OTP Bank Plc.

Summary of the full-year 2008 results

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

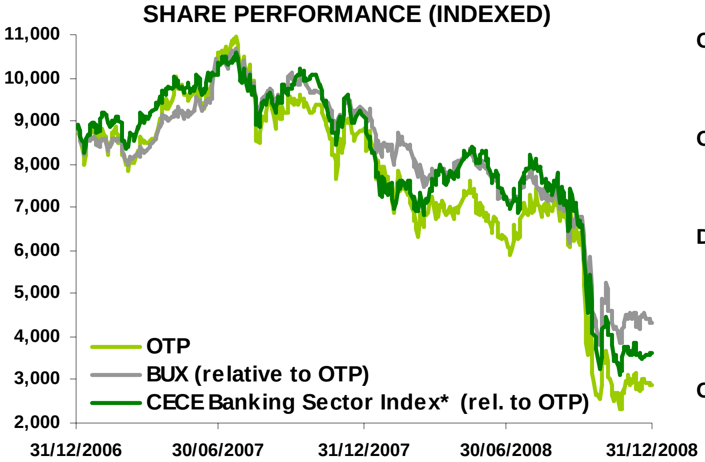
Budapest, 13 February, 2009

CONSOLIDATED FINANCIAL[1] HIGHLIGHTS AND SHARE DATA

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Consolidated after tax profit	**208,548**	**303,454**	**45.5%**	**51,599**	**172,127**	**1,709**	**-99.0%**	**-96.7%**
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, the result of the sale of OTP Garancia Group and goodwill imp. charges	**208,147**	**219,028**	**5.2%**	**52,759**	**53,564**	**45,208**	**-15.6%**	**-14.3%**
Pre-tax profit	248,671	249,642	0.4%	60,518	65,030	44,679	-31.3%	-26.2%
Total income	629,242	733,123	16.5%	170,146	175,137	211,714	20.9%	24.4%
Net interest income (adj.)	438,436	515,621	17.6%	114,700	129,203	145,473	12.6%	26.8%
Net fees and commissions	133,009	140,572	5.7%	38,433	34,851	36,957	6.0%	-3.8%
Total other non-interest income (adj.)	57,797	76,931	33.1%	17,013	11,083	29,284	164.2%	72.1%
Provision for possible loan losses (adj.)	-42,085	-107,586	155.6%	-16,663	-17,247	-62,225	260.8%	273.4%
Other provisions	-7,397	-12,256	65.7%	-1,719	-2,025	-10,441	415.7%	507.3%
Operating expenses (adj.)	-331,089	-363,640	9.8%	-91,246	-90,836	-94,370	3.9%	3.4%
Main components of balance sheet closing balances in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Total assets	8,461,874	9,442,328	11.6%	8,461,874	9,363,461	9,442,328	0.8%	11.6%
Placements with other banks and securities	654,788	591,056	-9.7%	654,788	682,834	591,056	-13.4%	-9.7%
Total customer loans and advances (gross)	**5,761,095**	**7,005,826**	**21.6%**	**5,761,095**	**6,660,303**	**7,005,826**	**5.2%**	**21.6%**
Liabilities to credit institutions	798,154	850,605	6.6%	798,154	761,759	850,605	11.7%	6.6%
Total customer deposits	**5,038,372**	**5,214,848**	**3.5%**	**5,038,372**	**5,375,929**	**5,214,848**	**-3.0%**	**3.5%**
Issued securities	985,265	1,527,096	55.0%	985,265	1,425,603	1,527,096	7.1%	55.0%
Subordinated loans	301,164	316,796	5.2%	301,164	291,216	316,796	8.8%	5.2%
Total shareholders' equity	895,577	1,111,341	24.1%	895,577	1,136,482	1,111,341	-2.2%	24.1%
Indicators %	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Gross loan/deposit ratio (%)	114.3%	134.3%	20.0%	114.3%	123.9%	134.3%	10.5%	20.0%
Net interest margin (adj.)	5.64%	5.76%	0.12%	5.51%	5.64%	6.15%	0.51%	0.64%
Cost/income ratio (adj.)	52.6%	49.6%	-3.0%	53.6%	51.9%	44.6%	-7.3%	-9.1%
Risk cost to average gross loans (adj.)	0.8%	1.7%	0.9%	1.2%	1.1%	3.6%	2.6%	2.4%
ROA (adj.)	2.7%	2.4%	-0.2%	2.5%	2.3%	1.9%	-0.4%	-0.6%
ROE (adj.)	24.7%	21.8%	-2.9%	23.6%	20.5%	16.0%	-4.5%	-7.6%
Share Data	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
EPS base (HUF)	797	1,184	48.6%	199	661	7	-99.0%	-96.6%
EPS diluted (HUF)	795	1,180	48.5%	198	659	7	-99.0%	-96.6%
Closing price (HUF)	8,790	2,875	-67.3%	8,790	6,110	2,875	-52.9%	-67.3%
High (HUF)	10,939	8,874	-18.9%	9,601	7,409	6,405	-13.6%	-33.3%
Low (HUF)	7,680	2,320	-69.8%	7,680	5,911	2,320	-60.8%	-69.8%
Market Capitalization (HUF billion)	2,461	805	-67.3%	2,461	1,711	805	-52.9%	-67.3%

- ***The adjusted HUF 219 billion after tax earning is in line with modified profit forecast***
- ***The consolidated HUF 303.5 billion profit includes two important one-off items: HUF 121.4 billion net result of Garancia Insurance sale and HUF 34.8 billion goodwill write off***
- ***Improving NIM (5,76%), CIR below 50%, ROE at 21.8%***
- ***Dynamic lending growth (21.6%), weakening credit quality (NPL: 5.4%), stable NPL coverage (64%)***
- ***Favourable capital position with combined CAR at 15.3%, Tier1: 11.2%***

SHARE PERFORMANCE (INDEXED)



MOODY'S RATINGS

OTP Bank	
Foreign currency long term deposits	A3
Unsecured bonds	Aa3
Financial strength	C+
OTP Mortgage Bank	
Covered mortgage bond	Aa1
Foreign currency long term deposits	A3
Financial strength	C+
DSK Bank	
Long term deposits	Baa3
Local currency long term deposits	Baa1
Financial strength	D+

STANDARD & POOR'S RATINGS

OTP Bank and OTP Mortgage Bank	
Long term credit rating	BBB

[1] Structural adjustments made on consolidated IFRS profit and loss statement together with the calculation methodology of adjusted indicators are detailed in the Supplementary data section of the Summary.

