	323	271
OTP Faktoring Slovensko	0	32	-32	20	162	99	11	11
Other subsidiaries	190	61	129	0	3,305	3,068	366	332
Subsidiaries total	***111,048***	***47,458***	***63,590***	***6,853***	***66,233***	***92,208***	***30,762***	***25,042***
Total	**253,464**	**111,030**	**142,434**	**13,269**	**142,565**	**160,370**	**111,359**	**94,958**
Consolidated	**228,093**	**85,733**	**142,360**	**12,926**	**96,331**	**133,292**	**92,473**	**76,431**

MAIN DIFFERENCES BETWEEN JUNE 30, 2005 NON AUDITED CONSOLIDATED REPORTS OF OTP BANK LTD. PREPARED ACCORDING TO HAR AND IFRS

in HUF million	OTP Bank	OTP Banka Slovensko	DSK-Group	HIF Ltd.	RoBank S.A.	Nova banka d.d.	OTP Mortgage Bank	Merkantil Group	(1)	(2)	Total
Consolidated HAR pre-tax profits	**84,322**	**37**	**9,776**	**83**	**-794**	**883**	**8,729**	**3,892**	**33**	**-13,838**	**93,123**
I.) Differences due to the consolidation	*-3,725*	*519*	*-64*	*-2*	*2*	*2*	*902*	*544*	*0*	*0*	*-1,822*
Reversal of statutory general provision	1,228	339	42	0	0	0	0	462	0	0	2,071
Premium and discount amortization on investment securities	59	0	0	0	0	0	0	0	0	0	59
Difference in accounting for finance leases	-197	0	0	0	0	0	0	12	0	0	-185
Fair value adjustment of held-for-trading and available-for-sale financial assets (IAS 39)	1,725	191	203	0	0	0	902	70	0	0	3,091
Fair value adjustment of derivative financial instruments	-2,978	0	0	0	0	0	0	0	0	0	-2,978
Loss on sale of Treasury Shares	-1,773	0	0	0	0	0	0	0	0	0	-1,773
Correction of business/company value	4,082	0	0	0	0	0	0	0	0	0	4,082
Correction of investment in foreign currencies to cost	-2,631	0	0	0	0	0	0	0	0	0	-2,631
Correction due to repo	15	0	0	0	0	0	0	0	0	0	15
IFRS 2 Share based payments	-2,853	0	0	0	0	0	0	0	0	0	-2,853
Expenses charged directly to equity	-402	-9	0	0	0	0	0	0	0	0	-411
FX conversion	0	-2	-65	-2	2	2	0	0	0	0	-65
Amortisation of securities held-to-maturity	*0*	*0*	*-44*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*-44*
Accounting of loan originating fees	0	0	-200	0	0	0	0	0	0	0	-200
II.) Differences between consolidation effects	0	586	0	0	0	2,191	0	0	-272	-72	2,433
1) Equity consolidation	0	0	0	0	0	0	0	0	0	-147	-147
2) Capital consolidation	*0*	382	*0*	*0*	*0*	*2,191*	*0*	*0*	*-272*	*75*	*2,376*
3) Filtering of intra-company relations	**0**	**204**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**204**
III.) Filtering due to trading and available-for-sale mortgage bonds	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-1,261**	**-1,261**
Total	**-3,725**	**1,105**	**-64**	**-2**	**2**	**2,193**	**902**	**544**	**-272**	**-1,333**	**-650**
Pro forma IFRS consolidated pre-tax profits	***80,597***	***556***	***9,712***	***81***	***-792***	***885***	***9,631***	***4,436***	***33***	***-13,838***	***92,473***

(1) OTP Leasing and OTP Faktoring Slovensko
(2) Other subsidiaries and consolidation effect

OTP BANK[1]

NON-CONSOLIDATED IFRS BALANCE SHEET

Total assets of the Bank were HUF 3,203.1 billion on June 30, 2005, which was 17.1% higher than a year earlier and 3.9% lower than on March 31, 2005. During 1H 2005 assets grew by 4.9%.

On the asset side, the volume of cash, due from banks and balances with the National Bank of Hungary increased by 44.3%, placements with other banks grew by 7.9% compared to June 30, 2004. The volume of trading securities grew by 58.6% to HUF 32.7 billion.

Securities available-for-sale grew by 12.1% to HUF 363.4 bn; the volume of Government Bonds was HUF 76.7 billion and mortgage bonds reached HUF 250.6 billion.

The volume of gross loans grew by 19.6% y-o-y to HUF 1,386.4 billion and was 4.4% higher than on March 31, 2005. In 2005 loans grew by 7.0%. Within this the loans maturing over a year amounted to HUF 898.4 billion, their proportion was to 62.6%. The volume of provisions was 8.3% lower than a year earlier, and fell to HUF 18.3 billion. The net volume of loans was HUF 1,368.1 billion, 20.1% growth year on year and 7.2% growth during the 1H 2005. Within gross loans, loans to enterprises amounted to HUF 851.8 billion (20.3% growth y-o-y), loans to municipalities HUF 114.5 billion (4.0% decline y-o-y), consumer loans HUF 201.1 billion (22.0% growth y-o-y) while housing loans amounted to HUF 196.4 billion (17.5% y-o-y increase) at the end of June 2005. Mortgage loans stood at HUF 22.6 bn. Corporate loans represented 61.4%, retail loans 30.3% of total loans on June 30, 2005.

The volume of debt securities kept until maturity decreased by 10.0% to HUF 481.0 billion. Within these, the volume of government securities was HUF 187.4 billion, mortgage bonds were HUF 290.0 billion.

On the liability side, the 7.9% year on year increase of customer deposits was significant, thus the share of customer deposits in total liabilities decreased to 71.7% (77.8% on June 30, 2004). Customer deposits decreased by 6.7% in 2Q 2005. Within HUF 2,296.2 billion customer deposits, deposits denominated in HUF represented 88.0%. 77.6% of the total deposits was from retail client (HUF 1,781.1 billion volume; 8.1% y-o-y increase), 17.5% from corporate sector (12.2% y-o-y increase) and 5.0% (7.1% decline in volume) was municipal deposit. The liabilities from issued securities decreased by 1.2%.

Loan to deposit ratio stood at 59.6%; above that of at the end of June 2004 (53.5%) and above the 53.2% at the end of March 2005.

The shareholders' equity of the Bank was 31.8% higher than in the same period of 2004 due to the 41.4% increase of reserves and the 45.3% increase of own shares at book value. Shareholder equity reached HUF 426.2 billion and represented 13.3% of total assets.

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

PERFORMANCE IN 1H 2005

IFRS pre-tax profit of the Bank was HUF 80.6 billion which represented a 11.6% growth y-o-y. HUF 5.9 bn from the increase of HUF 8.4 bn is due to the higher dividend income collected. After-tax profit grew by 11.6% to HUF 69.9 billion. Basic and diluted earnings per share reached HUF 259 and HUF 258 (in 1H 2004 HUF 234).

The net interest income of the Bank in 1H 2005 according to IFRS was HUF 78.8 billion, which was 6.7% higher than in 1H 2004. This was a result of 1.3% decrease in interest income and 9.7% decrease in interest expenses.

Within interest income 9.8% decline of interests on interbank placements was significant, partly due to the disparate run of swap deals. Interest income increased significantly from trading securities NBH and interbank accounts due to increase in volume and/or yields.

The results of the swap transaction show up on the interest income and expenses on interbank accounts and interest income form loans lines. During 1H 2005 net result of swaps amounted to HUF 3.4 billion down by HUF 5.4 billion from 1H 2004. The fair value adjustments based on IAS 39 resulted that the changes in results of swaps caused HUF 1.5 billion lower net interest income than in HAR and highly contributed to that IFRS net interest margin was

[1] This Report is based on the Bank's Unconsolidated Condensed Financial Statements in Accordance with International Financial Reporting Standards for the Six Month Period Ended June 30, 2005 which is available for download from the Bank's website (www.otpbank.hu)

lower than in HAR. The significant decline swap income was augmented by the HUF 1.8 billion negative adjustment in FX transaction accounts to 1H 2004, partially compensated by HUF 1.3 bn FVA gains on interest rate swaps hedging fixed rate mortgage bonds, which decreased overall negative results of swaps.

Interests paid on customer deposits decreased by 21.4%, partly because of the decline 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 64.7% y-o-y and reached HUF 6.4 billion. Provisioning on average volume of loans was 0.97% compared to 0.71% in 1H 2004.

Non-interest income grew by HUF 12.7 billion or 20.0% to HUF 76.3 billion. Within this, net FX losses reached HUF 2.1 billion, fees and commissions received amounted to HUF 60.2 billion. Net fees and commissions were 10.9% higher than in 1H 2004 and reached HUF 54.4 bn. Net gains on securities trading was HUF 2.9 billion. In 1H 2005 the Bank collected HUF 13.9 bn dividend from subsidiaries. In 2004 dividend was HUF 8.1 billion. Other non-interest income grew by 11.8% y-o-y to HUF 1.3 billion.

Non-interest expenses altogether were HUF 68.2 billion; 11.0% higher than a year earlier. Within these the personnel expenses grew by 17.2% to HUF 28.9 billion (of which 2.9 billion is due to application of IFRS 2 standards), fees and commissions paid by 26.5% to HUF 5.8 billion and depreciation grew by 7.7% to HUF 7.0 billion. Other non-interest expenses increased by 3.1% y-o-y to HUF 26.4 billion.

Calculated cost to income ratio (without dividend income) for 1H 2005 was 48.3%, 0.8% higher than in 1H 2004. (After the calculation similar to the Hungarian standards, cost/income ratio was 41.7% for 1H 2005, 42.7% in 1H 2004.)

The gross interest margin of the Bank according to IFRS calculated on the mathematical average of total assets was 5.04% in 1H 2005, its net interest margin 4.63%, and partially due to the swap result 37 and 49 bps lower than in 1H 2004. Disregarding the FVA results of swaps both in 1H 2004 and 1H 2005 the gross margin in 1H 2005 was 5.15% and the net margin 4.74% which is 13 and 26 bps higher than in 1H 2004.

ROA calculated on the average total assets was 4.47% (in 1H 2004: 4.59%), while ROE calculated on average shareholders' equity was 34.3% (in 1H 2004: 41.8%). Net asset value per share of the Bank (diluted) grew by 31.1% to HUF 1,575.

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

PERFORMANCE IN 2Q 2005

IFRS pre-tax profit of the Bank was HUF 32.8 billion, which represented a 16.3% decline y-o-y and 31.2% decrease over 1Q 2005. HUF 13.4 bn from the decrease of HUF 14.9 billion over 1Q 2005 is due to the dividend income collected in 1Q 2005. After-tax profit fell by 36.2% to HUF 27.2 billion. Basic and diluted earnings per share reached HUF 101 and HUF 100 (in 1Q 2005 HUF 157).

The net interest income in 2Q 2005 of the Bank according to IFRS was HUF 42.9 billion, which was 19.6% higher than in 1Q 2005. This was a result of 0.3% increase in interest income and 19.3% decrease in interest expenses.

Within interest income 5.8% decline of interests on interbank placements was significant, partly due to the disparate run of swap deals (HUF 0.6 billion in 1Q 2005 and HUF 3.0 billion in 2Q 2005). As a result of FVA based on IAS39, interest income in 2Q 2005 was HUF 395 million, interest expenses HUF 158 million lower than according to HAR; i.e. the changes in results of swaps decreased IFRS net interest income by HUF 0.2 billion resulting in lower net margin income under IFRS than under HAR. The results of FX swaps and FX trading are moving the opposite direction; gains in swaps are compensated by losses in FX trading and vice versa. Overall losses in FX trading however represented HUF 1.5 billion due to other factors.

Interests paid on customer deposits decreased by 18.3%, partly because of the decline 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 91.8% y-o-y and declined 2.2% q-o-q; and reached HUF 3.2 billion. Provisioning on average volume of loans was 0.95% compared to 0.6% in 2Q 2004 and 1.0% in 1Q 2005.

Non-interest income declined by HUF 13.4 billion or 29.9% to HUF 31.4 billion from 1Q 2005. Within this, net FX losses reached HUF 1.5 billion, fees and commissions received amounted to HUF 30.8 billion a 5.0% increase q-o-q. Net fees and commissions were 1.4% higher than in 1Q 2005 and reached HUF 27.4 bn. Net gains on securities trading was HUF 1.4 billion. In 2Q 2005 the Bank collected HUF 0.3 bn dividend from subsidiaries. In 2Q 2004 dividend income reached HUF 8.1 billion. Other non-interest income declined q-o-q by 30.3% to HUF 0.6 billion.

Non-interest expenses altogether were HUF 38.4 billion; 28.8% higher than a quarter earlier. Within these the personnel expenses grew by 23.4% to HUF 16.0 billion (of which 1.7 billion is due to application of IFRS 2 standards), fees and commissions paid increased by 45.9% to HUF 3.5 billion and depreciation grew by 12.7% to HUF 3.7 billion. Other non-interest expenses increased by 36.2% q-o-q to HUF 15.2 billion.

Calculated cost to income ratio (without dividend income) for 2Q 2005 was 51.8%, 7.4% higher than in 1Q 2005 and 1.4% higher than in 2Q 2004. (Based on calculation similar to the Hungarian standards, cost/income ratio was 49.2% for 2Q 2005, 42.9% in 2Q 2004 and 35.0% in 1Q 2005.)

The gross interest margin of the Bank in 2Q 2005 according to IFRS calculated on the mathematical average of total assets was 5.26% in 1H 2005, its net interest margin 4.87%, 33 and 16 bps higher than in 1Q 2005. Disregarding the FVA results of swaps the gross margin in 2Q 2005 was 5.28% and the net margin 4.90% which is 33 and 48 bps lower than in 2Q 2004 and grew by 21 bps and 4 bps from 1Q 2005.

Annualized ROA calculated on the average total assets was 3.33% (in 1Q 2005: 5.35%), while annualized ROE calculated on average shareholders' equity was 26.7% (in 1Q 2005: 43.8%).

MERKANTIL GROUP

The aggregated balance sheet total of **Merkantil Group** reached HUF 221.5 billion on June 30, 2005, 20.6% higher than at the end of June, 2004.. Aggregated pre-tax profit of the Group approached HUF 4.4 billion; an increase of 52.3% over 1H 2005.

Members of the Group have financed 31,499 car purchases during 1H 2005, of which close to 90% were FX loans, 9.8% HUF based bank loans and 103 operating leases. Since May, 2005, FX loans are booked in balance sheet of Merkantil Bank. The number of contract were higher than planned every month in 2Q 2005, as a result of sales promotion, Merkantil Group realised a record number, 7,296 contracts in June.

Volume of dealer-financing reached HUF 16 billion on June 30, 2005. Launching of SUZUKI stock-financing resulted an increase of HUF 8.6 billion in gross loans.