SUMMARY OF THE FULL-YEAR 2008 RESULTS

OTP Bank Plc. has prepared its consolidated and unconsolidated, unaudited IFRS report for 31 December, 2008. Below we present our analysis derived from the consolidated and the unconsolidated condensed IFRS financial statements adopted by the European Union.

SUMMARY OF THE LAST THREE MONTHS AND FULL-YEAR 2008

The October-December period of 2008 turned to be one of the most challenging quarters for the Group with respect to its activity due to rapidly changing local and global macro environment, unprecedented currency and interest rate moves.

The maintenance of safe liquidity and stable capital position able to absorb future potential losses, as well as prudent provisioning policy were never ever as important as nowadays. The management gave special importance to deposit collection efforts and other sources of liquidity, made loan underwriting criteria more stringent. While last quarter loan quality deterioration was not that significant, given the bleak macro outlook and also a sharp devaluation of several local currencies, rapid increase in risk costs could be easily justified.

Market developments in Hungary

Following the bankruptcy of Lehman Brothers on 15 September, Hungary with its high external debt profile and significant FX-exposure of its banking system came under heavy pressure from markets. The further escalation of the situation could be avoided only with a meaningful USD 25.1 billion IMF stabilization package.

In October HUF weakened to record levels against all major currencies, underlying government yields widened by several hundred basis points, non-resident liquidated substantial portion of their Government debt holdings. In such situation the Hungarian Central Bank raised base rate by 300 bps and adopted several measures aimed at easing the temporary liquidity squeeze of the markets.

As a result, HUF gradually recovered and came back to more normal terms by the end of the year, still, both on a yearly and quarterly base it showed a significant weakening. The central bank also eased monetary conditions and cut rates three times (from 11.5% to 10.0%). NBH also changed its communication suggesting that it may tolerate somewhat weaker currency and still meeting its 2009 CPI-targets.

Recent developments at foreign subsidiaries

Similar to Hungary, countries with high external imbalance and heavy FX-exposure could experience rapidly changing market sentiment. Most of the local currencies, especially the UAH, RUB and RON were heavily oversold, especially in December. Parallel with that October and November witnessed rapid deposit outflows almost in every country, hence the local managements had to launch promotion campaigns in order to stabilize the situation. The lack of wholesale funding put a brake on lending, loan volumes grew rather on the back of currency devaluations.

Record 2008 earnings

In 2008 OTP Group realized an all-time high earning of HUF 303.5 billion (+45.5% y-o-y) supported by the hefty one-off revenue from the sale of Garancia Insurance. With the transaction OTP Bank booked in total a net revenue of HUF 121.4 billion. Despite of the significant weakening of HUF against EUR (HUF 11.4 y-o-y) the negative net effect on the strategic open FX-position was lower than expected, due to a partial closure of the original position in 4Q. Furthermore, in case of its Ukrainian and Serbian subsidiaries, the management decided about a goodwill write-down of total HUF 34.8 billion. Thus adjusted by the proceeds from the Garancia deal, the dividends, one-off cash transfers, the effect of open FX-position, as well as the goodwill write-downs, net earnings represented HUF 219 billion (+5% y-o-y). This result basically matches the earlier forecast of the management.

Net interest income grew by 17.6% y-o-y (+12.6% q-o-q), while net F&C income increased by 5.7% y-o-y (+6.0% q-o-q) respectively. As for operating expenses, the Group managed to maintain a close control on them, hence the cost-to-income ratio improved by 3%-points y-o-y and dropped below 50%. Keeping close eye on deteriorating macro environment and a significant weakening of several local currencies, the management took a cautious stance on provisioning: it increased by 156% y-o-y; the loan quality started showing some weakening (4Q NPL: 5.4%, +1.2%-point y-o-y). As a result, NPL-coverage reached 64%. The consolidated NIM improved both y-o-y and q-o-q (+12 and 51 bps respectively).

Impact of weakening HUF

The original volume of EUR 570 million open FX-position was gradually cut back to EUR 350 million by the of 2008; of that an EUR 50 million portion represented an USD/HUF short position. The main reasons behind the move were the heavy volatility of HUF and the forecasted decline in foreign subsidiaries' profit contribution. HUF lost ground against all major currencies: 11.4 HUF vs.

EUR, 26.7 HUF vs. CHF, 15.3 HUF vs. USD and 56 HUF vs. JPY, respectively. Such a sharp move had an impact of balance sheet volumes, as well. In 2008 consolidated gross loan book grew by 21.6% y-o-y (+5.2% q-o-q), whereas deposits increased by mere 3.5% and even dropped in 4Q (-3.0%). As a result, the loan-to-deposit ratio reached 134.3% vs. 114.3% a year ago.

Loan origination in Hungary declined in 4Q, market positions were stable

The Hungarian core banking operation realized HUF 131.5 billion net profit which was somewhat below the original management guidance (-6.4% y-o-y) Loan volumes expanded by 8.8% y-o-y and by 4.6% q-o-q respectively. Within that the retail sector achieved excellent results growing by 25.6% y-o-y and 8% q-o-q. During the same period corporate activity was halted back deliberately and the loan book dropped by 13% y-o-y. Mortgage lending performed above the plan, however in 4Q it slowed down significantly. Within new origination FX-linked lending showed some decline in 4Q, its share in outstanding total loan volumes reached 53% by the end of 2008.

As for other Hungarian group members, despite worsening market conditions Merkantil Group managed to increase its loon book to HUF 323 billion (+17.9% y-o-y), its adjusted profit represented HUF 3.8 billion. OTP Fund Management's result dropped by 20% as a result of declining assets under management (-15.6%). Garancia Insurance reached and adjusted HUF 5.3 billion net results.

Market positions of OTP Group's showed a decline for total loans by 1.5%, but household consumer loans gained 1.2% with FX housing loan position remaining unchanged (21.1%). The share of municipality loans dropped 6.9% and corporate loans by 2.5% respectively. Within total deposits the Group represented 24.1%, unchanged y-o-y, but marking a quarterly decline of 1.1%. Household HUF deposits declined by 1.3%, on the other hand, FX-deposits grew by the same scale. Municipality deposit share dropped by 12.2%, the corporate position grew by 1.3%. One should note, however, that parallel with the decline in household deposits, the Bank managed to sell app. HUF 80 billion retail bonds, thus its position in overall household savings still improved.

Performance at foreign subsidiaries

All subsidiaries across the Group had to scope with heavily deteriorating operating environment. Local central banks tried to ease liquidity constrains through different measure, whereas the banks focused on offsetting the negative impact of deposit run, but also increasing loan interests and cutting back lending volumes.

DSK Group, being the most important player in terms of balance sheet and profit contribution managed to increase its loan book by 30.1% y-o-y (+11.6% q-o-q), deposits grew by 11.2% (+6.8% q-o-q) respectively. The net profit reached HUF 30.6 billion (+15.9%). NII grew dynamically +20% y-o-y, NIMs eroded only by 9 bps respectively, while net F&C increased even faster (+22.4%). In Ukraine, the bank's 2008 results of HUF 17.2 billion showed a 22.1% y-o-y improvement. Alongside with the fast growth of NII (+66.8%) and net F&C, provisioning far exceeded any previous plans by its total volume of HUF 26.4 billion. The cautious step is justified by the worsening of the loan portfolio (NPL: 3.6%). Gross loans expanded by 43.9% y-o-y (+4.8% q-o-q). Despite all efforts, deposits dropped by 2.9% y-o-y, the dire 4Q performance (-21.9% q-o-q) practically eroded the earlier achievements.

At the Russian subsidiary gross loans increased by 25.9%, with the retail book expanding by 35.4%. However, in 4Q mortgage lending was practically stopped, and the seasonal pick-up of POS-lending did not occur, either. Despite the significant provisioning increase, net earnings grew by 25.5%. Efficiency improved further (CIR stood at 59.5%) and as a result of dynamic NII increase (+53%), NIM is still hovering around 13%.

Out of smaller group members CKB Montenegro realized eye-catching earning growth of 58%, gross loans expanded by 35.9% with corporate lending growing by almost 47.7%. OBH Croatia performed nicely, too with earning improvement of 39.2% y-o-y and loans growing by 24.4% respectively. OBS Slovakia's profit lagged behind its 2007 performance, the net earning of HUF 2 billion represented a decline of 20.7%. The strong performance of NII and net F&C was mitigated by faster growing provisioning (+45.4% y-o-y). OBR Romania managed to close its first ever profitable year against a loss of HUF 3 billion in 2007. The loan book grew rapidly (+50.5%), within that retail segment increased even faster (+72.6%). The Serbian bank captured a profit after tax of HUF 2.3 billion, mainly due to some one-off revenues. Its loan book grew by almost 50%, both the retail and the corporate lending being equally active.

Out of the total earnings contribution of foreign subsidiaries grew from 25% a year ago to 31%. Their share in gross loans increased to 49.3% and to 38.4% in deposits, respectively.

In the last quarter the branch network of OTP Group expanded by 39 branches: of which 46 have been opened in Ukraine, and new branches were opened in Russia and Croatia. But 7 branches in Bulgaria and another 4 in Hungary have been closed.

Stable capital position, PAT somewhat below original target

Due to the successful Garancia-transaction, as well as the profitable quarters all across in 2008, OTP's capital position further strengthened (by 2 %-points). The IFRS based CAR stood at 15.3%, with Tier1 at 11.2%, both levels being well above the European average and also, far higher than that of for OTP's peer group banks.

Only in 1H 2008 OTP Bank tapped wholesale capital markets; amid worsening conditions in 2H the Bank kept away from bond markets. In November Moody's downgraded Hungary's long term credit rating to A3, OTP Bank got the same level. However, due to the active ALM of the Bank, as well as the particular steps of the central bank aimed at boosting local interbank liquidity, OTP Bank smoothly managed its liability profile. Though the cost of swap transactions became more expensive since October, the Bank could always renew its swap contracts with the NBH and to a growing extent with third parties.

With regard to the adverse changes of markets from 2H 2008 and the worsening operating environment all across the Group, the OTP's management considers the adjusted net earning of HUF 219 billion as a remarkable achievement.

The substantial goodwill write-down (HUF 34.8 billion) had no impact on the Bank's capital position, however was in line with the market expectation and reflects the management well-balanced, cautious forward looking approach.

POST BALANCE SHEET EVENTS

- From 1 January 2009, Slovakia became the newest member of the Eurozone.
- In its decree of 8 January, the Hungarian Banking Supervision agreed that Artio Global LLC (earlier: Julius Baer Investment Management) could obtain more than 15%, but not exceeding 33% voting rights in OTP Bank.
- On 12 January Moody's changed the outlook of several Bulgarian banks from stable to negative, including that of for DSK (Baa3), reasoned by the deteriorating operating environment.
- On 28 January the National Bank of Hungary and the Swiss National Bank agreed that the latter will provide CHF to NBH through a 7-day swap facilities in order to ease the Hungarian banking sector CHF demand. Also, NBH decided to offer a 6-months FRN repo facility to the Hungarian banks with the aim of boosting liquidity.
- On 4 February, NBH decided to accept local government bonds as repoable instruments; it will create an additional liquidity of app. HUF 80 billion for OTP Bank.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[2]