Aggregated IFRS Balance Sheet:

HUF mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Cash and bank	4,912.3	1,446.0	1,834.8	26.9%	-62.6%
Placements with other banks	155,057.7	181,578.3	202,874.5	11.7%	30.8%
Gross loans	-8,086.1	-11,589.6	-12,687.0	9.5%	56.9%
Provisions	1,917.4	1,967.9	1,988.7	1.1%	3.7%
Investments	2,854.4	2,853.0	2,853.0	0.0%	0.0%
Securities held-to-maturity	2,421.1	461.3	515.9	11.8%	-78.7%
Intangible assets	24,667.6	23,255.3	24,054.0	3.4%	-2.5%
Other assets	183,744.3	199,972.1	221,508.2	10.8%	20.6%
ASSETS	113,173.0	134,601.3	153,246.7	13.9%	35.4%
Liabilities to credit institutions	4,154.2	4,555.5	6,742.3	48.0%	62.3%
Deposits from customers	40,689.9	33,992.2	32,442.0	-4.6%	-20.3%
Issued securities	9,898.7	10,186.0	10,255.9	0.7%	3.6%
Other liabilities	600.0	600.0	600.0	0.0%	0.0%
Subordinated loans	168,515.8	183,934.9	203,286.8	10.5%	20.6%
LIABILITIES	15,228.5	16,037.3	18,221.4	13.6%	19.7%
TOTAL SHAREHOLDERS' EQUITY	183,744.3	199,972.1	221,508.2	10.8%	20.6%

Aggregated IFRS P&L of Merkantil Group:

HUF mn	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Q-o-Q	Y-o-Y
Interest income	8,350.6	9,205.3	10.2%	4,080.6	4,401.2	4,804.1	9.2%	17.7%
Interest expense	447.1	2,030.7	354.2%	41.5	883.4	1,147.3	29.9%	2664.7%
Net interest income	7,903.5	7,174.7	-9.2%	4,039.1	3,517.8	3,656.9	4.0%	-9.5%
Provision for possible loan losses	484.7	629.2	29.8%	277.2	291.2	338.0	16.1%	21.9%
Net interest income after provision	1,735.6	1,649.0	-5.0%	1,107.2	926.9	722.1	-22.1%	-34.8%
Fees and commissions income	2,220.3	2,278.2	2.6%	1,384.4	1,218.0	1,060.2	-13.0%	-23.4%
Foreign exchange gains, net	3,385.9	1,149.7	-66.0%	1,874.9	1,565.0	-415.3	-126.5%	-122.2%
Other non-interest income	967.2	1,128.3	16.7%	506.4	551.0	577.4	4.8%	14.0%
Total non-interest income	736.3	26.4	-96.4%	362.0	13.4	13.0	-2.7%	-96.4%
Fees and commissions expense	2,124.1	2,716.8	27.9%	1,243.6	864.1	1,852.6	114.4%	49.0%
Personnel expenses	7,213.5	5,021.1	-30.4%	3,986.9	2,993.4	2,027.7	-32.3%	-49.1%
Depreciation	2,910.3	4,431.7	52.3%	1,436.7	1,742.4	2,689.4	54.4%	87.2%
Other non-interest expenses	2,910.3	4,431.7	52.3%	1,436.7	1,742.4	2,689.4	54.4%	87.2%
Total non-interest expense	516.3	1,057.8	104.9%	1.3	544.6	513.2	-5.8%	38947.0%
Operating income	-0.9	1.8	-299.3%	-0.9	16.3	-14.5	-189.1%	1599.0%
Income before income taxes	2,394.9	3,372.2	40.8%	1,436.2	1,181.5	2,190.7	85.4%	52.5%

Main IFRS financial data of Merkantil Group members on June 30, 2005 and 1H 2005:

Balance Sheet:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Bérlet	Total
Cash and bank	1,729.5	64.4	40.9	1,834.8
Placements with other banks	74.3	0.0	0.0	74.3
Gross loans	80,189.9	122,684.5	0.0	202,874.5
Provisions	-6,018.5	-6,668.5	0.0	-12,687.0
Investments	1,212.5	718.4	57.8	1,988.7
Securities held-to-maturity	2,853.0	0.0	0.0	2,853.0
Intangible assets	403.1	13.6	99.3	515.9
Other assets	6,166.0	16,477.8	1,410.2	24,054.0
ASSETS	86,609.8	133,290.2	1,608.1	221,508.2
Liabilities to credit institutions	27,588.2	125,076.7	581.7	153,246.7
Deposits from customers	6,633.0	109.3	0.0	6,742.3
Issued securities	32,442.0	0.0	0.0	32,442.0
Other liabilities	5,883.4	4,223.9	148.6	10,255.9
Subordinated loans	600.0	0.0	0.0	600.0
LIABILITIES	73,146.6	129,409.9	730.3	203,286.8
TOTAL SHAREHOLDERS' EQUITY	13,463.2	3,880.3	877.8	18,221.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	86,609.8	133,290.2	1,608.1	221,508.2

P&L:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Bérlet	Total
Interest income	4,286.2	7,417.5	89.4	11,793.1
Interest expense	1,287.6	1,284.2	16.0	2,587.8
Net interest income	2,998.6	6,133.3	73.4	9,205.3
Provision for possible loan losses	693.7	1,337.0	0.0	2,030.7
Net interest income after provision	2,304.9	4,796.4	73.4	7,174.7
Fees and commissions income	262.2	367.1	0.0	629.2
Foreign exchange gains, net	86.0	45.6	-0.2	131.4
Other non-interest income	999.1	-153.4	671.8	1,517.6
Total non-interest income	1,347.3	259.3	671.6	2,278.2
Fees and commissions expense	509.6	636.6	3.4	1,149.7
Personnel expenses	806.2	266.4	55.7	1,128.3
Depreciation	22.7	2.1	1.5	26.4
Other non-interest expenses	992.6	1,202.2	521.9	2,716.8
Total non-interest expense	2,331.1	2,107.4	582.6	5,021.1
Operating income	1,321.0	2,948.3	162.4	4,431.7
Income before income taxes	1,321.0	2,948.3	162.4	4,431.7
Income taxes	29.3	1,017.9	10.6	1,057.8
Deferred taxes	0.0	0.0	1.8	1.8
After tax profit	1,291.7	1,930.4	150.0	3,372.2

On June 30, 2005 ***Merkantil Bank*** had total assets of HUF 86.6 billion and 1H 2005 IFRS pre-tax profits of HUF 1,321.0 million.

Within total assets car loans represented 68.4%, dealer financing 18.7%. Outstanding balances of car loans reached HUF 59.2 billion; increased by 52.6% during the first half year. On the liability side Stabil and Mobil CDs represented HUF 32.5 billion and c/a deposits HUF 3.9 billion. Equity grew by 8.0% to HUF 13.5 bn y-o-y. Capital adequacy under HAR reached 10.92%.

Net interest income for the half year reached HUF 3.0 billion and total revenues HUF 4.3 billion. Cost/income ratio[2] increased to 47.5% from 44.6% a year earlier. ROA was 3.55% and ROE 20.1% in 1H 2005.

[2] Based on IFRS data.

Based on Hungarian Accounting Standards, Merkantil Bank reached HUF 789.2 million pre-tax profit, ROA was 2.35% and ROE 13.5%.

IFRS total assets of ***Merkantil Car*** were HUF 133.3 billion at the end of June 2005, pre-tax profit of the period reached HUF 2.9 billion. Net interest income was HUF 6.1 billion an increase of 20.5% compared to 1H 2004. Cost/income ratio was 25.6%, ROA 2.87%, ROE 132.4% in 1H 2005.

The net volume of car-leasing and loans exceeded HUF 119.5 billion, the volume of capital goods leasing business was HUF 7.4 billion. In the 12 months prior to June 30, 2005 the company's shareholders' equity rose by 84.9% to HUF 3.9 billion.

Based on HAR, pre-tax profit of Merkantil Car was HUF 2,948 million and return on assets reached 2.87%, return on equity was 133.6% in 1H 2005.

OTP BUILDING SOCIETY

OTP Building Society granted 1,190 loans, a volume of HUF 814.8 million until June 30, 2005, the volume of the loans decreased to HUF 7.0 million. The volume of customer deposits was more than HUF 70 billion on June 30, 2005. ROA reached 1.84% and ROE stood at 23.1%.

Based on IFRS, the company reached a pre-tax profit of HUF 876.9 million and total assets of HUF 79.5 billion. Net interest income surpassed HUF 1,822 million. Cost income ratio reached 49.2% compared to 64.9% in 1H 2004.

Selected data of OTP Building Society in IFRS:

Balance Sheet:

HUF mn	30-Jun-04	30-Jun-05	Y-o-Y
Cash and bank	27.7	10,594.4	38091.6%
Placements with other banks	12,830.0	0.0	-100.0%
Gross loans	8,291.1	7,023.4	-15.3%
Provisions	-19.2	-42.0	118.9%
Investments	0.0	0.0	
Securities held-to-maturity	0.0	0.0	
Intangible assets	261.3	245.1	-6.2%
Other assets	36,855.1	61,647.3	67.3%
ASSETS	58,246.0	79,468.2	36.4%
Liabilities to credit institutions	0.0	0.0	
Deposits from customers	52,509.8	70,133.4	33.6%
Issued securities	0.0	0.0	
Other liabilities	1,330.4	1,995.8	50.0%
Subordinated loans	0.0	0.0	
LIABILITIES	53,840.1	72,129.2	34.0%
TOTAL SHAREHOLDERS' EQUITY	4,405.9	7,339.0	66.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	58,246.0	79,468.2	36.4%

P&L:

HUF mn	1H 2004	1H 2005	Y-o-Y
Interest income	2,526.8	2,852.4	12.9%
Interest expense	745.3	1,030.5	38.3%
Net interest income	1,781.5	1,821.9	2.3%
Provision for possible loan losses	2.7	3.9	44.2%
Net interest income after provision	1,778.8	1,818.0	2.2%
Fees and commissions income	719.3	468.0	-34.9%
Other non-interest income	-100.2	300.8	
Total non-interest income	619.1	768.8	24.2%
Fees and commissions expense	1,412.5	856.8	-39.3%
Personnel expenses	238.5	379.5	59.2%
Depreciation	46.1	59.3	28.5%
Other non-interest expenses	356.9	414.3	16.1%
Total non-interest expense	2,054.0	1,709.8	-16.8%
Operating income	343.9	876.9	155.0%
Income before income taxes	343.9	876.9	155.0%
Income taxes	55.0	140.3	155.0%
Deferred taxes	0.0	70.2	
After tax profit	288.9	666.5	130.7%

Based on HAR, total assets of Building Society reached HUF 76,976 million on June 30, 2005. Pre-tax profit was HUF 666 million, ROA 1.87% and ROE 46.2%.

OTP MORTGAGE BANK

On June 30, 2005 ***OTP Mortgage Bank's*** receivables from customers were HUF 791.4 billion purchased totally from OTP Bank's loan portfolio, by 10.7% higher than a year earlier, representing a growth of 2.8% during 1H 2005. Meanwhile, by June 30, 2005, the face value of the Bank's issued mortgage bonds reached HUF 793.3 billion, of which bonds at HUF 598.7 billion were purchased by OTP Group members.

Total assets of OTPMB were HUF 887 billion and its pre-tax profit reached HUF 9.6 billion, by 79.1% higher than in 1H 2004. Net interest income increased by 52.0% to HUF 25.4 billion, cost/income ratio was 16.4%. ROA reached 1.71% and ROE stood at 45.0%.

Net loan volume at the bank grew by HUF 76.4 billion to HUF 791.4 billion, of which HUF 153.4 billion carried both asset and liability side subsidies, while HUF 623.7 billion was the liability subsidized volume. The volume of FX loans on June 30, 2005 was HUF 14.4 billion. Volume of Forras loans declined by HUF 19.5 billion during 1H 2005, the loans under June 2003 conditions grew by HUF3.2 billion, those under post December 2004 conditions increased by HUF 10.7 billion and closing volume of 2005 loans was HUF 12.4 billion.

Selected balance sheet data of OTP Mortgage Bank's IFRS balance sheet:

HUF mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Cash and bank	3,220.7	21,003.9	19,671.0	-6.3%	510.8%
Placements with other banks	20,135.0	5,767.2	3,302.3	-42.7%	-83.6%
Gross loans	715,082.8	771,840.7	791,435.6	2.5%	10.7%
Provisions	0.0	-19.9	-154.3	677.0%	
Investments	0.0	0.0	0.0		
Securities held-to-maturity	0.0	0.0	0.0		
Intangible assets	227.4	307.0	320.0	4.2%	40.7%
Other assets	52,540.1	80,864.8	72,312.3	-10.6%	37.6%
ASSETS	791,206.1	879,763.8	886,886.8	0.8%	12.1%
Liabilities to credit institutions	147.6	1,122.2	80.0	-92.9%	-45.8%
Deposits from customers	0.0	0.0	0.0		
Issued securities	713,261.0	795,574.8	801,529.3		
Other liabilities	45,763.8	52,294.9	50,131.1	-4.1%	9.5%
Subordinated loans	0.0	0.0	0.0		
LIABILITIES	759,172.3	848,991.8	851,740.3	0.3%	12.2%
TOTAL SHAREHOLDERS' EQUITY	32,033.7	30,771.9	35,146.4	14.2%	9.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	791,206.1	879,763.8	886,886.8	0.8%	12.1%

Selected IFRS results data of OTP Mortgage Bank:

HUF mn	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Q-o-Q	Y-o-Y
Interest income	54,095.0	59,401.7	9.8%	28,224.7	29,777.0	29,624.8	-0.5%	5.0%
Interest expense	37,403.7	34,033.2	-9.0%	19,232.8	17,025.3	17,008.0	-0.1%	-11.6%
Net interest income	16,691.3	25,368.5	52.0%	8,991.9	12,751.7	12,616.8	-1.1%	40.3%
Provision for possible loan losses	0.0	134.4		0.0	-0.2	134.6		
Net interest income after provision	16,691.3	25,234.1	51.2%	8,991.9	12,751.9	12,482.2	-2.1%	38.8%
Fees and commissions income	1,158.2	7,369.2	536.3%	544.2	3,629.8	3,739.4	3.0%	587.1%
Other non-interest income	-205.5	-613.8	198.7%	-56.9	-830.5	216.8	-126.1%	-480.6%
Total non-interest income	952.7	6,755.5	609.1%	487.3	2,799.3	3,956.1	41.3%	711.9%
Fees and commissions expense	10,608.0	20,438.7	92.7%	5,009.4	10,219.6	10,219.2	0.0%	104.0%
Personnel expenses	250.0	381.1	52.4%	110.4	150.8	230.3	52.7%	108.6%
Depreciation	31.2	56.3	80.4%	16.0	30.5	25.8	-15.3%	61.1%
Other non-interest expenses	1,377.4	1,482.3	7.6%	817.6	778.2	704.1	-9.5%	-13.9%
Total non-interest expense	12,266.7	22,358.4	82.3%	5,953.4	11,179.1	11,179.3	0.0%	87.8%
Operating income	5,377.3	9,631.2	79.1%	3,525.9	4,372.1	5,259.0	20.3%	49.2%
Income before income taxes	5,377.3	9,631.2	79.1%	3,525.9	4,372.1	5,259.0	20.3%	49.2%
Income taxes	860.4	2,094.9	143.5%	564.1	943.0	1,151.9	22.2%	104.2%
After tax profit	4,516.9	7,536.2	66.8%	2,961.7	3,429.1	4,107.1	19.8%	38.7%

According to HAR, total assets of OTP Mortgage Bank were HUF 892.5 billion (12.8% growth year-on-year), and pre-tax profit increased by 62.3% to HUF 8.7 billion compared to 1H 2004. ROA was 1.49% and ROE reached 38.2% based on HAR.

DSK BANK

DSK Bank is a fully owned subsidiary of OTP Bank since the beginning of October 2003, which since than strengthened its position as largest retail bank in Bulgaria and became the largest bank by total assets in 2005. Its market share reached 14.2% up from 13.2% at the end of June 2004. The Bank manages 3.5 million retail and 247 thousands corporate accounts for its 3.7 million customers.

On June 30, 2005 total IFRS assets of DSK reached HUF 510.0 billion, of which 65.3%, HUF 333.2 billion were customer receivables.

During 1H 2005 DSK realized HUF 20.9 billion interest income and HUF 4.4 billion interest expenses, resulting in net interest income of HUF 16.6 billion. Pre-tax profit for the same period reached HUF 9.7 billion according to IFRS and BGN 77.7 million according to local GAAP.