in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Consolidated after tax profit	208,548	303,454	46%	51,599	172,127	1,709	-99%	-97%
Profit of the strategic short position[1] (after tax)	-479	-4,720	886%	-1,181	-3,578	-9,457	164%	701%
Dividend and total net cash transfers (consolidated)	879	2,531	188%	21	694	790	14%	
Profit of the sale of OTP Garancia Group (after tax)	0	121,447		0	121,447	0	-100%	
Goodwill impairment charges (after tax)[2]	0	-34,833		0	0	-34,833		
Consolidated after tax profit without the result of strategic open FX position. consolidated dividend and net cash transfers. the result of the sale of OTP Garancia Group and goodwill impairment charges	208,147	219,028	5%	52,759	53,564	45,208	-16%	-14%
Banks total without one-off items[3]	185,886	201,570	8%	47,577	50,907	45,267	-11%	-5%
OTP CORE (Hungary)[4]	140,461	131,534	-6%	34,546	34,733	19,572	-44%	-43%
Corporate Centre[5] (after tax)	-8,165	2,159	-126%	-1,868	-850	4,625	-644%	-348%
After tax result of subsidiary financing[6]	4,703	15,314	226%	1,503	2,243	8,005	257%	433%
Interest expense of Tier2 Capital	-12,869	-13,155	2%	-3,371	-3,092	-3,380	9%	0%
OAO OTP Bank Russia	7,590	8,899	17%	3,041	1,745	3,925	125%	29%
OTP Bank Russia adj,	7,088	8,899	26%	3,041	1,745	3,925	125%	29%
OTP Bank Russia one-off items[7]	502	-	-100%	0	-	-		-100%
CJSC OTP Bank (Ukraine)	14,089	17,206	22%	3,116	4,167	6,161	48%	98%
DSK+SPV (Bulgaria)	26,408	30,604	16%	7,240	7,375	8,070	9%	11%
OBR adj, (Romania)8	-2,990	133	-104%	-793	1,008	329	-67%	-141%
OTP banka Srbija (Serbia)	594	2,338	294%	-298	-191	194	-202%	-165%
OTP banka Srbija. adj,	594	510	-14%	-298	-189	194	-203%	-165%
OTP banka Srbija one-off items[9]	-	1,828		-	-2	0	-101%	
OBH (Croatia)	3,554	4,945	39%	731	1,351	1,234	-9%	69%
OBS (Slovakia)	2,600	2,062	-21%	1,394	609	142	-77%	-90%
OBS. adj,	2,600	2,170	-17%	1,394	609	250	-59%	-82%
OBS one-off items[10]	-	-108		-	-	-108		
CKB (Montenegro)	2,247	3,411	52%	469	958	908	-5%	94%
Leasing	7,781	3,465	-55%	2,223	1,913	-2,639	-238%	-219%
Merkantil Bank + Car adj, (Hungary)[11]	7,978	3,779	-53%	2,122	1,938	-2,191	-213%	-203%
Merkantil Bank + Car one-off items[12]	0	-373		0	0	-448		
Foreign leasing companies (Slovakia)[13]	-196	59	-130%	101	-25	0	-100%	-100%
Insurance companies	6,230	4,036	-35%	1,725	397	0	-100%	-100%
OTP Garancia (Hungary)	7,480	5,149	-31%	2,280	510	0	-100%	-100%
OTP Garancia. adj,	7,008	5,338	-24%	2,156	557	0	-100%	-100%
OTP Garancia one-off items[14]	472	-189	-140%	124	-47	0	-100%	-100%
Foreign insurance companies (Bulgaria. Slovakia. Romania)[15]	-1,250	-1,114	-11%	-555	-113	0	-100%	-100%
Asset Management	6,223	4,743	-24%	1,845	1,397	223	-84%	-88%
OTP Asset Management (Hungary)	6,223	4,988	-20%	1,845	1,397	468	-67%	-75%
Value creation of OTP Asset Management (after-tax)[16]	10,610	10,203	-4%	3,198	2,698	1,677	-38%	-48%
Foreign Asset Management Companies[17]	0	-245		0	0	-245		
Other Hungarian Subsidiaries	-115	1,700	-1579%	-1,607	-227	621	-373%	-139%
Other Foreign Subsidiaries (Slovakia, United Kingdom)[18]	54	32	-39%	-15	-6	-43	621%	184%
Eliminations	1,587	1,762	11%	1,012	-814	1,888	-332%	87%
Total after tax profit of HUNGARIAN subsidiaries[19]	155,448	150,698	-3%	38,330	36,687	24,535	-33%	-36%
Total after tax profit of FOREIGN subsidiaries[20]	52,699	68,330	30%	14,429	16,878	20,673	22%	43%
Share of foreign profit contribution, %	25%	31%	6%	27%	32%	46%	14%	18%

[2] Belonging footnotes are in the Supplementary data section of the Summary.

CONSOLIDATED AND UNCONSOLIDATED, UNAUDITED IFRS REPORTS OF OTP BANK PLC. FOR THE PERIOD ENDED 31 DECEMBER, 2008

CONSOLIDATE PROFIT & LOSS ACCOUNT

Main components of P&L account[1] in HUF million	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Consolidated after tax profit	**208,548**	**303,454**	**45.5%**	**51,599**	**172,127**	**1,709**	**-99.0%**	**-96.7%**
Dividends and net cash transfers (after tax)	879	2,531	187.9%	21	693	790	14.0%	
Profit of the strategic open FX position (after tax)	-479	-4,720	885.7%	-1,181	-3,578	-9,457	164.3%	700.7%
Pre tax result of strategic open FX position	-598	-5,899	885.7%	-1,476	-4,472	-11,821	164.3%	700.7%
Income taxes	120	1,180	885.7%	295	894	2,364	164.3%	700.7%
Profit of the sale of OTP Garancia Group (after tax)	0	121,447		0	121,447	0	-100.0%	
Goodwill impairment charges (after tax)	0	-34,833		0	0	-34,833		
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, the result of the sale of OTP Garancia Group and goodwill impairment charges	**208,147**	**219,028**	**5.2%**	**52,759**	**53,564**	**45,208**	**-15.6%**	**-14.3%**
Before tax profit	**248,671**	**249,642**	**0.4%**	**60,518**	**65,030**	**44,679**	**-31.3%**	**-26.2%**
Total income	**629,242**	**733,123**	**16.5%**	**170,146**	**175,137**	**211,714**	**20.9%**	**24.4%**
Net interest income (adj.)	**438,436**	**515,621**	**17.6%**	**114,700**	**129,203**	**145,473**	**12.6%**	**26.8%**
Net fees and commissions	**133,009**	**140,572**	**5.7%**	**38,433**	**34,851**	**36,957**	**6.0%**	**-3.8%**
Other net non-interest income (with net insurance result and net other, other non-interest result) (adj.)	**57,797**	**76,931**	**33.1%**	**17,013**	**11,083**	**29,284**	**164.2%**	**72.1%**
Foreign exchange result, net (adj.)	16,992	44,534	162.1%	5,821	5,418	23,799	339.3%	308.8%
Gain/loss on securities, net (adj.)	5,085	-1,087	-121.4%	-197	-442	-226	-48.8%	14.7%
Net insurance result	14,387	13,254	-7.9%	5,312	1,448	-3	-100.2%	-100.1%
Insurance premiums	83,591	60,431	-27.7%	21,307	16,974	-2	-100.0%	-100.0%
Insurance expenses	-69,204	-47,178	-31.8%	-15,995	-15,526	-1	-100.0%	-100.0%
Net other non-interest result (adj.)	21,333	20,230	-5.2%	6,077	4,659	5,715	22.6%	-6.0%
Provision for possible loan losses (adj.)	**-42,085**	**-107,586**	**155.6%**	**-16,663**	**-17,247**	**-62,225**	**260.8%**	**273.4%**
Other provisions	**-7,397**	**-12,256**	**65.7%**	**-1,719**	**-2,025**	**-10,441**	**415.7%**	**507.3%**
Operating cost	**-331,089**	**-363,640**	**9.8%**	**-91,246**	**-90,836**	**-94,370**	**3.9%**	**3.4%**
Personnel expenses	-147,830	-167,301	13.2%	-39,867	-42,250	-43,862	3.8%	10.0%
Depreciation (adj.)	-35,627	-38,804	8.9%	-9,398	-10,760	-8,394	-22.0%	-10.7%
Other expenses (adj.)	-147,632	-157,535	6.7%	-41,981	-37,826	-42,114	11.3%	0.3%
from this: contribution tax/special banking tax	-6,525	-5,711	-12.5%	-1,560	-1,385	-1,428	3.1%	-8.4%
Income taxes	-40,524	-30,614	-24.5%	-7,759	-11,466	530	-104.6%	-106.8%
from this: contribution tax/special banking tax	-378	-321	-15.2%	-93	-122	21	-117.1%	-122.4%
INDICATORS (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Net interest margin (adj.)	5.64%	5.76%	0.12%	5.51%	5.64%	6.15%	0.51%	0.64%
Cost/income ratio (adj.)	52.6%	49.6%	-3.0%	53.6%	51.9%	44.6%	-7.3%	-9.1%
Risk cost to average gross loans (adj.)	0.82%	1.69%	0.87%	1.20%	1.07%	3.63%	2.56%	2.43%
ROA (adj.)	2.7%	2.4%	-0.2%	2.5%	2.3%	1.9%	-0.4%	-0.6%
ROE (adj.)	24.7%	21.8%	-2.9%	23.6%	20.5%	16.0%	-4.5%	-7.6%

- ***Adjusted net result of HUF 219 billion (+5.2% y-o-y) basically matched the modified earning target***
- ***Strong NII dynamism (+17.6%), supported by quarterly and yearly NIMs***
- ***Improving efficiency, CIR dropped below 50%***
- ***Despite worsening operating environment stable ROE (21.8%)***

Note: due to regulatory changes few particular items booked at OTP Core in 3Q 2008 as other non-interest expenditure were abolished. In order to show comparable time series in our current summary, we have omitted those expenditure items from 3Q summary retrospectively (their total after tax effect was app. HUF 3.5 billion). Therefore 3Q reported earnings both for OTP Core and the Group will be by HUF 3.5 billion higher. Moreover, due to a change in booking principles of other provisions at OTP Bank Russia effective from 4Q 2008, there has been a retrospective modification in consolidated NII (more details: see at OTP Bank Russia).

OTP Group realized HUF 303.5 billion profit after tax in 2008 which means a 45.5% yearly growth.

Result reflecting underlying business developments amounted to HUF 219 billion (+5.2% y-o-y). This result includes neither a HUF 121.4 billion total one-off result from the sale of Garancia Insurance, nor a HUF 4.7 billion loss on open-FX position and the positive effect of dividends and net cash transfers (HUF 2.5 billion). Furthermore, it did not incorporate a HUF 34.8 goodwill write-offs after the Ukrainian and Serbian operation.

Consolidated pre-tax earnings represented HUF 249.6 billion, basically being flat to 2007 similar line. The y-o-y decreasing effective tax rate was supported by a tax shield realized by OTP Core. This was enabled by the fact, that some sort of – primarily not interest – results are evaluated differently in HAS and IFRS (e.g. revaluation of subsidiary investments; valuation of some derivative positions). Therefore OTP Bank's PAT in HAS was well below its PAT in IFRS, which resulted a significant decrease in tax base of OTP Bank, consequently lower tax for Core and OTP Group, respectively.

The consolidated adjusted net interest income of the Group reached HUF 515.6 billion, a remarkable increase of 17.6% y-o-y. Net interest margin on a Group level improved by 12 bps reaching 5.76%.

The significantly deteriorating macro environment together with the substantial depreciation of several local currencies justified a cautious, forward looking provisioning policy. The volume of adjusted provisions reached HUF 107.6 billion by the end of 2008, one and a half time higher than in 2007. Consolidated risk costs doubled and climbed to 1.73%.

Within non-interest revenue income net fee & commission income grew only by a mere 5.7%, while net result on securities amounted to a HUF 1.1 billion loss as a result of sharply increasing yields. On the net FX gain line the group realized HUF 44 billion, excluding a pre-tax loss of HUF 5.9 billion on open FX-position. The significant, HUF 27 billion y-o-y increase was mainly due to the revaluation gains on the Ukrainian risk provisions.

Net insurance income (HUF 13.3 billion) declined by 7.9% y-o-y, whereas the adjusted other net income decreased by 5.2% respectively.

Within total income non-interest income represented 29.7%, by 0.6%-points lower than in the base period.

Operating expenses grew by a moderate 6.7% y-o-y, within that personnel costs increased by 13.2%, reflecting the effect of network expansion.

Consolidated cost-to-income ratio improved by 3%-points on a yearly base and dropped below 50%. The consolidated ROA was 2.4% (-20 bps y-o-y), ROE reached 21.8% (-2.9%-points y-o-y). Earnings per share (EPS) reached HUF 1.184 (+HUF 387 y-o-y), diluted EPS equalled to HUF 1.180 (+HUF 385 y-o-y).

Summary of the fourth quarter

Profit after tax of OTP Group adjusted by one-off items reached HUF 45.2 billion, a quarterly decline of 15.6%. Due to the significant weakening of HUF the loss on open FX-position was HUF 9.5 billion vs. HUF 3.6 billion in 3Q. In the last quarter HUF depreciated by HUF 21.6 against EUR and by 18.8 against USD.

In 4Q the adjusted NII (HUF 145.5 billion) was by HUF 16.3 billion higher than in 3Q (+12.6% q-o-q). Net interest margin grew by a remarkable 51 bps reaching 6.15%. Net F&C improved by 6% in spite of moderating balance sheet volumes.

Adjusted other net non-interest income sharply grew (+164%) mainly due to the revaluation gain on the Ukrainian provisioning. Loss on securities increased by 49% q-o-q.

Within non-interest expenditures operating expenses grew moderately by 3.9%, personnel costs increased only by 3.8%. The consolidated cost-to-income ratio stood at 44.6%, a decline of 7.3%-point.