Consolidated IFRS Balance Sheet of DSK:

HUF mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Cash and bank	11,714.2	11,376.4	13,338.8	17.3%	13.9%
Placements with other banks	33,646.6	67,998.8	89,432.5	31.5%	165.8%
Gross loans	213,422.7	353,546.5	333,184.1	-5.8%	56.1%
Provisions	-4,109.9	-6,850.7	-8,688.5	26.8%	111.4%
Investments	1,851.1	2,154.9	2,362.0	9.6%	27.6%
Securities held-to-maturity	18,254.4	18,219.9	18,447.9	1.3%	1.1%
Intangible assets	18,055.3	17,482.8	18,039.1	3.2%	-0.1%
Other assets	54,721.2	47,405.8	43,857.3	-7.5%	-19.9%
ASSETS	347,555.7	511,334.5	509,973.2	-0.3%	46.7%
Liabilities to credit institutions	1,607.0	71,838.2	56,489.0	-21.4%	3415.3%
Deposits from customers	290,026.5	374,515.5	382,928.3	2.2%	32.0%
Issued securities	0.0	0.0	0.0		
Other liabilities	6,991.8	8,006.7	7,948.4	-0.7%	13.7%
Subordinated loans	0.0	0.0	0.0		
LIABILITIES	298,625.3	454,360.4	447,365.8	-1.5%	49.8%
TOTAL SHAREHOLDERS' EQUITY	48,930.3	56,974.1	62,607.4	9.9%	28.0%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	347,555.7	511,334.5	509,973.2	-0.3%	46.7%

On June 30, 2005 IFRS total assets of DSK were 24.2% higher than at the end of 2004 and 46.7% above the figure of June 30, 2004. Gross loans were 21.9% and 56.1% higher respectively. Loan to assets ratio grew to 65.3% from 61.4% on June 30, 2004. FX denominated loans represented 11.8% of total loans.

In April 2005 the BNB approved amendments to Regulation on the Capital Adequacy of Banks, the Evaluation and Classification of Risk Exposures and the Allocation of Provisions to Cover Impairment Loss, and the Minimum Required Reserves to neutralise the extremely accelerated lending to the private sector. According to the new regulation, banks shall maintain additional minimum required reserves provided the average growth rate of loans is higher than 6% for a three-month period. The base for calculating the growth rate is February 28, 2005 by DSK Bank.

As a result of the modification, growth rate of DSK's retail loans declined in 2Q 2005 (1Q: 14.5%; 2Q: 9.4%), volume of customer loans (1Q: 83.1%; 2Q:-43.0%) and total loans (1Q: 30.1%; 2Q: -7.4%) declined compared to the volume on March 31, 2005. To the decline of corporate loans also contributed that in the second quarter of 2005 BGN 343 million receivables showed up in the books of OTP Bank and customers paid back around BGN 100 million short term loans therefore the organic growth amounted to BGN 233 million in the second quarter of 2005.

Retail loans stood at BGN 2,107.1 million (an increase of 61.7% y-o-y), representing 80.1% of total loans. Corporate loans grew by 4.4% in 1H 2005 and 48.4% y-o-y and reached BGN 519.5 million. Quality of the loan book is very good; on June 30, 2005 the ratio of performing loans was 94.8%. Sizeable portion of the qualified loans which amounted to 5.2% of total loans was originated due to the above regulation and is not related to the evolution of the loan quality. Provision per total loans ratio changed from 2.5% at the end of June 2004 to 2.6%.

Customer deposits were HUF 382.9 billion (BGN 2,991.4 million) representing an increase of 34.2% y-o-y and 14.1% in 1H 2005. Annual growth of retail deposits was 28.0% while corporate deposits were 97.6% higher than a year earlier and grew 34.5% in 1H 2005. The proportion of retail deposits in total deposits was 83.9%.

Loan to deposit ratio of DSK changed to 87.0% from 73.6% at the end of June 2004.

Main balance sheet figures of DSK:

BGN mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Loans (gross)	1,660.6	2,839.7	2,629.9	-7.4%	58.4%
Less: Impairment allowance	41.9	55.7	69.7	25.0%	66.3%
Loans, net of allowance for possible loan losses	1,618.7	2,784.0	2,560.2	-8.0%	58.2%
Intangible assets	129.2	129.9	131.9	1.5%	2.1%
TOTAL ASSETS	2,651.4	4,051.5	3,965.6	-2.1%	49.6%
Deposits	2,228.7	2,979.9	2,991.4	0.4%	34.2%
LIABILITIES	2,308.9	3,632.1	3,513.3	-3.3%	52.2%
TOTAL SHAREHOLDERS' EQUITY	342.5	419.5	452.3	7.8%	32.1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,651.4	4,051.5	3,965.6	-2.1%	49.6%

IFRS results of DSK were outstanding. Interest income grew by 48.0% and interest expenses were 48.5% above 1H 2004 figures. Yield on interest earning assets reached 10.35% while cost of funding at interest bearing liabilities was 2.14% resulting in a spread of 8.21%. Net interest income grew by 47.9% to HUF 16.6 billion (in BGN by 46.8% to BGN 131.5 million) representing a net interest margin on average assets of 7.12% (in 1H 2004 7.07%).

Total income was 18.0% higher than in 1H 2004 while expenses decreased by 0.9%.IFRS cost/income ratio stood at 38.8% (46.2% in 1H 2004).

Pre-tax profits were HUF 9.7 billion representing an increase of 60.2% y-o-y. After tax profits grew by 62.7% to HUF 8.4 billion resulting in ROA of 3.66% and ROE of 28.7%; both annualized.

Capital adequacy reached 14.53% (16.61% on June 30, 2004) with RWA of BGN 2,462 million.

Consolidated IFRS P&L:

HUF mn	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Q-o-Q	Y-o-Y
Interest income	14,149.1	20,946.2	48.0%	7,392.1	9,738.8	11,207.4	15.1%	51.6%
Interest expense	2,941.5	4,367.0	48.5%	1,399.6	1,976.4	2,390.6	21.0%	70.8%
Net interest income	11,207.6	16,579.2	47.9%	5,992.5	7,762.5	8,816.8	13.6%	47.1%
Provision for possible loan losses	3,476.7	3,085.0	-11.3%	1,737.1	1,369.4	1,715.6	25.3%	-1.2%
Net interest income after provision	7,730.9	13,494.2	74.5%	4,255.4	6,393.1	7,101.2	11.1%	66.9%
Fees and commissions income	3,149.8	3,393.6	7.7%	1,721.4	1,528.0	1,865.5	22.1%	8.4%
Other non-interest income	3,476.8	1,209.7	-65.2%	465.4	1,040.4	169.3	-83.7%	-63.6%
Total non-interest income	6,626.6	4,603.3	-30.5%	2,186.8	2,568.4	2,034.8	-20.8%	-6.9%
Fees and commissions expense	116.5	277.9	138.5%	68.3	118.9	159.0	33.8%	132.7%
Personnel expenses	3,036.8	3,009.9	-0.9%	1,705.1	1,420.3	1,589.6	11.9%	-6.8%
Depreciation	1,754.0	1,315.7	-25.0%	890.4	663.0	652.7	-1.6%	-26.7%
Other non-interest expenses	3,388.3	3,782.1	11.6%	1,739.0	1,883.6	1,898.4	0.8%	9.2%
Total non-interest expense	8,295.5	8,385.5	1.1%	4,402.9	4,085.8	4,299.7	5.2%	-2.3%
Operating income	6,062.1	9,712.0	60.2%	2,039.3	4,875.7	4,836.3	-0.8%	137.2%
Income before income taxes	6,062.1	9,712.0	60.2%	2,039.3	4,875.7	4,836.3	-0.8%	137.2%
Income taxes	1,350.4	1,291.7	-4.3%	691.8	741.3	550.4	-25.8%	-20.4%
Deferred taxes	-463.4	0.0		-5.9	0.0	0.0		
After tax profit	5,175.1	8,420.3	62.7%	1,353.4	4,134.4	4,285.9	3.7%	216.7%

P&L of DSK:

BGN mn	1H 2004	1H 2005	Y-o-Y
Interest income	112.0	166.1	48.3%
Interest expense	22.4	34.5	54.1%
Net interest income	89.6	131.5	46.8%
Provision for possible loan losses	6.1	20.0	224.8%
Net interest income after provision	83.4	111.6	33.7%
Fees and commissions income	17.0	25.2	48.1%
Other non-interest income	5.7	5.5	-4.1%
Total non-interest income	22.7	30.7	34.9%
Fees and commissions expense	0.9	2.2	146.5%
Personnel expenses	17.9	21.9	22.3%
Depreciation	12.9	10.0	-22.2%
Other non-interest expenses	25.9	30.5	17.9%
Restructuring costs	3.3	0.0	
Total non-interest expense	60.8	64.6	6.2%
Operating income	45.3	77.7	71.3%
Income before income taxes	45.3	77.7	71.3%
Income taxes	10.2	11.7	15.3%
Deferred taxes	0.0	0.0	
After tax profit	35.2	65.9	87.5%

Evolution of DSK Bank's market shares:

	30/06/2004	30/09/2004	31/12/2004	31/03/2005	30/06/2005
Deposits	15.6%	15.9%	15.0%	14.9%	15.4%
Retail	25.5%	25.3%	25.9%	25.5%	24.7%
BGN	46.3%	44.8%	43.3%	42.3%	41.4%
FX	10.4%	10.7%	11.4%	11.6%	11.5%
Loans	14.6%	15.3%	15.7%	15.6%	16.2%
Retail	42.0%	41.7%	41.0%	42.2%	41.5%
Consumer	48.9%	48.2%	47.9%	47.3%	48.9%
Housing	37.8%	39.5%	38.0%	37.0%	35.2%
Corporate	3.4%	3.9%	4.3%	5.7%	4.0%
Total Assets	13.2%	13.5%	13.1%	13.9%	14.2%

The number of current accounts increased by 36 thousand to 761.3 thousand representing a growth of 5.0% y-o-y. On the dynamically growing bankcard market DSK's market share is 23%. The number of debit cards issued surpassed 829 thousand an increase of almost 137 thousand. Number of credit cards exceeded 26 thousand, of which 25 thousand were issued in 1H 2005. During 1H 2005 the number of ATMs of the bank grew by 96 to 447 and the bank operated POS terminals increased to 884 reaching 21.2% and 9.0% market share respectively. The Bank operated 342 branches. The number of employees at DSK Bank was 4,055 (at DSK Group 4,443 persons). During the second quarter of 2005 the number of employees increased (as a result of partial merger of Trans Security into DSK Bank) by 259 persons at the Bank and decreased by 27 persons at group level.

OTP BANKA SLOVENSKO

On June 30, 2005 OBS's IFRS total assets were HUF 240.6 billion representing a 38.9% growth compared to June 30, 2004. Net customer receivables were HUF 167.5 billion, which represents 69.6% of total assets. Pre-tax profits were HUF 555.4 million (according to HAR HUF 37.3 million and SKK 88.0 million based on SAS). IFRS cost/income ratio stood at 83.1%.

Main balance sheet data of OBS according to IFRS in HUF millions:

HUF mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Cash and bank	4,108.6	4,120.6	3,877.1	-5.9%	-5.6%
Placements with other banks	16,300.5	16,332.5	26,797.3	64.1%	64.4%
Gross loans	116,427.0	143,412.4	168,734.5	17.7%	44.9%
Provisions	-256.6	-919.6	-1,251.1	36.0%	387.6%
Investments	634.4	718.1	805.1	12.1%	26.9%
Securities held-to-maturity	4,690.7	24,896.0	25,004.0	0.4%	433.1%
Intangible assets	10,960.2	11,267.2	11,378.0	1.0%	3.8%
Other assets	20,278.1	5,066.6	5,215.5	2.9%	-74.3%
ASSETS	173,143.0	204,893.7	240,560.3	17.4%	38.9%
Liabilities to credit institutions	27,232.1	30,033.1	39,033.2	30.0%	43.3%
Deposits from customers	116,408.3	135,350.3	148,487.5	9.7%	27.6%
Issued securities	12,333.8	20,563.6	27,304.9	32.8%	121.4%
Other liabilities	2,173.1	3,507.4	9,993.0	184.9%	359.9%
Subordinated loans	0.0	0.0	0.0		
LIABILITIES	158,147.2	189,454.4	224,818.6	18.7%	42.2%
TOTAL SHAREHOLDERS' EQUITY	14,995.8	15,439.3	15,741.7	2.0%	5.0%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	173,143.0	204,893.7	240,560.3	17.4%	38.9%

Total assets of OBS grew by 38.9% y-o-y driven by growth of loans by 44.9% and 27.6% change of deposits on the liability side. Gross loans to assets ratio grew to 70.1% and deposits to assets declined to 61.7%. Loans to deposits ratio stood at 113.6% on June 30, 2005, by 14%points higher than a year earlier. Shareholder's equity increased by 5.0% to HUF 15.7 billion during the same period.

Main P&L data of OBS in IFRS (HUF mn):

HUF mn	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Q-o-Q	Y-o-Y
Interest income	5,216.0	4,693.5	-10.0%	2,597.1	2,349.6	2,343.9	-0.2%	-9.8%
Interest expense	2,510.2	2,077.4	-17.2%	1,178.4	1,069.2	1,008.1	-5.7%	-14.5%
Net interest income	2,705.8	2,616.1	-3.3%	1,418.7	1,280.4	1,335.7	4.3%	-5.9%
Provision for possible loan losses	-254.9	361.2	-241.7%	-301.9	8.4	352.9	4120.7%	-216.9%
Net interest income after provision	2,960.7	2,254.9	-23.8%	1,720.6	1,272.0	982.8	-22.7%	-42.9%
Fees and commissions income	827.1	1,049.9	26.9%	452.4	448.0	601.8	34.3%	33.0%
Other non-interest income	339.6	2,006.9	490.9%	200.0	903.9	1,103.0	22.0%	451.4%
Total non-interest income	1,166.7	3,056.8	162.0%	652.4	1,352.0	1,704.8	26.1%	161.3%
Fees and commissions expense	202.0	242.4	20.0%	121.6	104.3	138.1	32.3%	13.5%
Personnel expenses	1,213.4	1,204.1	-0.8%	707.5	642.1	562.0	-12.5%	-20.6%
Depreciation	352.1	422.3	20.0%	176.3	244.5	177.8	-27.3%	0.9%
Other non-interest expenses	1,778.0	2,887.5	62.4%	998.3	1,298.6	1,588.9	22.4%	59.2%
Total non-interest expense	3,545.4	4,756.2	34.2%	2,003.7	2,289.5	2,466.8	7.7%	23.1%
Operating income	582.0	555.4	-4.6%	369.4	334.5	220.9	-34.0%	-40.2%
Income before income taxes	582.0	555.4	-4.6%	369.4	334.5	220.9	-34.0%	-40.2%
Income taxes	0.0	0.0		0.0	0.0	0.0		
Deferred taxes	0.0	0.0		0.0	0.0	0.0		
After tax profit	582.0	555.4	-4.6%	369.4	334.5	220.9	-34.0%	-40.2%

During 1H 2005, the Bank realized HUF 4.7 billion interest income and HUF 2.1 billion interest expenses resulting a net interest income of HUF 2.6 billion. Interest income was 10.0%, interest expenses 17.2% lower than a year earlier resulting in net interest income growth of 3.3%. Based on average total assets in SKK, the margin was 2.52% and it was 97 bps lower than the figures for 1H 2004. Non interest income grew by 162.0% within which net fees and commissions surpassed the figure of 1H 2004 by 29.2%. Total income was 48.0%, non interest expenses 35.0%

higher than in 1H 2004. IFRS cost/income ratio changed to 83.1% from 91.1% for 1H 2004. Return on average assets reached 0.49% and return on equity was 7.2%.

Main SAS figures of OTP Banka Slovensko:

SKK mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Total Assets	27,345.8	31,971.5	37,331.3	16.8%	36.5%
Loans	18,347.8	22,229.8	25,990.8	16.9%	41.7%
Deposits	18,624.2	21,076.9	23,003.4	9.1%	23.5%
Shareholder's equity	2,397.9	2,414.8	2,473.4	2.4%	3.1%

SKK mn	1H 2004	1H 2005	Y-o-Y
Revenues from financial operations	1,046.9	1,277.9	22.1%
Cost of financial operations	486.6	686.3	41.0%
General operating expenses	475.2	483.4	1.7%
Profit of current period	93.3	88.0	-5.7%

Based on Slovakian GAAP total assets of OBS were SKK 37.3 billion (2.8% market share) at the end of 1H 2005 the loan volume reached SKK 26.0 billion (up by 36.5%). Within it corporate loans were SKK 21.6 billion (27% increase), retail loans were SKK 5.6 billion (72% increase). Municipal loans grew by 174.3% to SKK 241 million.