Consolidated profitability indicators showed a downturn: the consolidated ROA was 1.9%, a decrease of 40 bps, while ROE went down by 4.5%-point to 16.0%.

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
TOTAL ASSETS	**8,461,874**	**9,363,461**	**9,442,328**	**0.8%**	**11.6%**
Cash and bank	353,243	309,770	345,397	11.5%	-2.2%
Placements with other banks	654,788	682,834	591,056	-13.4%	-9.7%
Financial assets at fair value	285,895	169,437	129,347	-23.7%	-54.8%
Securities available-for-sale	473,925	368,895	480,916	30.4%	1.5%
Gross customer loans	**5,761,095**	**6,660,303**	**7,005,826**	**5.2%**	**21.6%**
o/w Retail loans	3,229,405	3,915,634	4,249,871	8.5%	31.6%
Corporate loans	2,191,015	2,364,973	2,361,896	-0.1%	7.8%
Car financing loans	336,422	375,760	389,767	3.7%	15.9%
Provisions on loans	-178,658	-218,775	-270,284	23.5%	51.3%
Equity investments	9,892	11,797	10,342	-12.3%	4.5%

Main components of balance sheet in HUF million	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Securities held-to-maturity	317,557	572,700	321,619	-43.8%	1.3%
Intangible assets	541,909	533,724	527,976	-1.1%	-2.6%
Other assets	242,228	272,776	300,133	10.0%	23.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,461,874**	**9,363,461**	**9,442,328**	**0.8%**	**11.6%**
Liabilities to credit institutions	798,154	761,759	850,605	11.7%	6.6%
Customer deposits	**5,038,372**	**5,375,929**	**5,214,848**	**-3.0%**	**3.5%**
o/w Retail	3,487,486	3,627,075	3,829,838	5.6%	9.8%
Corporate	1,548,818	1,748,855	1,385,010	-20.8%	-10.6%
Issued securities	985,265	1,425,603	1,527,096	7.1%	55.0%
Other liabilities	383,189	278,345	324,036	16.4%	-15.4%
Subordinated bonds and loans	301,164	291,216	316,796	8.8%	5.2%
Total Shareholders' Equity	**895,577**	**1,136,482**	**1,111,341**	**-2.2%**	**24.1%**
	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Loan/deposit ratio	114.3%	123.9%	134.3%	10.5%	20.0%
Share of NPLs	4.2%	4.5%	5.4%	0.9%	1.2%

- ***Steady yearly loan growth (21.6%) with some moderation in 4Q (+5.2%); volumes were also supported by FX depreciation***
- ***Loan quality deteriorated, NPL: 5.4% (+1.2% y-o-y)***
- ***Stable capital positions, CAR stood at 15.3% with Tier1 at 11.2%***
- ***Loan-to-deposit ratio grew by 20% y-o-y***

IFRS consolidated total assets reached HUF 9,442 billion (+11.6% y-o-y). The Group's consolidated shareholders equity was HUF 1,111 billion (+24.1% y-o-y), representing 11.8% of total assets.

Volume of gross consolidated loans grew by 21.6%, reaching HUF 7,006 billion (+21.6% y-o-y and +5.2% q-o-q). The share of gross loans within total assets represented 74.2%. Note, that quarterly dynamism was also fuelled by the significant devaluation of several local currencies (HUF, UAH, RON, RUB) against USD and CHF.

Out of gross loans retail loans (including loans to micro- and small enterprises) represented the biggest portion (HUF 4,250 billion, 60.7%). The corporate loan book with municipality (HUF 2,362 billion) meant 33.7%, while car financing (HUF 390 billion) represented the smallest portion (5.6%). Within retail loans mortgages (including home equities) stood at HUF 2,707 billion and consumer loans at HUF 1,148 billion, respectively.

The expansion of the gross loan portfolio in past 12 months was the most remarkable at OBR (+50.5%), OTP banka Srbija (+50.0%) and CJSC OTP Bank Ukraine (+43.9%), but lending at other subsidiaries was also strong, with growth rate hovering between 24 and 36%. In the previous quarter Bulgaria, Romania and Croatia managed to capture significant loan growth (11.6%, 11.1% and 10.3% respectively.)

Parallel with the dynamic lending activity the portfolio quality deteriorated: NPL-ratio stood at 5.4% (+0.9%-points q-o-q). It worsened the most in Ukraine and Montenegro, in both cases NPLs grew three-fold y-o-y reaching 3.6% and 5.8% respectively. On the other hand within the Group OBH had the safest portfolio with NPLs at 1.7%.

Consolidated loan loss provisions reached HUF 270 billion (+51.3% y-o-y and +23.5% q-o-q). The total volume of NPLs represented HUF 379 billion thus their coverage stood at 64%.

Consolidated deposits grew less so dynamically, only by 3.5% on a yearly base; on a quarterly base it dropped by 3%. Deposit promotions could only partially mitigate the negative effect of deposit withdrawals. As a result the loan-to-deposit ratio increased by 10.5% reaching 134.3%. Within the past 12 months deposit growth was above average in Slovakia (15.7%) and Bulgaria (11.2%), other subsidiaries captured only single digit growth, whereas in Ukraine, Montenegro and Serbia even yearly volumes dropped.

In Hungary OTP Bank continued its strategy, it focused on capturing savings in forms of deposits often combined with mutual fund products and retails bonds. OTP Core managed to increase its deposits by 5.1% y-o-y, however in 4Q they declined by 3.3%. The drop is connected entirely to the corporate segment, retail deposits grew both y-o-y (+10%) and q-o-q (+8%). Assets under management of OTP Fund Management dropped by 15.6 y-o-y and by 10.6% q-o-q as a result of global capital market's turmoil. Note, that OTP Bank sold a significant amount of bonds aimed at households; the yearly volume exceeded HUF 90 billion.

Issued securities grew by 55% y-o-y and 7.1% q-o-q respectively. Due to the drastically deteriorating market conditions there was no international bond issue in 2H 2008, but OTP Bank successfully managed to issue mortgage bonds and unsecured bonds to its domestic retail clients.

The financial settlement of the sale of Garancia Insurance was concluded on 16 September. With a purchase price of HUF 164 billion, OTP Bank booked a net revenue of HUF 121.4 billion after deducting the book value, taxes and related transaction costs.

The Bank practically has not got any structured assets or investments with potential mark-to market losses in its portfolio.

CONSOLIDATED CAPITAL ADEQUACY RATIO (IN ACCORDANCE WITH BASEL II)

At the end of 2008 regulatory capital represented HUF 1,093 billion, while the preliminary estimated adjusted RWA stood at HUF 6,152 billion. Taking into account the capital needs for market risk and operational risk CAR stood at 15.3% with Tier1 (after deducting goodwill and intangible assets) at 11.2% respectively. The significant improvement (+194 and +295 bps q-o-q) is due to the one-off net revenue from the sale of Garancia Insurance.

OTP BANK HUNGARIAN CORE BUSINESS[3]

OTP Core P&L account

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
OTP CORE after-tax profit w/o dividends and net cash transfer	140,461	131,534	-6.4%	34,546	34,733	19,572	-43.7%	-43.3%
OTP CORE pre-tax profit	166,014	143,837	-13.4%	39,579	41,568	14,195	-65.9%	-64.1%
Total income	356,233	370,895	4.1%	95,021	94,352	94,257	-0.1%	-0.8%
Net interest income	261,305	270,683	3.6%	65,607	69,766	70,829	1.5%	8.0%
Net fees and commissions	82,533	88,107	6.8%	23,075	22,162	22,302	0.6%	-3.4%
Other net non-interest income	12,395	12,105	-2.3%	6,338	2,423	1,126	-53.6%	-82.2%
Provisions for possible loan losses	-14,946	-25,384	69.8%	-8,588	-5,588	-14,443	158.4%	68.2%
Other provisions	-1,346	-21,384		1,283	-1,637	-20,335		
Operating expenses	-173,928	-180,290	3.7%	-48,137	-45,558	-45,284	-0.6%	-5.9%
Business lines								
RETAIL								
Total income	302,543	321,305	6.2%	79,225	79,770	88,128	10.5%	11.2%
Net interest income	222,003	232,747	4.8%	56,543	58,074	64,933	11.8%	14.8%
Net fees and commissions	76,392	84,671	10.8%	21,976	20,859	21,662	3.8%	-1.4%
Other net non-interest income	4,148	3,887	-6.3%	706	837	1,533	83.1%	117.2%
CORPORATE								
Total income	34,408	38,155	10.9%	8,313	9,503	10,900	14.7%	31.1%
Net interest income	24,311	28,171	15.9%	5,821	6,844	8,184	19.6%	40.6%
Net fees and commissions	8,884	8,847	-0.4%	2,286	2,414	2,268	-6.1%	-0.8%
Other net non-interest income	1,212	1,136	-6.3%	206	245	448	83.1%	117.2%
Treasury ALM								
Total income	14,055	14,544	3.5%	3,055	5,908	-3,570	-160.4%	-216.9%
Net interest income	14,990	9,764	-34.9%	3,244	4,848	-2,288	-147.2%	-170.5%
Net fees and commissions	1,045	105	-90.0%	134	561	-554	-198.8%	-513.3%
Other net non-interest income	-1,981	4,675	-336.1%	-323	499	-729	-246.0%	125.7%
Indicators (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Cost/income ratio	48.8%	48.6%	-0.2%	50.7%	48.3%	48.0%	-0.2%	-2.6%
Net interest margin	5.82%	5.62%	-0.20%	5.63%	5.67%	5.57%	-0.10%	-0.06%
ROA	3.1%	2.7%	-0.4%	3.0%	2.8%	1.5%	-1.3%	-1.4%
ROE	19.7%	16.1%	-3.6%	18.4%	15.7%	8.4%	-7.3%	-10.0%

- ***HUF 131.5 billion PAT (-6% y-o-y) somewhat lagged behind the management's original plans, along with provisions increasing by HUF 30.5 billion***
- ***Cutback of lending activity, successful retail deposit campaign and retail bond issue in 4Q***
- ***Deteriorating corporate portfolio quality, but stable retail portfolio quality (NPL ratio 5.2% in 4Q 2008)***
- ***Number of overdue payments increased, though the worsening was rather due to subjective factors (adversely changing economic environment and cautious qualification policy)***

P&L developments

The OTP Core realized HUF 131.5 billion consolidated profit in 2008, a 6% decrease y-o-y. Despite the fact that the provisions grew by HUF 30.5 billion on a yearly basis, the original plan of the management was almost achieved. The other provisions covered mainly also credit risk: the increase occurred in the provision-type, that was created in connection with OTP Bank's credit guarantees. Part of these latter provisions (approx. HUF 12 billion) was therefore accounted as credit risk rather than other risk related provision on the consolidated level.

The remarkable risk cost increase was offset by the HUF 13.2 billion saving on tax burden, compared to 2007. The explanation is that some type of – primarily non interest – results are evaluated differently in HAS and IFRS (e.g. revaluation of

[3]In this section the results of OTP Bank, OTP Mortgage Bank, OTP Building Society and OTP Faktoring are aggregated. The consolidated after tax results were adjusted by the after tax result on open FX-position, by dividends and by one-off cash transfers, as well as by the net interest income of subsidiary financing and by the interest expenses of Lower and Upper Tier2 funding. Those two items are shown as part of the Corporate Centre. Also, the net result of interest swaps concluded with OBR as part of its financing were booked within the adjusted profit after tax of OBR. The Bank's IFRS unconsolidated condensed financial statements are available on the website of the Budapest Stock Exchange (www.bse.com), on the website of HFSA (www.kozzetetelek.hu) and on the website of OTP Bank (www.otpbank.hu).

subsidiary investments; valuation of some derivative positions). Therefore net profit according to HAS was well below that of in IFRS, which resulted a significant decrease in TAX base of OTP Bank, consequently lower tax for Core. (The positive tax effect in 4Q 2008 – the PAT is higher than the profit before tax with HUF 5.4 billion – comes from the fact that the accounted tax of the first three quarters is estimated on the base of the tax burden for 2007 which has to be levelled off to the factual tax burden for the year 2008 in the 4Q P&L. As the factual tax burden for 2008 of OTP Core lagged behind the estimated amount of the first three quarters, in 4Q practically a „tax refund" had to be booked.)

NII – beside of the 20 bp y-o-y decrease of the margin – increased by 4%. Due to the volatile market environment the good performance of NII was boosted by the better than planned revaluation results of swaps. Furthermore, the interest rate difference of the outstanding swap agreements – not effected by the since increasing swap costs in 4Q – was influenced positively by the HUF interest environment in 4Q. It had a remarkable contribution to the 2% increase of the total net interest income q-o-q. During the year the growth was set back by several margin-contraction factors, the most important being the repricing of subsidised mortgages already started in 2007. The state subsidy related to this portfolio segment decreased almost according to plans: the amount of subsidy in 2008 was lower by HUF 12 billion than in the base period (the planned amount was HUF 13 billion).