The Bank's deposits increased, during the same period, by 23.5% to SKK 23.0 billion. Within this, retail deposits decreased by 0.9% to SKK 9.3 billion. Municipal deposits grew by 118.7% to SKK 4.8 billion, corporate deposits increased by 26.4% to SKK 8.9 billion from the previous year.

Number of retail current accounts exceeded 90 thousands; loan accounts to over 19.5 thousands. The number of cards issued was 103.2 thousands and the Bank operated 107 ATMs and 476 POS terminals at the end of June 2005.

Estimated market shares are as below:

	30/06/2004	30/09/2004	31/12/2004	31/03/2005	30/06/2005
Deposits	2.2%	2.5%	2.6%	2.7%	2.8%
Retail	2.6%	2.6%	2.7%	2.8%	2.6%
SKK	2.7%	2.7%	2.8%	2.2%	2.6%
FX	1.8%	1.9%	2.0%	2.7%	2.2%
Securities	15.3%	15.2%	9.2%	9.1%	8.7%
Municipal	1.2%	2.0%	2.0%	4.2%	3.8%
Corporate	2.2%	2.5%	2.7%	2.2%	2.6%
Loans	4.8%	4.8%	5.0%	5.3%	5.7%
Retail	3.3%	3.5%	3.6%	3.7%	3.8%
housing	3.5%	3.8%	4.1%	4.3%	5.5%
consumer	3.1%	3.2%	2.9%	4.0%	4.3%
Municipal	0.3%	0.5%	0.5%	0.8%	1.1%
Corporate	5.7%	5.7%	6.1%	6.3%	6.9%
Total Assets	2.6%	2.8%	2.9%	2.4%	2.8%

Number of employees of OBS stood at 760 on June 30, 2005, an increase of 15 employees over a year earlier and by 5 employees lower than at December 31, 2004.

ROBANK (OTP BANK ROMANIA)

OTP Bank acquired RoBank in July 2004 Balance sheet of RoBank (since July 25, 2005 officially named as OTP Bank Romania) reached HUF 48.8 billion on June 30, 2005, of which placements with other banks represented 52.2% and gross loans 36.3%. Pre-tax losses for 1H 2005 reached HUF 792.1 million.

IFRS condensed balance sheet and profit and loss accounts of RoBank:

HUF mn	31-Mar-05	30-Jun-05	Q-o-Q
Cash and bank	1,026.8	1,130.2	10.1%
Placements with other banks	26,631.2	25,457.5	-4.4%
Gross loans	16,889.1	17,711.1	4.9%
Provisions	-339.2	-477.1	40.7%
Investments	35.4	35.4	0.0%
Securities held-to-maturity	33.7	710.8	2009.4%
Intangible assets	2,227.9	2,492.2	11.9%
Other assets	1,792.1	1,698.8	-5.2%
ASSETS	48,297.2	48,758.9	1.0%
Liabilities to credit institutions	10,518.1	13,941.6	32.5%
Deposits from customers	29,065.5	26,584.7	-8.5%
Issued securities	0.0	0.0	
Other liabilities	605.7	558.3	-7.8%
Subordinated loans	0.0	0.0	
LIABILITIES	40,189.2	41,084.6	2.2%
TOTAL SHAREHOLDERS' EQUITY	8,108.0	7,674.3	-5.3%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	48,297.2	48,758.9	1.0%

HUF mn	1Q 2005	2Q 2005	Q-o-Q	1H 2005
Interest income	1,322.4	945.2	-28.5%	2,267.6
Interest expense	764.9	586.4	-23.3%	1,351.3
Net interest income	557.5	358.8	-35.6%	916.3
Provision for possible loan losses	868.7	-557.5	-164.2%	311.3
Net interest income after provision	-311.2	916.3	-394.4%	605.0
Fees and commissions income	261.5	284.0	8.6%	545.5
Other non-interest income	846.7	-702.5	-183.0%	144.1
Total non-interest income	1,108.2	-418.5	-137.8%	689.7
Fees and commissions expense	33.6	30.7	-8.5%	64.3
Personnel expenses	365.8	612.2	67.4%	978.0
Depreciation	109.5	106.4	-2.8%	216.0
Other non-interest expenses	338.9	489.7	44.5%	828.6
Total non-interest expense	847.8	1,239.0	46.1%	2,086.8
Operating income	-50.9	-741.2	1356.9%	-792.1
Income before income taxes	-50.9	-741.2	1356.9%	-792.1
Income taxes	1.6	17.6	1009.4%	19.2
Deferred taxes	0.0	0.0		0.0
After tax profit	-52.5	-758.8	1346.4%	-811.3

On June 30, 2005 OTP Bank Romania operated 15 branches, the number of employees reached 375.

NOVA BANKA

OTP acquired Nova banka for EUR 236 million in March 2005. On June 30, 2005 total assets of Nova banka reached HUF 269.9 billion of which 49.9% or HUF134.6 billion was customer receivables, 29.2% or HUF 78.8 billion interbank receivables.

IFRS pre-tax profits of 1H 2005 reached HUF 1,284 million (HRK 37.9 million), of which HUF 706.2 million increased the consolidated profit of OTP Group.

IFRS condensed balance sheet of Nova banka:

HUF mn	31-Mar-05	30-Jun-05	Q-o-Q
Cash and bank	6,207.6	3,115.4	-49.8%
Placements with other banks	71,724.0	78,771.9	9.8%
Gross loans	123,548.5	134,590.4	8.9%
Provisions	0.0	-113.1	
Investments	1,342.6	1,272.6	-5.2%
Securities held-to-maturity	1,188.2	537.6	-54.8%
Intangible assets	5,424.2	6,133.2	13.1%
Other assets	45,788.2	45,595.3	-0.4%
ASSETS	255,223.4	269,903.3	5.8%
Liabilities to credit institutions	9,312.9	20,514.1	120.3%
Deposits from customers	215,428.4	216,870.6	0.7%
Issued securities	0.0	0.0	
Other liabilities	6,145.0	6,751.2	9.9%
Subordinated loans	1,247.8	1,264.9	1.4%
LIABILITIES	232,134.1	245,400.7	5.7%
TOTAL SHAREHOLDERS' EQUITY	23,089.3	24,502.6	6.1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	255,223.4	269,903.3	5.8%

HUF mn	2Q 2005
Interest income	3,633.7
Interest expense	1,306.6
Net interest income	2,327.1
Provision for possible loan losses	147.1
Net interest income after provision	2,180.1
Fees and commissions income	798.3
Other non-interest income	424.6
Total non-interest income	1,222.9
Fees and commissions expense	318.2
Personnel expenses	1,098.8
Depreciation	140.6
Other non-interest expenses	960.9
Total non-interest expense	2,518.5
Operating income	884.5
Income before income taxes	884.5
Income taxes	178.4
Deferred taxes	0.0
After tax profit	706.2

On June 30, 2005 Nova banka operated 90 branches, the number of employees reached 1,001.

OTP GARANCIA INSURANCE

OTP Garancia Insurance pre-tax profit for 1H 2005 reached HUF 2.6 billion, and was 63.6% higher than in 1H 2004. Premium income was 28.6% higher than in 1H 2004 and reached HUF 33.0 billion. Life insurance premium was HUF 20.1 billion a 38.5% increase. Within life insurance annuity income grew by 16%; single payment fee by 58%. Non life fee income was HUF 15.1 billion; 7.4% higher than a year earlier. Significant gains were achieved in residential property (+21%) mandatory car insurance (+7%).

Insurance expenses in non-life business declined by 3% from 1H 2004, while in life business increased by 1% totalling in a decrease from HUF 13,337 million to HUF 13,294. In non life business the damages and changes in reserves represented 41% of 1H 2005 premium income.

Total assets grew by 26.1% from HUF 108.7 billion on June 30, 2004 to HUF 137.1 billion at the end of June 2005.Shareholder equity grew from HUF 12.1 billion at June 30, 2004 to HUF 18.6 billion, and the company meets excess solvency requirements of the Hungarian regulations.

Insurance technical reserves were at HUF 113.5 billion, of which increase in 1H 2005 represented HUF 14.9 billion. Closing reserves of unit linked policies grew by HUF 11.6 billion and reached HUF 83.7 billion.

Main components of OTP Garancia's balance sheet (IFRS):

HUF mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Cash and bank	74.3	464.3	616.9	32.9%	730.5%
Placements with other banks	0.0	2,788.0	7,480.3	168.3%	
Gross loans	0.0	128.9	89.8	-30.3%	
Financial assets at fair value	95,046.4	110,064.3	114,659.4	4.2%	20.6%
Investments	4,935.6	5,863.3	6,054.1	3.3%	22.7%
Securities held-to-maturity	0.0	0.0	0.0		
Intangible assets	3,096.9	3,163.2	3,255.8	2.9%	5.1%
Other assets	5,522.3	5,151.1	4,898.3	-4.9%	-11.3%
ASSETS	108,675.5	127,623.1	137,054.7	7.4%	26.1%
Insurance reserves	91,685.4	103,809.8	113,545.1	9.4%	23.8%
Other liabilities	4,924.4	7,383.3	4,917.2	-33.4%	-0.1%
Subordinated loans	0.0	0.0	0.0		
LIABILITIES	96,609.8	111,193.0	118,462.3	6.5%	22.6%
TOTAL SHAREHOLDERS' EQUITY	12,065.7	16,430.1	18,592.3	13.2%	54.1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	108,675.5	127,623.1	137,054.7	7.4%	26.1%

Main components of OTP Garancia's P&L (IFRS):

HUF mn	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Q-o-Q	Y-o-Y
Interest income	3,689.7	4,491.4	21.7%	2,116.2	1,764.8	2,726.6	54.5%	28.8%
Interest expense	6.4	0.2	-96.8%	3.0	0.1	0.1	-6.4%	-96.8%
Net interest income	3,683.3	4,491.2	21.9%	2,113.2	1,764.7	2,726.5	54.5%	29.0%
Provision for possible loan losses	0.0	0.0		0.0	0.0	0.0		
Net interest income after provision	3,683.3	4,491.2	21.9%	2,113.2	1,764.7	2,726.5	54.5%	29.0%
Fees and commissions income	194.7	171.4	-12.0%	112.3	72.0	99.5	38.2%	-11.4%
Insurance premiums	25,680.7	33,017.9	28.6%	14,702.5	14,438.4	18,579.5	28.7%	26.4%
Other non-interest income	1,223.0	2,235.9	82.8%	243.7	1,631.8	604.1	-63.0%	147.8%
Total non-interest income	27,098.5	35,425.1	30.7%	15,058.6	16,142.1	19,283.0	19.5%	28.1%
Fees and commissions expense	1,924.9	1,783.3	-7.4%	958.5	827.4	955.9	15.5%	-0.3%
Personnel expenses	3,383.2	3,746.1	10.7%	1,683.0	1,843.9	1,902.1	3.2%	13.0%
Depreciation	277.1	258.8	-6.6%	139.4	111.4	147.4	32.4%	5.7%
Expenses related to damages	12,832.1	12,975.5	1.1%	7,062.3	6,547.3	6,428.2	-1.8%	-9.0%
Changes in reserves	7,459.0	14,865.4	99.3%	4,662.5	5,130.0	9,735.4	89.8%	108.8%
Insurance expenses	20,291.1	27,840.9	37.2%	11,724.8	11,677.3	16,163.6	38.4%	37.9%
Other non-interest expenses	3,315.8	3,686.7	11.2%	1,836.1	2,145.6	1,541.1	-28.2%	-16.1%
Total non-interest expense	29,192.1	37,315.7	27.8%	16,341.8	16,605.6	20,710.1	24.7%	26.7%
Operating income	1,589.7	2,600.6	63.6%	829.9	1,301.2	1,299.5	-0.1%	56.6%
Income before income taxes	1,589.7	2,600.6	63.6%	829.9	1,301.2	1,299.5	-0.1%	56.6%
Income taxes	254.3	415.9	63.5%	132.8	207.9	207.9	0.0%	56.6%
Deferred taxes	0.0	0.0		0.0	0.0	0.0		
After tax profit	1,335.3	2,184.8	63.6%	697.1	1,093.2	1,091.6	-0.2%	56.6%
Combined ratio, %	90.5%	84.6%	-5.9%	91.2%	87.0%	82.6%	-4.5%	-8.6%

Main performance data of OTP Garancia by business lines (HAR):

HUF mn	TOTAL			LIFE			NON-LIFE		
	1H 2004	1H 2005	Change	1H 2004	1H 2005	Change	1H 2004	1H 2005	Change
Insurance fee income	25,490.3	32,847.5	28.9%	14,184.0	19,900.7	40.3%	11,306.3	12,946.8	14.5%
from this: gross fees	28,589.7	35,233.9	23.2%	14,555.0	20,164.7	38.5%	14,034.7	15,069.2	7.4%
Insurance technical income	4,355.5	5,540.0	27.2%	4,355.5	5,540.0	27.2%	0.0	0.0	
Expenses related to damages	-14,318.8	-14,091.9	-1.6%	-7,769.2	-7,933.8	2.1%	-6,549.7	-6,158.1	-6.0%
Changes in reserves	-6,273.2	-14,093.9	124.7%	-6,093.3	-13,874.6	127.7%	-179.8	-219.3	21.9%
Net operating costs	-7,294.2	-7,714.4	5.8%	-2,958.7	-2,920.6	-1.3%	-4,335.6	-4,793.8	10.6%
Insurance technical expenses from investments	-325.0	-36.2	-88.9%	-325.0	-36.2	-88.9%	0.0	0.0	
Other insurance technical expenses	-282.1	-264.5	-6.2%	0.0	0.0		-282.1	-264.5	-6.2%
Insurance technical result	1,352.5	2,186.7	61.7%	1,393.3	675.4	-51.5%	-40.8	1,511.2	-3803.4%
Investment income	511.4	856.9	67.5%	0.0	76.8		511.4	780.1	52.5%
Balance of other income/expenses	-149.2	-244.0	63.5%	-76.0	-140.3	84.7%	-73.3	-103.7	41.6%
Operating income	1,714.7	2,799.6	63.3%	1,317.4	611.9	-53.5%	397.4	2,187.6	450.5%
Extraordinary income/(losses)	-125.1	-198.9	59.1%	-63.7	-113.9	78.8%	-61.4	-85.1	38.6%
Pre-tax profits	1,589.7	2,600.6	63.6%	1,253.7	498.1	-60.3%	336.0	2,102.6	525.8%
Tax	-254.3	-415.9	63.5%	-200.6	-79.6	-60.3%	-53.8	-336.2	525.4%
After tax profits	1,335.3	2,184.8	63.6%	1,053.1	418.4	-60.3%	282.2	1,766.3	525.8%

Based on data of MABISZ (Hungarian Insurance Association), Garancia's share of total premium income grew from 9.5% of 1H 2004 to 10.4% in 1H 2005. Share of life insurance premium reached 14.4% (1H 2004 12.4%) and share of non-life premium stood at 7.5% (1H 2004 7.6%).

OTP FUND MANAGEMENT

IFRS pre-tax profit of ***OTP Fund Management*** for 1H 2005 was HUF 1,942.6 million, after tax profit reached HUF 1,635.5 million. Total assets were close to HUF 8.8 billion and shareholder's equity surpassed HUF 8.0 billion.

The assets of the funds managed by OTP Fund Management stood at HUF 518.0 billion at the end of June 2005 an increase of 35.8% in 1H 2005. The market share of the company was 38.8% at the end of June 2005.

Pension fund assets grew from HUF 294.9 billion to HUF 354.4 billion (20.1%) during the half year. Other institutional funds under management stood at HUF 98.3 billion an increase of 31.1 during 1H 2005. Total managed assets surpassed HUF 982.9 billion.

Development of assets of funds managed by the Company:

HUF mn	30-Jun-04	31-Mar-05	30-Jun-05	Q-o-Q		Y-o-Y	
				HUF mn	**%**	**HUF mn**	**%**
MONEY MARKET	0.0	3,813.2	7,142.7	3,329.6	87.3%	7,142.7	
OPTIMA	255,730.3	406,520.6	421,248.2	14,727.6	3.6%	165,517.9	64.7%
PALETTA	2,261.1	3,707.9	4,694.2	986.3	26.6%	2,433.1	107.6%
QUALITY	23,805.6	34,012.9	36,899.6	2,886.7	8.5%	13,094.0	55.0%
OTP-UBS Fund of Funds	19,678.2	20,692.0	22,076.8	1,384.8	6.7%	2,398.6	12.2%
MAXIMA	4,699.4	8,965.9	10,836.4	1,870.5	20.9%	6,137.0	130.6%
EURO	3,883.0	3,330.8	3,246.1	-84.8	-2.5%	-636.9	-16.4%
US DOLLAR	2,143.8	1,266.7	1,339.5	72.8	5.7%	-804.3	-37.5%
FANTAZIA (closed-ended)	0.0	1,165.0	1,210.1	45.1	3.9%	1,210.1	
ALFA (closed-ended)	0.0	0.0	5,066.6	5,066.6		5,066.6	
PRIZMA (closed-ended)	0.0	0.0	4,276.0	4,276.0		4,276.0	
Total	312,201.4	483,474.9	518,036.2	34,561.3	7.1%	205,834.8	65.9%

Main components of OTP Fund Management's balance sheet and profit and loss accounts (IFRS):

BALANCE SHEET

HUF mn	30-Jun-04	31-Mar-05	31-Jun-05	Q-o-Q	Y-o-Y
Cash and bank	35.7	14.0	72.3	417.1%	102.3%
Investments	6,050.8	6,098.1	6,080.8	-0.3%	0.5%
Intangible assets	48.8	39.8	38.2	-3.8%	-21.7%
Other assets	1,353.7	2,178.9	2,605.6	19.6%	92.5%
ASSETS	7,489.1	8,330.7	8,796.9	5.6%	17.5%
LIABILITIES	723.7	1,197.1	776.3	-35.2%	7.3%
TOTAL SHAREHOLDERS' EQUITY	6,765.4	7,133.7	8,020.7	12.4%	18.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,489.1	8,330.7	8,796.9	5.6%	17.5%

P&L

HUF mn	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Q-o-Q	Y-o-Y
Interest income	38.7	0.4	-99.0%	38.0	0.1	0.3	164.6%	-99.2%
Interest expense	0.0	0.0		0.0	0.0	0.0		
Net interest income	38.7	0.4	-99.0%	38.0	0.1	0.3	164.6%	-99.2%
Provision for possible loan losses	0.0	0.0		0.0	0.0	0.0		
Net interest income after provision	38.7	0.4	-99.0%	38.0	0.1	0.3	164.6%	-99.2%
Fees and commissions income	3,464.2	4,585.5	32.4%	1,779.2	2,084.4	2,501.1	20.0%	40.6%
Other non-interest income	257.8	65.4	-74.6%	240.5	44.0	21.3	-51.6%	-91.1%
Total non-interest income	3,722.0	4,650.9	25.0%	2,019.7	2,128.4	2,522.5	18.5%	24.9%
Fees and commissions expense	1,725.0	2,242.7	30.0%	870.7	989.7	1,253.0	26.6%	43.9%
Personnel expenses	143.0	169.9	18.8%	68.7	89.7	80.3	-10.5%	16.8%
Depreciation	8.9	9.7	9.0%	4.5	5.4	4.3	-19.3%	-4.1%
Other non-interest expense	233.4	286.3	22.7%	102.4	141.9	144.4	1.7%	41.0%
Total non-interest expense	2,110.3	2,708.7	28.4%	1,046.4	1,226.7	1,482.0	20.8%	41.6%
Operating income	1,650.5	1,942.6	17.7%	1,011.4	901.8	1,040.8	15.4%	2.9%
Income before income taxes	1,650.5	1,942.6	17.7%	1,011.4	901.8	1,040.8	15.4%	2.9%
Income taxes	262.7	307.1	16.9%	161.1	142.5	164.5	15.4%	2.2%
Deferred taxes	0.0	0.0		0.0	0.0	0.0		
After tax profit	1,387.8	1,635.5	17.9%	850.3	759.3	876.2	15.4%	3.1%

In 1H 2005, net sales of ***OTP Real Estate*** were over HUF 6.2 billion. Its pre-tax profit reached HUF 278 million. Cost/income ratio stood at 84.4% (76.4% in 1H 2004).

OTP Factoring concluded contracts with OTP Bank for the purchase of 37.8 thousand receivables in a gross value of HUF 12.7 billion until June 30, 2005. From third parties, the company purchased 1,280 contracts in a gross value of HUF 7.7 billion. Gross income was HUF 3.9 billion and the net factoring income reached HUF 1.4 million.

Due to the favourable development of the incomes, pre tax profit of the company for 1H 2005 was HUF 322.9 million.

FIRST HALF OF 2005 REPORT BASED ON HAR

MARKET SHARES BASED ON HAR

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

	30-Jun-04		31-Mar-05		30-Jun-05	
	in banking system	in credit institutions	in banking system	in credit institutions	in banking system	in credit institutions
Total assets	25.3%	23.7%	26.8%	25.1%	25.4%	23.8%
Loans	21.0%	20.0%	20.8%	19.9%	21.3%	20.4%
Retail	47.5%	41.7%	44.5%	39.7%	43.9%	39.3%
Housing	56.1%	52.0%	52.8%	49.2%	51.9%	48.4%
HUF	57.8%	53.4%	57.6%	53.2%	57.5%	53.1%
FX	0.1%	0.1%	11.1%	11.0%	18.0%	17.9%
Consumer	29.1%	23.0%	28.1%	23.1%	28.8%	24.0%
Corporate	12.2%	11.8%	12.9%	12.5%	12.6%	12.2%
Municipal	56.9%	55.5%	52.8%	51.4%	53.9%	52.5%
Deposits	30.1%	27.0%	32.1%	28.6%	29.4%	26.1%
Retail	42.9%	36.1%	42.6%	35.4%	42.5%	35.4%
HUF	44.0%	36.1%	43.5%	35.3%	43.5%	35.3%
FX	36.2%	36.2%	36.5%	36.5%	36.0%	36.0%
sight	52.9%	48.6%	47.1%	43.5%	45.4%	42.2%
term	40.1%	33.1%	41.3%	33.4%	41.6%	33.5%
Corporate	12.4%	11.9%	16.9%	16.4%	11.8%	11.5%
Municipal	65.9%	61.6%	73.7%	68.6%	67.2%	61.6%

HAR CONSOLIDATED

The guiding principle in consolidating the balance sheets and profit and loss accounts prepared by OTP Bank's fully integrated non-banking, non-financial 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 activities.

First half 2004 and first half 2005 consolidated data of the OTP Group in HUF million

	Shareholders' Equity		Total assets		Pre-tax profits	
	30-Jun-04	30-Jun-05	30-Jun-04	30-Jun-05	1H 2004	1H 2005
OTP Bank Ltd.	299,644	374,334	2,758,218	3,191,241	68,214	84,322
Subsidiaries total	166,598	224,181	1,738,096	2,494,367	19,135	28,859
Total (non consolidated)	466,242	598,515	4,496,314	5,685,608	87,349	113,181
Consolidated	347,592	442,867	3,648,357	4,714,057	76,887	93,123

Compared to the same period of the previous year, the circle of fully consolidated subsidiaries has changed, since 1H 2005 OTP Card Manufacturing Ltd., the Romanian RoBank S. A., the Slovak OTP Leasing a.s. and OTP Faktoring Slovensko a.s. and the Croatian Nova banka d.d. and its two subsidiaries (Dalbank Invest d.o.o. and Dalbank Nekretnine d.o.o.) are also consolidated.

In preparing the Stock Exchange Report of June 30, 2005, the bank applied the following methodology:

Fully consolidated subsidiaries	29
Equity consolidated companies	9
of which	
- affiliated companies	8
- mutually managed companies	1
- associated companies	-

HAR CONSOLIDATED BALANCE SHEETS

Total consolidated assets of the group as at June 30, 2005 were HUF 4,714 billion, 47.7% higher than total assets of the Bank.

The consolidated balance sheet total for the Group increased by HUF 1,065.7 billion or 29.2% from a year earlier. Compared to June 30, 2004, excluding the consolidation steps, OTP Bank with HUF 433 million and the newly consolidated Nova banka-Group with HUF 272.1 billion and the DSK Bank and its subsidiaries with HUF 163.2 billion growth in total assets and the HUF 101.3 billion growth of OTP Mortgage Bank's balance sheet total were the largest contributor. The Mortgage Bank's growth is due to the increase of the mortgage loan volume taken over from OTP Bank.

The increase in the consolidated balance sheet on the asset side was the result of the increase of the current assets (HUF 619.7 billion), the growth of the invested assets (HUF 435.5 billion).

In the consolidated balance sheet as of June 30, 2005, the proportion of the current assets is 40.5% and invested assets are 58.4%. A year ago, these values were 35.4% and 63.5%, respectively. In the consolidated report, the increase of current assets was a result of the increase of cash (HUF 373.7 billion), short term receivables (HUF 157.8 billion). Within the 50.7% increase of consolidated cash and balances with banks, the most significant amounts were the HUF 117.7 billion expansion of the balances with NBH at OTP Bank.

The 37.6% increase in consolidated volume of trading securities was mostly caused by the HUF 67.8 billion growth in government securities, at OTP Bank. The securities portfolio grew at OTP Building Society by HUF 21.3 billion.

Of the HUF 31.7 billion volume of own shares, OTP Bank holds 61.1% according to the book value, while the rest is owned by three subsidiaries.

In the consolidated balance sheet of June 30, 2005, the volume of short-term receivables increased by HUF 373.7 billion compared to June 30, 2004. Receivables from customers rose by HUF 251.1 billion (49.4%), receivables from credit institutions by HUF 99.9 billion (56.7%) while other receivables grew by HUF 22.7 billion (51.2%).

The change of the consolidated receivables from credit institutions reflects the consolidation of Nova banka (HUF 78.4 billion) and the volume increase at DSK Bank (HUF 55.8 billion).

In short-term receivables from customers, the largest growth was caused by OTP Bank (HUF 100.9 billion) and the volume increase before consolidation of DSK Bank (HUF 31.7 billion) and the consolidation of Nova banka-Group (HUF 60.7 billion).

Compared to June 30, 2004, the volume of investments was 18.8% higher in the consolidated balance sheet. The receivables from customers maturing over a year grew by HUF 425.7 billion, the change was influenced considerably by the OTP Bank (HUF 142.7 billion), by DSK Bank (HUF 86.4 billion) and by OTP Mortgage Bank (HUF 69.8 billion) and the consolidation of Nova banka (HUF 74.9 billion).

On June 30, 2005 within the consolidated loan portfolio of HUF 2,976.2 billion the corporate customers represented 35.6% (HUF 1,059.9 billion); retail clients 60.8% (HUF 1,808.9 billion) and municipality loans 3.6% (HUF 107.4 billion). At the end of June 2005 23.8% of all loans (HUF 709.4 billion) were carried on the books of the foreign subsidiaries of OTP Bank.

Together with of the 29.2% growth since June 30, 2004, the quality of the loan portfolio on a consolidated basis slightly deteriorated. In the loan portfolio, performing loans grew by 27.7% and represented 86.1% (87.1% on June 30, 2004) while 9.5% (8.3% on June 30, 2004) belongs to the to-be-monitored category, the volume of which grew by 47.5%. The problem loans representing 4.4% (4.5% on June 30, 2004) which volume grew by 24.0%. Consolidated provisions was HUF 109.9 billion (33.9% growth), which meant 26.6% coverage ratio (27.6% coverage on June 30, 2004). Coverage of the non-performing loans was 73.7% on June 30, 2005. 18.8% of qualified and 25.3% of problem loans was on the books of the foreign subsidiaries (12.9% and 15.3% at the end of June 2004).

On the liability side, the increase of the consolidated balance sheet total compared to the previous period was the result of HUF 937.5 billion increase of liabilities, HUF 27 billion increase in provisions, HUF 95.3 billion increase of shareholders' equity, and HUF 5.9 billion increase in accrued liabilities.

Within liabilities, short-term liabilities increased by 29.1% (HUF 779.8 billion) and long-term liabilities by 36.7% (HUF 157.7 billion).

Growth of short term liabilities was caused mainly by the increase in liabilities before consolidation of OTP Bank (HUF 352.8 billion), DSK Bank (HUF 112.8 billion), and the newly consolidated Nova banka contributed to the consolidated increase by HUF 227 billion. Besides these the HUF 45.9 billion growth of OBS and the volume of HUF 63.8 billion short term liabilities of RoBank were considerable.

Short term liabilities to customers grew by HUF 552.6 billion due to the consolidation of Nova banka-Group (HUF214.4) billion and the increase of the liabilities of OTP Bank (HUF 183.3 billion). Short term customer liabilities of DSK Bank grew significantly by HUF 92.5 billion, of OBS by HUF 31.5 billion and of RoBank by HUF 25.8 billion.

The increase of long term liabilities before consolidation was caused by the OTP Mortgage Bank (HUF 60 billion), and DSK Bank (HUF 35.3 billion), and OTP Bank (HUF13.9 billion) and Merkantil Car (HUF 18.5 billion) and OTP Building Society (HUF 17.7 billion) and Merkantil Bank (HUF 17.6 billion) and OBS (HUF20.6 billion). The newly consolidated Nova banka-Group contributed to the volume of long term liabilities by HUF 15.9 billion. Long term liabilities decreased because of the HUF 2.9 billion growth of consolidation effect of covered mortgage bonds issued by OTP Mortgage Bank and subscribed by the consolidated members of OTP Group.

The proportion of customer liabilities within total liabilities on a consolidated level was 77.9% as at June 30, 2005 and 83.2% as at June 30, 2004.

On June 30, 2005 within the consolidated deposits of HUF 3,155.9 billion (increase of 21.2% since June 30, 2004) the corporate customers represented 17.5% (HUF 551.0 billion; a growth of 31.1% y-o-y); retail clients 77.7% (HUF 2,453.5 billion and increase of 19.6% y-o-y) and municipality deposits 4.8% (HUF 151.4 billion; an increase of 14.2% y-o-y). 24.6% of all deposits (15.7% on June 30, 2004) were carried on the books of the foreign subsidiaries of OTP Bank. Growth of deposits at foreign subsidiaries reached 4.1% in 2Q 2005, and the HUF 30.8 billion growth in the foreign subsidiaries' deposits partly counterbalanced the 3.8% or HUF 124.0 billion decrease of consolidated deposits.

Liability side provisions rose by HUF 27 billion from June 30, 2004. The growth came from the following sources: general risk provisions grew by HUF 8.1 billion and other provisions increased by HUF 21.7 billion. Within the latter, HUF 21.9 billion growth in reserves of OTP Garancia Insurance was important.

Consolidated shareholders' equity was HUF 442.9 billion (27.4% growth) at the end of June 2005 representing 9.4% of balance sheet total compared to 9.5% on June 30, 2004.

HAR CONSOLIDATED RESULTS

Consolidated *pre-tax profit* for 1H 2005 was HUF 93.1 billion, 21.1% higher than in 1H 2004 and 10.4% higher than pre-tax profit of the parent company.

Consolidated *after-tax profit* for 1H 2005 was HUF 76.9 billion, 20.5% higher than consolidated after-tax profit for 1H 2004 and 4.7% higher than after-tax profit of the parent company.

Consolidated *after tax earnings per share* calculated for 1H 2005 were HUF 294 undiluted, whereas diluted EPS was HUF 275. US dollar equivalents were USD 1.53 and USD 1.43 respectively, based on the National Bank's average middle exchange rate between January 1, and June 30, 2005 (i.e. 192.46 HUF/USD).

Consolidated net interest income for 1H 2005, reached HUF 137.7 billion, 14.6% higher than in 1H 2004 and 71.9% more than at the Bank. This can be explained mainly by interest income of OTP Mortgage Bank from securities, and the operation of the parent Bank, and of DSK Group.

Consolidated interest income was 9.4% or HUF 19.2 billion higher and expenses grew by 2% or HUF 1.7 billion compared to 1H 2004. Within consolidated interest income of HUF 223.3 billion, retail accounts hold the biggest part of HUF 81.2 billion. Interest income from corporate accounts of HUF 44.2 billion and from securities of HUF 54.7 billion were considerable as well. To the growth of the consolidated interest income compared to the previous year, the retail interest income growth (HUF 10.2 billion); interest income growth from corporate accounts (HUF 5.9 billion) and from interbank placements (HUF 4.8 billion) made the largest contribution.

Within interest expenses of HUF 85.6 billion, the interests paid on retail deposits represented the largest part (HUF 42.8 billion). The growth of interest paid on interbank accounts was considerable (HUF 7 billion) while the interest paid on retail accounts decreased by HUF 6.3 billion, year-on-year.

Consolidated non-interest income increased by 37%. Within this, consolidated net fees and commissions grew by 45.4%. Insurance income increased by 23.6% from HUF 28.1 billion in 1H 2004 to HUF 34.7 billion in 1H 2005. The consolidated cost/income ratio improved from 52.7% in 1H 2004 to 51.4% in 1H 2005.

Consolidated operating income was HUF 23.8 billion, 26.3% higher than a year earlier; provisioning and loan losses were HUF 489 million (4.9% increase) compared to 1H 2004. In 1H 2005 provisioning and loan losses represented 9.2% of the operating income; in 1H 2004 these were 11.1%.

Consolidated annualized ROAA in the first half of 2005 reached 3.46% (3.57% in 1H 2004). Meantime consolidated ROAE was 37.0% (39.1% in 1H 2004), that means, based on an average annualized inflation of 3.7% in 1H 2005, a 33.3% real ROAE (32.0% in 1H 2004).

HAR NON-CONSOLIDATED

HAR NON-CONSOLIDATED BALANCE SHEETS

	30-Jun-04	31-Mar-05	30-Jun-05	Q-o-Q	Y-o-Y
Total assets	2,758,218	3,310,872	3,191,241	-3.6%	15.7%
Average assets	2,749,269	3,029,300	3,085,997	1.9%	12.2%
Total loans and advances	1,120,284	1,288,970	1,334,109	3.5%	19.1%
Corporate loans	715,471	827,674	824,058	-0.4%	15.2%
Municipal loans	89,225	91,418	104,487	14.3%	17.1%
Housing loans	168,355	181,434	197,369	8.8%	17.2%
Consumer loans	163,402	208,184	220,357	5.8%	34.9%
Retail loans	331,757	389,618	417,726	7.2%	25.9%
Total deposits	2,104,278	2,435,611	2,274,602	-6.6%	8.1%
Corporate deposits	347,668	509,757	387,795	-23.9%	11.5%
Municipal deposits	111,167	169,077	106,052	-37.3%	-4.6%
Retail deposits	1,645,443	1,756,777	1,780,755	1.4%	8.2%
Loan/deposit ratio	53.2%	52.9%	58.7%	5.7%	5.4%
Shareholders' equity	299,644	355,735	374,334	5.2%	24.9%
Balance sheet gearing	9.2	9.3	8.5	-8.4%	-7.4%

OTP Bank's total assets as at June 30, 2004 were HUF 433.0 billion or 15.7% higher than a year earlier. Since June 30, 2004 within banking assets, cash and banks increased by 44.3% (HUF 127.2 billion) and the volume of government securities decreased by HUF 39.2 billion or 11.7% from a year earlier. The volume of the interbank placements increased by 8.0% since June 30, 2004.

Receivables from customers grew by HUF 213.8 billion or 19.1% mainly due to the HUF 108.6 billion increase of corporate loans and HUF 86.0 billion increase of retail loans. Within retail loans consumer loans (without home equity loans) were 44.4% higher and within this personal loans reached HUF 102.8 billion compared to HUF 26.5 billion at the end of June 2004 and loans for purchasing goods grew by 79.6% to HUF 7.3 billion year on year. Loans connected to credit cards increased by HUF 4.2 billion to HUF 6.4 billion. Volume of HUF housing and mortgage loans decreased by HUF 7.5 billion. The in July 2004 introduced FX housing loans exceeded HUF 36.5 billion in the Bank's balance sheet at the end of June 2005. The total volume of housing and mortgage loans increased by 17.2% compared to the end of June 2004.

Liabilities to credit institutions grew by 86.2%, within this sight deposits decreased by 0.5%, term deposits increased by HUF 142.1 billion or 89.9%.

On June 30, 2005, volume of **customer deposits** were HUF 170.3 billion higher and the increase in retail business was HUF 135.3 billion, deposits in corporate business grew by HUF 40.1 billion and in municipal business was HUF 5.1 billion lower than a year earlier. Total HUF deposits increased by HUF 167.0 billion, foreign currency deposits grew by HUF 3.3 billion. Within corporate deposits, deposits of legal entities increased by 22.5% to HUF 217.3 billion and deposits of small businesses and individual entrepreneurs declined by 10.1% year on year but increased by 5.3% compared to March 31, 2005. 76.5% of **retail deposits** are current account deposits their volume exceeded HUF 1,180.3 billion, increased by 13.8% from a year ago. Passbook deposits decreased by 4.1%. The share of HUF deposits in total retail deposits was 86.6% and the share of foreign currency deposits was 13.4% on June 30, 2005.

Shareholders' equity of OTP Bank on June 30, 2005 reached HUF 374.3 billion, an increase of HUF 74.7 billion compared to the same period a year ago. The growth was a result of an additional HUF 12.0 billion in general reserves, as well as a HUF 45.7 billion increase in retained earnings, a HUF 6.8 billion increase in fixed reserves and a HUF 10.2 billion growth in net profits. Non-audited book value of 1 share on June 30, 2005 was HUF 1,337. On June 30, 2005, the HAR **guarantee capital** of the Bank stood at HUF 191,749 million (HUF 210,688 million including after tax profits for the period) and from this tier 2 capital amounted to HUF 43,986 million. With HUF 1,823.5 billion risk weighted assets (a 29.6% growth compared to June 30, 2004) the **capital adequacy ratio** - calculated according to Hungarian regulations with "intra-year method" - was 10.52% as at June 30, 2005 (11.55% including after tax profits for the period), in excess of the 8% required by the Banking Act.

HAR NON-CONSOLIDATED RESULTS

in HUF million	1H 2004	1H 2005	Y-o-Y	2Q 2004	1Q 2005	2Q 2005	Q-o-Q	Y-o-Y
Total interest income	142,576	141,601	-0.7%	72,364	70,606	70,995	0.6%	-1.9%
Total interest expense	70,349	61,505	-12.6%	34,491	32,995	28,510	-13.6%	-17.3%
Net interest income	72,227	80,096	10.9%	37,873	37,611	42,485	13.0%	12.2%
Non interest income	53,969	61,157	13.3%	26,938	29,079	32,078	10.3%	19.1%
Share of non interest income in total income	42.80%	43.30%	0.5%	41.56%	43.60%	43.02%	-0.6%	1.5%
Total income	126,196	141,253	11.9%	64,811	66,690	74,563	11.8%	15.0%
Operating costs	54,007	59,434	10.0%	29,046	26,734	32,700	22.3%	12.6%
Operating income	72,189	81,819	13.3%	35,765	39,956	41,863	4.8%	17.1%
Provisions and loan losses	8,446	2,569	-69.6%	4,450	1,607	962	-40.1%	-78.4%
Dividend received	8,075	13,937	72.6%	8,075	13,666	271	-98.0%	-96.6%
Diminution in value, provisions and loan losses	-3,604	-4,081	13.2%	-1,802	-2,032	-2,049	0.8%	13.7%
Accounting for acquisition goodwill	0	-4,784	0.0%	0	-2,250	-2,534	12.6%	0.0%
Pre-tax profits	68,214	84,322	23.6%	37,588	47,733	36,589	-23.3%	-2.7%
After tax profits	58,511	73,461	25.6%	32,847	42,640	30,821	-27.7%	-6.2%
EPS undiluted (HUF)	219	273	24.6%	122	158	114	-27.6%	-6.5%
EPS fully diluted (HUF)	209	262	25.6%	117	152	110	-27.7%	-6.2%
Cost to income ratio	42.8%	42.1%	-0.7%	44.8%	40.1%	43.9%	3.8%	-1.0%
Return on Assets (ROA)	4.24%	4.71%	0.47%	4.74%	5.37%	3.79%	-1.58%	-0.95%
Return on Equity (ROE)	41.7%	42.0%	0.3%	45.6%	50.1%	33.8%	-16.3%	-11.8%
Net interest margin	5.25%	5.19%	-0.06%	5.57%	4.97%	5.41%	0.44%	-0.16%

The bank's net interest income for 1H 2005 was HUF 80,096 million, 10.9% higher than in 1H 2004. The growth of net interest income was a result of HUF 975 million decrease in interest income and HUF 8,844 million decline in interest expenses. Net interest income for 2Q 2005 increased by 13.0% compared to 1Q 2005 and by 12.2% compared to 2Q 2004.

Interest earned on interbank accounts was 6.0% higher compared to 1H 2004 and the average interest on placements was 13.88%. In interbank interest incomes HUF 14.6 billion swap and interest swap income was accounted compared to the HUF 13.3 billion income in 1H 2004. Income from securities decreased by 15.0% compared to 1H 2004 and the average yield was 8.47%. In OTP Bank's portfolio the volume of HUF 523.4 billion mortgage bonds issued by the OTP Mortgage Bank is considerable. In line with the 23.9% increase in average volume and with the increase in rates, interest income from retail accounts grew by 31.2%. The interest income decreased by 7.7% in corporate lending and declined by 23.4% in municipal lending, meanwhile the interest level declined in corporate and in municipal lending and the growth in volume was 18.6% in corporate business and 7.8% in municipal volume. 27.2% of interest incomes came from retail accounts, 20.0% from corporate accounts and 3.1% from municipal accounts. Interest incomes in the second quarter of 2005 were HUF 389 million higher than in 1Q 2005 and HUF 1,369 million or 1.9% lower than in 2Q 2004.

Interest expenses in line with the decline in the interest rate level and the growing volume of customer liabilities decreased by 17.7% on retail accounts and by 30.3% on corporate and by 31.5% 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 8.5 billion loss on interest swap deals and, in foreign currency, by the interest expenses of the syndicated loans. Interest expenses on issued securities increased by HUF 81 million. Share of interest paid on retail accounts was 59.4% correspondently with the liability structure. In the second quarter of 2005 interest expenses were 13.6% lower compared to 1Q 2005 and decreased by 17.3% compared to 2Q 2004.

The result of the swap and interest swap deals – accounted in interbank interest incomes and expenses – improved the net interest income of the Bank by HUF 5,195 million, (29.5% less than in 1H 2004), and improved the net interest margin by 34 bps. The profit of the swaps charged in HUF was HUF 3,920 million, charged in FX was HUF 865 million while interest swaps increased the net interest income by HUF 410 million.

In 1H 2005, yield on average interest earning assets represented 10.41% rate and interest paid on interest bearing liabilities represented 4.78% rate. The interest spread between average interest bearing liabilities and interest earning assets was 5.64%. Average assets were 12.2% higher than a year earlier and the yield on average assets was 9.18%, 119 bps lower than in 1H 2004 and the yield on average liabilities represented 3.96%, a decline of 115 bps from a year ago. Interest margin over total average assets was 5.19% a decline of 6 bps from a year earlier.

During the first half of 2005 non-interest income was HUF 7,188 million higher than in 1H 2004, and reached HUF 61,157 million. Net fees and commissions increased by 11.4% or HUF 5.6 billion than in the first half of 2004. Net fees and commissions of 2Q 2005 were 1.2% and 11.6% higher than in 1Q 2005 and 2Q 2004. In the second quarter of 2005 non-interest incomes grew by 10.3% compared to 1Q 2005 and by 19.1% compared to 2Q 2004.

The fees on loans grew by 8.5% to HUF 23.3 billion. The transfer fee for the loan sold in favour of OTP Mortgage Bank declined significantly. On the level of the Bank, HUF 20.3 billion fee income is from OTP Mortgage Bank (HUF 17.1 billion in 1H 2004), from which the fee for the repurchase guarantee was HUF 13.5 billion (HUF 9.9 billion in 1H 2004). The fees from the card business were 21.5% higher than in 1H 2004 and was more than HUF 15.6 billion. Fee income from retail current accounts increased by 11.6% to HUF 5.9 billion. Deposit business fee income increased by 17.3% to HUF 3.5 billion. Securities transaction fees increased by 4.5% to HUF 4.3 billion mainly because of the increase in trading fees of OTP Funds and merchandising fees from Government Debt Management Agency and fees on securities accounts.

Net result on securities trading in 1H 2005 was HUF 3,274 million from this HUF 851 million gain came from the trading activities, HUF 1,792 million from exchange rate result and accrued HUF 631 premium. Foreign exchange profits totalled at HUF 2,171 million for 1H 2005, in 1H 2004 the profit was HUF 2,841 million. The Bank held a significantly larger long average FX position in its balance sheet (HUF 171.9 billion average volume in 1H 2005, HUF 114.2 billion in 1H 2004). The overall net FX open position was also higher, it reached HUF 38.8 billion average, compared to HUF 14.7 billion averages in 1H 2004.

Total income of the Bank reached HUF 141,253 million, a 11.9% increase. Non-interest income represented 43.3% of total income, 0.5%-point higher than a year earlier. In 2Q 2005 share of non-interest income in total income was 43.0% while it was 41.6% in 2Q 2004.

During the first half of 2005, non-interest expenses reached HUF 59,434 million, 10.0% higher than a year earlier. Personnel expenses were 11.0% higher than in 1H 2004. Personnel expenses represented 18.5% of total income compared to 18.6% during 1H 2004. Depreciation was HUF 5,840 million, HUF 1,334 million higher than a year ago reflecting the impact of the outsourced IT equipments. Non-interest incomes were 22.3% higher in the second quarter of 2005 than in 1Q 2005 within this personnel expenses were HUF 2.5 billion, other non-interest expenses HUF 6.0 billion higher than in the first quarter of 2005.

The other non-interest expenses were by HUF 1.5 billion higher than a year earlier. Within these, the most important items are the material type of costs that increased by 3.1% to HUF 18.7 billion. Technical equipments service fees decreased by HUF 131 million or 5.1% compared to 1H 2004. Fees paid for domestic other services increased by 7.2%, while fees paid for domestic specialists decreased by HUF 625 million. Advertising costs increased by 45.8% to HUF 1.8 billion compared to 1H 2004. Local taxes increased by 15.3% to HUF 3,110 million, value added tax on the result was HUF 2,254 million or 1.2% higher than a year earlier.

OTP Bank's **pre-tax profit** for 1H 2005 was obtained as a result of HUF 81,819 million **operating income**, HUF 2,569 million of diminution in value and provisions, HUF 4,081 million acquisition badwill, HUF 13,937 million dividend income and HUF 4,784 million special tax for financial institutions.

Pre-tax profit for the first half of 2005 amounted to HUF 84,322 million, the Bank's after tax profit was HUF 73,461 million, 23.6% and 25.6% higher than in 1H 2004. 2Q 2005 pre-tax profit of the Bank is 23.3% and 2.7% lower than in 1Q 2005 and 2Q 2004. After tax profit in the second quarter of 2005 amounted 27.7% and 6.2% less than in 1Q 2005 and 2Q 2004.

After having generated the HUF 7,346 million of general reserves and the dividend fund for the period, representing 40% payout ratio (estimated at HUF 170 per share for the full year), the Bank's retained earnings for 2004 were HUF 42,349 million, an increase of 31.8% over the year earlier.

Earnings per share for the period were HUF 273 undiluted, HUF 262 diluted (HUF 219 and HUF 209 in 1H 2004). US dollar equivalents are USD 1.42 and USD 1.36 respectively, based on the central banks average middle exchange rate between January 1, 2005 and June 30, 2005 (192.46 HUF/USD).

Annualized return on average equity (ROE) for 1H 2005 was 42.0% (33 bps higher than in 1H 2004), on average assets (ROA) 4.71% (47 bps higher than in 1H 2004). Non-consolidated real ROE (ROE less inflation) reached 38.3% (34.6% in 1H 2004). ROA for 2Q 2005 reached 3.79% (1Q 2005: 5.37%; 2Q 2004: 4.74%) and ROE for 2Q 2005 was 33.8% (1Q 2005:50.1%; 2Q 2004: 45.6%).

QUALITY OF LOAN PORTFOLIO

During the first half of 2005 the quality of the loan portfolio improved. On June 30, 2005 the portion of qualified receivables within total receivables was 4.9% compared to 5.2% on June 30, 2004 and 4.6% on March 31, 2005. It is due to that the total receivables grew by 17.6% year-on-year and within this performing loans grew by 18.0% while qualified loans increased by 10.9% to HUF 74.7 billion. Non-performing loans decreased by HUF 9.5 billion or by 23.9% year on year and declined by 10.8% during the second quarter of 2005. Proportion of NPL was 2.0% on June 30, 2005 compared to 3.0% a year ago.

	30-Jun-04		31-Mar-05		30-Jun-05		change	
	HUF mn	Distr.	HUF mn	Distr.	HUF mn	Distr.	Q-o-Q	Y-o-Y
Total receivables	1,299,757	100.0%	1,488,972	100.0%	1,528,766	100.0%	2.7%	17.6%
No problem loans	1,232,401	94.8%	1,420,403	95.4%	1,454,041	95.1%	2.4%	18.0%
To-be-monitored	27,718	2.1%	34,716	2.3%	44,542	2.9%	28.3%	60.7%
Below average	15,971	1.2%	9,906	0.7%	8,582	0.6%	-13.4%	-46.3%
Doubtful	15,874	1.2%	13,637	0.9%	11,839	0.8%	-13.2%	-25.4%
Bad	7,793	0.6%	10,311	0.7%	9,762	0.6%	-5.3%	25.3%
Total qualified	67,356	5.2%	68,570	4.6%	74,725	4.9%	9.0%	10.9%
Provision	21,499	1.7%	21,204	1.4%	19,253	1.3%	-9.2%	-10.4%
Coverage (%)	31.9%	0.0%	30.9%	0.0%	25.8%	0.0%	-5.2%	-6.2%
NPL	39,638	3.0%	33,854	2.3%	30,183	2.0%	-10.8%	-23.9%
Provision on NPL	19,268	1.5%	17,647	1.2%	16,917	1.1%	-4.1%	-12.2%
Coverage of NPL (%)	48.6%	0	52.1%	0	56.0%	0	3.9%	7.4%

In the first half of 2005 within total receivables customer receivables grew by 18.7%. In the corporate business there was an 18.7% increase in receivables during a year, while the qualified volume was 2.1% or HUF 1.1 billion lower and within this problem loans declined by 54.6% or HUF 16.3 billion while the to-be-monitored loans grew from HUF 24.7 billion to HUF 39.8 billion. In the retail business, receivables increased by 26.3%, qualified receivables increased by 69.8% or HUF 8.8 billion. To-be-monitored loans increased by HUF 1.7 billion, below average loans by HUF 1.3 billion and doubtful loans by HUF 5.0 billion. In the municipality business, receivables were higher by 12.1% and qualified receivables decreased by HUF 91 million to HUF 18 million compared to June 30, 2004. There was no qualified loans with credit institutions at the end of June 2005 and the volume was by HUF 9.1 billion higher year-on-year.

Compared to March 31, 2005 total receivables grew by 2.7% and qualified receivables increased by 9.0%. During the second quarter retail receivables increased by HUF 27.7 billion, corporate loans by HUF 30.2 billion, municipal loans by HUF 10.0 billion and receivables from credit institutions decreased by HUF 28.0 billion. The growth of qualified loans was caused by the HUF 11.0 billion increase of corporate to-be-monitored loans. Qualified loans in the other categories declined just like retail qualified loans.

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 June 30, 2005 HUF 41.2 billion loans were in delay, of which HUF 14.5 billion were more than 30 days overdue. In connection with the increase in overdue volumes the Bank created HUF 239.4 million provisions in 1H 2005. Such method of provisioning shall be continued in future quarters. On June 30, 2005 from the total volume of HUF 794.2 billion loans to the amount of 5.18% were qualified, compared to 6.29% on June 30, 2004 and to 5.73% on March 31, 2005.

The provisioning and loan losses on customer receivables for 1H 2005 were HUF 1,867 million (decrease of 70.2% from a year earlier). The HUF 1,628 million loan loss provisioning represented 0.25% (annualized) of the average customer receivables (HUF 1,326.9 billion) compared to 0.75% for 1H 2004.

MARKET SHARES OF THE BANK

	30-Jun-04		31-Mar-05		30-Jun-05	
	in banking system	in credit institutions	in banking system	in credit institutions	in banking system	in credit institutions
Total assets	19.0%	19.0%	20.5%	19.2%	19.1%	17.9%
Loans	12.7%	12.7%	12.8%	12.2%	13.3%	12.7%
Retail	14.9%	13.1%	14.9%	13.3%	14.9%	13.3%
Housing	10.7%	9.9%	10.1%	9.4%	10.4%	9.7%
HUF	11.0%	10.2%	10.0%	9.2%	9.9%	9.1%
FX	0.1%	0.1%	10.7%	10.6%	13.5%	13.4%
Consumer	23.9%	18.9%	24.5%	20.1%	23.3%	19.4%
Corporate	11.9%	11.5%	12.5%	12.1%	12.2%	11.8%
Municipal	56.9%	55.5%	52.7%	51.4%	53.9%	52.5%
Deposits	28.8%	25.8%	30.8%	27.4%	28.1%	25.0%
Retail	40.6%	34.1%	40.3%	33.5%	40.2%	33.4%
HUF	41.3%	33.9%	40.9%	33.1%	40.9%	33.1%
FX	36.2%	36.2%	36.5%	36.5%	36.0%	36.0%
sight	52.7%	48.4%	47.0%	43.4%	45.4%	42.1%
term	37.1%	30.6%	38.2%	30.9%	38.5%	31.0%
Corporate	12.2%	11.8%	16.8%	16.2%	11.7%	11.3%
Municipal	65.9%	61.6%	73.7%	68.6%	67.2%	61.6%

OTHER

The number of **retail current accounts**, the leading product of the Bank, was 3,122 thousand at the end of June 2005. The number of issued retail **bank cards** exceeded 3.4 million on June 30, 2005 (4.8% growth year-on-year). The number of credit cards was more than 237 thousand on June 30, 2005, its proportion was 6.3% in total issued cards. Including corporate and FX based cards, the total number of cards issued approached 3,786 thousand, an increase of 1.9% over June 2004. The Bank's estimated market share of cards issued was almost 60%.

The number of the Bank's **ATMs** expanded from 1,324 a year earlier to 1,428. The number of transactions executed by the Bank's card owners, performed through the Bank's ATMs, reached 38.2 million in 1H 2005, while the turnover of these transactions was HUF 1,057.3 billion, an increase of 3.7% and 9.9%, resp. over 1H 2004. The number of **POS terminals** on June 30, 2005 stood at 22,843, 2,073 more than one year earlier. The number of withdrawal transactions on the Bank's own POS network was 1.4 million, the turnover was HUF 417.1 billion. The number of purchases on POS terminals at merchants was 29.2 million (19.0% increase) valuing HUF 234.3 billion (18.7% increase). The number of client terminals operating through telephone lines reached 12,987 on June 30, 2005. At the end of June 2005 the number of contracted customers for telephone banking, mobile banking and internet banking service was 794,915.

The closing number of OTP Bank staff was 7,843 persons on June 30, 2005, 181 persons lower than at the end of June 2004 and 52 persons more than at the end of March 2005. In the second quarter of 2005 the staff in the branch network decreased by 3 persons owing to the staff reduction process. In the Headquarters the staff increased by 55 persons due to the broadening of Electronic Banking Directorate.

	30-Jun-04	31-Mar-05	30-Jun-05	Q-o-Q	Y-o-Y
Closing staff (persons)	8,024	7,791	7,843	0.7%	-2.3%
Average staff (persons)	7,925	7,749	7,796	0.6%	-1.6%
Per capita total assets (HUF mn)	343.7	425.0	406.9	-4.3%	18.4%
Per capita profit after tax quarterly (HUF mn)	4.1	5.5	4.0	-28.2%	-4.6%

PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE FIRST HALF OF 2005 AT OTP BANK LTD.

During the first half of 2005, the Top Management, and the Board of Directors of the Bank did not change.

The AGM held on April 29, 2005 re-elected Deloitte Könyvvizsgáló és Tanácsadó Kft. as the bank's auditor for 2005, with Zoltán Nagy (No. 005027 chartered auditor) as the person responsible for auditing.

On the AGM Dr. Gábor Horváth, Antal Kovács, Dr. Gábor Nagy, Dr. Sándor Pintér, Dr. Tibor Tolnay and Ms. Klára Vécsei were elected to the bank's supervisory board until the closing AGM of the fiscal year 2007 at the latest until April 30, 2008.

The announcement of OTP Bank Ltd. published on June 16, 2005 about the modernization of its organisation:

The board of directors of OTP Bank Ltd. had approved the modification of the bank's organizational and operational rules, which came into effect on June 15, 2005. The modifications are the organizational results of the modernization programs, mainly concentrating on sales, and governance of the network and the bank group.

The most important changes are the followings:

The Bank Group and Network Directorate (operating in the framework of Staff Division) ceases to exist, its tasks will be taken over by other units.

The Marketing and Sales Directorate transforms into a division level organizational unit, with significantly widened terms of reference. Its tasks will be the forming of sales strategy, the managing of sales on the retail banking and the micro and small enterprises market, the handling of the CRM system, organizing cross-sales, managing and supervising the sales channels. In the future, the managing of branch offices, the agent network and the dm sales channels will also be concentrated here. Under the governance of the Marketing and Sales Directorate, a Sales Committee will be established, which will permanently monitor and analyze the sales operations with the participation of the representatives of the business and strategic units. The head of Marketing and Sales Directorate is Ms Gabriella Balogh with the title of managing director.

For the optimal satisfying of the small enterprises segment, the product development and related activities for micro- and small enterprises will be transferred from the Commercial Banking Division to the Retail Banking Division. By the cessation of the customs business, the accumulated knowledge will be used in the field of bank cards, which will operate as a directorate.

The HRM Directorate's terms of reference widens by the handling of the headcount model, to integrate wages and headcount management, by the operating of the new sales program-related motivations system, and by the handling of the personnel and interest matters of the banking group members.

To meet the demands generated by the growth of OTP Bankgroup, and to integrate the planning and controlling tasks the governance of the banking group will be changed. The planning, controlling and reporting activities of the banking group will be directly controlled by the Strategic and Financial Division. Also in this division, a Competence Centre will be established, to operate the Basel II risk management system, and a unit responsible for handling the operational risks.

The bank security activities will be transferred to the Staff Division. A Compliance Separate Department will be established, which will ensure the security of the bank and group operations and the fulfilment of special compliance tasks.

Budapest, August 11, 2005

OTP Bank Ltd.

FINANCIAL DATA

Non-consolidated and Consolidated HAR Balance Sheets

in HUF million

	OTP Bank			Consolidated		
	June 30, 2004	June 30, 2005	change	June 30, 2004	June 30, 2005	change
1. Cash in hand, balances with central banks	287,275	414,433	44.3%	311,011	468,791	50.7%
2. Treasury bills	334,591	295,360	-11.7%	571,021	576,972	1.0%
3. Loans and advances to credit institutions	130,061	140,486	8.0%	185,050	289,229	56.3%
4. Loans and advances to customers	1,134,701	1,378,287	21.5%	2,240,651	2,917,467	30.2%
5. Debt securities including fixed-income securities	544,734	551,705	1.3%	38,802	57,947	49.3%
6. Shares and other variable-yield securities	7,648	7,620	-0.4%	8,992	9,938	10.5%
7. Shares and participating interest as financial fixed assets	1,009	999	-1.0%	6,455	8,516	31.9%
8. Shares and participating interest in affiliated undertakings	102,219	138,779	35.8%	38,301	73,798	92.7%
9. Intangible assets	45,025	84,419	87.5%	14,090	23,734	68.4%
10. Tangible assets	63,691	70,171	10.2%	107,659	121,609	13.0%
11. Own shares	13,341	19,382	45.3%	24,959	31,704	27.0%
12. Other assets	44,415	37,421	-15.7%	58,984	81,501	38.2%
13. Prepayments and accrued income	49,508	52,179	5.4%	42,382	52,851	24.7%
TOTAL ASSETS	2,758,218	3,191,241	15.7%	3,648,357	4,714,057	29.2%
From this: -CURRENT ASSETS	944,781	1,216,173	28.7%	1,289,720	1,909,445	48.1%
- FIXED ASSETS	1,763,929	1,922,889	9.0%	2,316,255	2,751,761	18.8%
1. Liabilities to credit institutions	164,929	307,026	86.2%	179,160	405,165	126.1%
2. Liabilities to customers	2,089,657	2,272,605	8.8%	2,589,220	3,155,383	21.9%
3. Liabilities from issued debt securities	53,647	46,374	-13.6%	248,396	333,956	34.4%
4. Other liabilities	59,629	77,900	30.6%	76,906	104,776	36.2%
5. Accruals and deferred income	43,577	35,490	-18.6%	60,967	66,817	9.6%
6. Provisions	31,841	31,510	-1.0%	126,515	153,533	21.4%
7. Subordinated liabilities	15,294	46,002	200.8%	19,601	51,560	163.0%
8. Subscribed capital	28,000	28,000	0.0%	28,000	28,000	0.0%
9. Subscribed but unpaid capital (-)	0	0		0	0	
10. Capital reserves	52	52	0.0%	52	52	0.0%
11. General reserves	47,177	59,153	25.4%	47,177	59,153	25.4%
12. Retained earnings (accumulated profit reserve) (+)	178,946	224,645	25.5%	180,361	226,757	25.7%
13. Legal reserves	13,341	20,135	50.9%	13,341	20,135	50.9%
14. Revaluation reserve	0	0		0	0	
15. Profit or loss for the financial year according to the balance sheet (+)	32,128	42,349	31.8%	36,825	45,004	22.2%
16. Subsidiaries' equity increases/decreases (+-) *	0	0		38,572	60,655	57.3%
17. Increases/decreases due to consolidation (+-)	0	0		2,836	2,275	-19.8%
18. Participation of outside members (other owners)	0	0		428	836	95.3%
TOTAL LIABILITIES	2,758,218	3,191,241	15.7%	3,648,357	4,714,057	29.2%
From this: - SHORT-TERM LIABILITIES	2,215,876	2,568,697	15.9%	2,683,707	3,463,539	29.1%
- LONG-TERM LIABILITIES	167,280	181,210	8.3%	429,576	587,301	36.7%
- EQUITY (CAPITAL AND RESERVES)	299,644	374,334	24.9%	347,592	442,867	27.4%
OFF-BALANCE SHEET COMMITMENTS	964,460	1,195,782	24.0%	948,253	1,389,545	46.5%
1. Contingent liabilities	674,282	723,001	7.2%	653,734	871,226	33.3%
2. Future liabilities	290,178	472,781	62.9%	294,519	518,319	76.0%

Non-consolidated and Consolidated HAR Profit and Loss Account

in HUF million

		OTP Bank			Consolidated		
		1H 2004	1H 2005	change	1H 2004	1H 2005	change
1.	Interest received and interest-type income	142,576	141,601	-0.7%	204,067	223,289	9.4%
2.	Interest paid and interest-type expenses	70,349	61,505	-12.6%	83,870	85,571	2.0%
	Interest difference	72,227	80,096	10.9%	120,197	137,718	14.6%
3.	Incomes from securities	8,075	13,937	72.6%	331	645	94.9%
4.	Fees and Commission received	53,090	59,834	12.7%	39,114	51,808	32.5%
5.	Fees and Commission paid	4,609	5,638	22.3%	7,697	7,209	-6.3%
6.	Profit or loss from financial transactions	2,746	3,487	27.0%	2,798	4,482	60.2%
7.	Other incomes from business	138,306	88,678	-35.9%	50,443	76,682	52.0%
8.	General administration expenses	41,626	44,767	7.5%	52,564	59,885	13.9%
9.	Depreciation and amortization	8,492	10,303	21.3%	6,645	8,149	22.6%
10.	Other expenses from business	146,656	107,249	-26.9%	60,681	93,954	54.8%
11.	Write-off of loans and provision for contingent and future liabilities	11,945	7,778	-34.9%	25,248	29,455	16.7%
12.	Reversal of write-off of loans and credit for contingent and future liabilities	8,671	12,593	45.2%	19,679	23,168	17.7%
12/A.	Difference between the creation and write-off of general risk provision	-2,026	-1,228	-39.4%	-2,821	-2,650	-6.1%
13.	Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company	34	0	-100.0%	34	39	14.7%
14.	Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company	116	2,141	1745.7%	5	131	2520.0%
15.	Result of ordinary business activities	67,843	83,803	23.5%	76,876	93,293	21.4%
	Including: - RESULT OF FINANCIAL AND INVESTMENT SERVICES	67,553	83,338	23.4%	73,054	87,406	19.6%
	- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	290	465	60.3%	3,822	5,887	54.0%
16.	Extraordinary revenues	473	702	48.4%	118	41	-65.3%
17.	Extraordinary expenses	102	183	79.4%	107	211	97.2%
18.	Extraordinary profit or loss (16-17)	371	519	39.9%	11	-170	-1645.5%
19.	Profit or loss before tax (±15±18)	68,214	84,322	23.6%	76,887	93,123	21.1%
20.	Tax liabilities	9,703	10,861	11.9%	13,168	16,580	25.9%
	a) Tax difference due to consolidation	0	0		-129	-393	204.7%
21.	After-tax profit or loss (±19-20+20/a)	58,511	73,461	25.6%	63,848	76,936	20.5%
22.	Formation and utilization of general reserves (±)	-5,852	-7,346	25.5%	-6,483	-8,152	25.7%
23.	Use of accumulated profit reserve for dividends and profit-sharings	0	0		0	0	
24.	Dividends and profit-sharings paid (approved)	20,531	23,766	15.8%	20,540	23,780	15.8%
25.	Balance-sheet profit or loss figure (±21±22+23-24)	32,128	42,349	31.8%	36,825	45,004	22.2%

Selected Non-consolidated and Consolidated financial data

in HUF million

	OTP Bank			Consolidated		
	1H 2004	1H 2005	change	1H 2004	1H 2005	change
Interest from interbank accounts	27,764	29,437	6.0%	28,789	33,613	16.8%
Interest from retail accounts	29,364	38,511	31.2%	71,005	81,214	14.4%
Interest from corporate accounts	30,748	28,380	-7.7%	38,254	44,191	15.5%
Interest from municipal accounts	5,794	4,438	-23.4%	5,825	4,517	-22.5%
Interest from bonds	42,556	36,186	-15.0%	53,299	54,701	2.6%
Interest from mandatory reserves	6,350	4,649	-26.8%	6,895	5,053	-26.7%
Total interest income	142,576	141,601	-0.7%	204,067	223,289	9.4%
Interest to interbank accounts	7,939	12,035	51.6%	8,239	15,294	85.6%
Interest on retail accounts	44,416	36,561	-17.7%	49,021	42,756	-12.8%
Interest on corporate accounts	11,988	8,350	-30.3%	12,704	10,328	-18.7%
Interest on municipal accounts	5,472	3,750	-31.5%	5,822	4,050	-30.4%
Interest on bonds	135	81	-40.0%	7,647	12,384	61.9%
Interest on subordinated loan	399	728	82.5%	437	759	73.7%
Total interest expense	70,349	61,505	-12.6%	83,870	85,571	2.0%
Net interest income	72,227	80,096	10.9%	120,197	137,718	14.6%
Fees & commissions income	53,579	60,200	12.4%	42,677	56,396	32.1%
Fees & commissions paid	4,609	5,638	22.3%	10,027	8,910	-11.1%
Net fees & commissions	48,970	54,562	11.4%	32,650	47,486	45.4%
Securities trading	1,290	3,274	153.8%	2,482	4,473	80.2%
Forex trading	2,841	2,171	-23.6%	2,602	3,176	22.1%
Losses/Gains on property transactions	-94	-2	-97.9%	472	465	-1.5%
Insurance fee income	0	0		28,081	34,698	23.6%
Other	962	1,152	19.8%	5,048	7,414	46.9%
Non interest income	53,969	61,157	13.3%	71,335	97,712	37.0%
Ratio of non interest income	42.8%	43.3%	0.5%	37.2%	41.5%	4.3%
Total income	126,196	141,253	11.9%	191,532	235,430	22.9%
Personnel costs	23,485	26,070	11.0%	34,513	40,120	16.2%
Depreciation	4,506	5,840	29.6%	8,603	9,481	10.2%
Insurance costs	0	0		20,725	28,124	35.7%
Other costs	26,016	27,524	5.8%	37,005	43,202	16.7%
Operating costs	54,007	59,434	10.0%	100,846	120,927	19.9%
Cost/income ratio	42.8%	42.1%	-0.7%	52.7%	51.4%	-1.3%
Operating income	72,189	81,819	13.3%	90,686	114,503	26.3%
Diminution in value, provisions and loan losses	8,446	2,569	-69.6%	10,044	10,533	4.9%
Dividend received	8,075	13,937	72.6%	331	645	94.9%
Accounting for acquisition goodwill	-3,604	-4,081	13.2%	-4,086	-6,708	64.2%
Special financial institution tax for the year 2005	0	-4,784		0	-4,784	0.0%
Pre-tax profit	68,214	84,322	23.6%	76,887	93,123	21.1%
Taxes	9,703	10,861	11.9%	13,168	15,513	17.8%
Special financial institution tax for the year 2005	0	0		0	1,067	0.0%
Taxes due to consolidation	0	0		-129	-393	204.7%
Tax rate	14.2%	12.9%	-1.3%	17.0%	17.4%	0.4%
After tax profits	58,511	73,461	25.6%	63,848	76,936	20.5%

Non-consolidated and Consolidated IFRS balance sheets

in HUF million

	OTP Bank			Consolidated		
	June 30, 2005	**June 30, 2004**	**change**	**June 30, 2005**	**June 30, 2004**	**change**
Cash, due from banks and balances with the National Bank of Hungary	414,492	287,275	44.3%	469,349	311,011	50.9%
Placements with other banks, net of allowance for possible placement losses	140,072	129,783	7.9%	289,117	184,786	56.5%
Financial assets at fair value through profit and loss	44,283	21,733	103.8%	57,391	76,048	-24.5%
Securities held-for-trading	32,674	20,604	58.6%	45,472	74,913	-39.3%
Fair value adjustment of derivative financial instruments	11,609	1,129	928.3%	11,919	1,135	950.1%
Securities available-for-sale	363,385	324,127	12.1%	382,620	275,257	39.0%
Loans, net of allowance for possible loan losses	1,368,110	1,139,104	20.1%	2,889,124	2,227,127	29.7%
Accrued interest receivable	35,305	37,862	-6.8%	29,218	27,842	4.9%
Investments in subsidiaries	214,457	139,332	53.9%	10,747	5,968	80.1%
Securities held-to-maturity	481,033	534,761	-10.0%	238,925	270,624	-11.7%
Premises, equipment and intangible assets, net	98,728	88,024	12.2%	224,313	163,695	37.0%
Other assets	43,254	33,732	28.2%	102,188	66,882	52.8%
TOTAL ASSETS	**3,203,119**	**2,735,733**	**17.1%**	**4,692,992**	**3,609,240**	**30.0%**
Due to banks and deposits from the National Bank of Hungary and other banks	307,530	164,929	86.5%	406,884	178,899	127.4%
Deposits from customers	2,296,156	2,127,500	7.9%	3,146,585	2,585,648	21.7%
Liabilities from issued securities	1,988	2,013	-1.2%	325,706	238,633	36.5%
Accrued interest payable	12,690	18,483	-31.3%	33,490	30,065	11.4%
Other liabilities	112,600	84,266	33.6%	256,745	198,297	29.5%
Subordinated bonds and loans	46,002	15,295	200.8%	47,267	15,295	209.0%
TOTAL LIABILITIES	**2,776,966**	**2,412,486**	**15.1%**	**4,216,677**	**3,246,837**	**29.9%**
SHARE CAPITAL	28,000	28,000	0.0%	28,000	28,000	0.0%
RETAINED EARNINGS AND RESERVES	417,535	308,589	35.3%	479,143	358,917	33.5%
Retained earnings and reserves without earnings	347,619	245,916	41.4%	402,740	293,523	37.2%
Reserves	324,920	249,661	30.1%	389,111	290,964	33.7%
Fair value adjustment of securities available-for-sale and of derivative financial instruments recognised directly through equity	15,413	-7,004	-320.1%	6,343	-700	-1006.1%
Fair value adjustment of share based payments	7,286	3,259	123.6%	7,286	3,259	123.6%
Retained earnings	69,916	62,673	11.6%	76,403	65,394	16.8%
Treasury shares	-19,382	-13,342	45.3%	-31,704	-24,959	27.0%
MINORITY INTEREST	0	0		876	445	96.9%
TOTAL SHAREHOLDERS' EQUITY	**426,153**	**323,247**	**31.8%**	**476,315**	**362,403**	**31.4%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,203,119**	**2,735,733**	**17.1%**	**4,692,992**	**3,609,240**	**30.0%**

Non-consolidated and Consolidated IFRS Profit and Loss Account

in HUF million

	OTP Bank			Consolidated		
	1H 2005	1H 2004	change	1H 2005	1H 2004	change
Loans	71,410	65,116	9.7%	130,899	114,355	14.5%
Placements with other banks	18,507	20,524	-9.8%	21,431	20,733	3.4%
interest income without swap	*3,807*	*5,411*	*-29.6%*	*6,522*	*5,597*	*16.5%*
results of swaps	*14,700*	*15,113*	*-2.7%*	*14,909*	*15,136*	*-1.5%*
Due from banks and balances with the National Bank of Hungary	16,175	15,405	5.0%	16,932	16,968	-0.2%
Securities held-for-trading	1,226	1,482	-17.3%	1,558	3,480	-55.2%
Securities available-for-sale	13,700	13,312	2.9%	46,711	40,094	16.5%
Securities held-to-maturity	21,398	28,466	-24.8%	10,562	13,834	-23.7%
Total Interest Income	**142,416**	**144,305**	**-1.3%**	**228,093**	**209,464**	**8.9%**
Due to banks and deposits from the National Bank of Hungary and other banks	14,092	8,010	75.9%	15,430	8,323	85.4%
interest expenses without swap	*2,927*	*2,006*	*45.9%*	*4,368*	*2,390*	*82.8%*
losses of swaps	*11,165*	*6,004*	*86.0%*	*11,062*	*5,933*	*86.4%*
Deposits from customers	48,673	61,910	-21.4%	57,133	67,607	-15.5%
Liabilities from issued securities	79	83	-4.8%	12,381	7,596	63.0%
Subordinated bonds and loans	728	399	82.5%	759	437	73.7%
Other enterpreneurs	0	0		30	29	3.4%
Total Interest Expense	**63,572**	**70,402**	**-9.7%**	**85,733**	**83,992**	**2.1%**
NET INTEREST INCOME	**78,844**	**73,903**	**6.7%**	**142,360**	**125,472**	**13.5%**
Provision for possible loan losses	6,417	3,902	64.5%	12,893	8,479	52.1%
Provision for possible placement losses	-1	-7	-85.7%	33	-7	-571.4%
Provision for possible loan and placement losses	6,416	3,895	64.7%	12,926	8,472	52.6%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**72,428**	**70,008**	**3.5%**	**129,434**	**117,000**	**10.6%**
Fees and commissions	60,194	53,632	12.2%	54,746	42,748	28.1%
Foreign exchange gains and losses, net	-2,066	571	-461.8%	-1,221	338	-461.2%
Gains and losses on securities, net	2,943	205	1335.6%	3,260	789	313.2%
Gains and losses on real estate transactions, net	-18	-60	-70.0%	441	526	-16.2%
Dividend income and gains and losses of associated companies	13,937	8,075	72.6%	645	331	94.9%
Insurance premiums	0	0		32,481	25,172	29.0%
Other	1,342	1,200	11.8%	5,979	6,302	-5.1%
Total Non-Interest Income	76,332	63,623	20.0%	96,331	76,206	26.4%
Fees and commissions	5,821	4,601	26.5%	8,527	10,030	-15.0%
Personnel expenses	28,944	24,690	17.2%	42,996	35,742	20.3%
Depreciation and amortization	6,984	6,483	7.7%	10,313	14,210	-27.4%
Insurance expenses	0	0		27,806	20,220	37.5%
Other	26,414	25,612	3.1%	43,650	35,269	23.8%
Total Non-Interest Expense	68,163	61,386	11.0%	133,292	115,471	15.4%
INCOME BEFORE INCOME TAXES	**80,597**	**72,245**	**11.6%**	**92,473**	**77,735**	**19.0%**
Income taxes	10,681	9,572	11.6%	16,042	12,326	30.1%
INCOME AFTER INCOME TAXES	**69,916**	**62,673**	**11.6%**	**76,431**	**65,409**	**16.9%**
Minority interest	0	0		-28	-15	86.7%
NET INCOME	**69,916**	**62,673**	**11.6%**	**76,403**	**65,394**	**16.8%**

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

	January 1	March 31	June 30	September 31	December 31
Company	10,097,014	10,734,209	9,443,565		
Subsidiaries	7,914,020	7,914,020	7,914,020		
TOTAL	18,011,034	18,648,229	17,357,585		

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

	End of reference period	Current period opening	Current period closing
Company	8,024	7,777	7,843
Group	16,950	16,973	18,076

Senior officers, strategic employees and their shareholding of OTP shares

June 30, 2005

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi	Chairman and CEO	2,374,945 [2]
IT	Dr. Zoltán Spéder	Deputy Chairman and Deputy CEO	1,608,400
IT	Mr.Mihály Baumstark	member	70,000
IT	Dr. Tibor Bíró	member	40,000
IT	Mr. Péter Braun	member	671,905
IT	Dr. István Kocsis	member	63,500
IT	Mr. Csaba Lantos	member, Deputy CEO	219,116
IT	Mr. Géza Lenk	member, Deputy CEO	112,000
IT	Dr. Antal Pongrácz	member, Deputy CEO	182,000
IT	Dr. László Utassy	member	50,000
IT	Dr. József Vörös	member	110,000
FB	Dr. Tibor Tolnay	Chairman	100,580
FB	Dr. Gábor Horváth	member	20,000
FB	Mr. Antal Kovács	member	35,000
FB	Dr. Gábor Nagy	member	130,000
FB	Dr. Sándor Pintér	member	7,000
FB	Ms. Klára Vécsei	member	8,500
SP	Mr. Gyula Pap	Deputy CEO	271,820
SP	Mr. László Wolf	Deputy CEO	787,640
Total:			4,742,406 [3]

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] His own shares and his own company's OTP shares total.
[3] Senior officers' and strategic employees' personal own shares total.

Ownership structure of OTP Bank Ltd.

Description of owner	Total equity					
	January 1, 2005			June 30, 2005		
	%[2]	%[3]	Qty	%[2]	%[3]	Qty
Domestic institution/company	2.4%	4.1%	6,614,671	4.6%	7.6%	12,765,926
Foreign institution/company	83.9%	84.7%	234,842,980	82.0%	81.6%	229,526,224
Domestic individual	1.6%	2.8%	4,543,062	2.2%	3.7%	6,209,098
Foreign individual	0.0%	0.0%	53,576	0.0%	0.0%	53,757
Employees, senior officers	3.3%	5.7%	9,184,567	2.7%	4.5%	7,461,096
Treasury shares	6.4%	0.0%	18,011,034	6.2%	0.0%	17,357,585
Government held owner [4]	0.4%	0.7%	1,150,111	0.4%	0.6%	1,026,315
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.

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