On a yearly basis the cumulated NF&C income has increased by 7%, within this the net deposit commissions (+6% y-o-y), the net card commissions (+7% y-o-y) and the net securities commission (+8% y-o-y) performed well.

The quality of credit portfolio deteriorated (NPL ratio increased from 4.4% to 5.2% q-o-q) as a result risk cost picked up significantly, too (+68% y-o-y). The quality deterioration was experienced mainly in the corporate division. However, the deterioration is reasoned mainly by – albeit the increased amount of delayed payments – subjective factors (worsening economic outlook of the companies and the basically conservative qualification policy). During 4Q the ratio of qualified loans within the retail portfolio did not show a significant increase.

Besides the significant provisioning NPL coverage decreased (from 70% to 63% q-o-q). The growth of the NPL was mainly caused by the classification of corporate loans into sub-standard category. The provision requirement of this category among the problematic categories is relatively low.

Operating costs increased by 4% y-o-y and reached HUF 180.3 billion. Main reasons behind were the decrease of other costs (-1%) – partially caused by tax saving – and the 5% increase of amortisation costs. Personnel costs grew by 9% y-o-y. The cost decline in 4Q (-1% q-o-q; hence the C/I ratio improved by 0.2%-points q-o-q to 48%) is mainly the consequence of a technical item: as a result of a methodological change the amortisation costs were lower by HUF 2.8 billion q-o-q.

Main components of OTP Core balance sheet:

Main components of balance sheet closing balances in HUF mn	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Total Assets	4,613,881	5,099,224	5,023,099	-1.5%	8.9%
Gross customer loans[1]	3,078,806	3,200,309	3,348,950	4.6%	8.8%
Retail loans	1,734,392	2,018,681	2,179,217	8.0%	25.6%
Corporate loans	1,344,414	1,181,619	1,169,733	-1.0%	-13.0%
Provisions	-94,815	-105,230	-118,185	12.3%	24.6%
Deposits from customers	3,086,052	3,353,600	3,244,482	-3.3%	5.1%
Retail deposits	2,200,298	2,242,101	2,420,480	8.0%	10.0%
Corporate deposits	885,753	1,111,499	824,002	-25.9%	-7.0%
Liabilities to credit institutions	570,598	531,837	598,386	12.5%	4.9%
Issued securities	895,468	1,313,821	1,413,386	7.6%	57.8%
Subordinated bonds and loans	298,914	278,279	302,600	8.7%	1.2%
Total shareholders' equity	741,564	955,208	890,676	-6.8%	20.1%
Loan Quality (%)	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Share of NPLs[1]	3.8%	4.4%	5.2%	0.8%	1.4%
Market Share (%)[2]	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Loans	19.1%	18.2%	17.6%	-0.6%	-1.5%
Deposits	24.1%	25.2%	24.1%	-1.1%	0.0%
Total Assets	25.2%	25.1%	23.9%	-1.2%	-1.3%
Indicators (%)	2007 4Q	2008 3Q	2008 4Q	Q-o-Q	Y-o-Y
Gross loans to deposits	99.8%	95.4%	103.2%	7.8%	3.5%

Balance sheet trends

OTP Core loan-to-deposit ratio increased by 8% to 103% in the last quarter. The apparently unfavourable tendency can be primarily explained by the significant HUF depreciation. During the fourth quarter the closing exchange rate depreciated against CHF by 15%, against EUR by 9% and against JPY by 29%. Considering that the FX-ratio of the loan portfolio is much higher than that of for the deposits (YE2008 53% vs. 17%), this influenced the ratio adversely.

Following the introduction of stricter lending rules in mid-November the disbursement of retail loans dropped remarkably compared to the monthly average of the previous quarters (HUF 15 billion in November, HUF 9 billion in December vs. average HUF 34 billion in the first 9 months), while q-o-q the portfolio in original currency remained flat. Adjusted with the FX-movements the outstanding amount of consumer loans slightly decreased. Also, significantly stricter scoring rules and higher interest charges were introduced in this portfolio segment in November, thus the disbursement dropped. The portfolio of corporate loans shrank by 1% q-o-q nominally, on yearly base the setback is more meaningful (-13%) reflecting the management‘s plan to slim the corporate portfolio with low profitability.

Due to the campaigns started in November the amount of retail deposits grew remarkably (+8% q-o-q; +10% y-o-y). As for retail savings, another positive development was the sale of own bonds in higher volumes (the closing amount increased by HUF 49 billion to HUF 58 billion, the end of January amount reached HUF 72 billion). As a consequence of the mortgage market crisis within the retail savings the higher weight of risk-free type of savings became typical. The portfolio of corporate deposits dropped by 26% q-o-q, and 7% y-o-y. The q-o-q decline of corporate deposits is a result of the lower volume of municipal bonds (-17% q-o-q) due to seasonality, and a deposit withdrawal by one large corporate client and OTP Fund Management.

The funding structure of OTP Core was influenced by the issuance of EUR 1 billion mortgage bonds with 2 year maturity. OTP Bank also issued EUR 500 million senior notes with 3 year maturity. With these issues the weight of the capital market sources in the funding structure of the Group grew according to the funding plans. Because of significantly deteriorating capital market conditions there were no further international issues in 4Q.

INSURANCE BUSINESS

After obtaining all the necessary approvals to the agreement signed on 11 February 2008, OTP Bank Plc. sold its 100% stake in OTP Garancia Ltd. to Groupama S.A. and also its holding in the Romanian, Slovakian and Bulgarian subsidiaries. The Hungarian closing of the Garancia transaction happened on 17 September 2008. As an essential part of the deal, OTP Bank Plc. and Groupama S.A. signed an agreement on a bankassurance cooperation for the cross-sale of their products through their existing network in Hungary, Slovakia, Romania, Bulgaria, Ukraine, Russia, Serbia, Montenegro and Croatia. Furthermore, as part of the strategic cooperation between the two parties, Groupama pledged to obtain maximum 8% of shares in OTP Bank Plc. Accordingly, by 24 September Groupama purchased 7.99% of outstanding shares. OTP did not issue any new shares to facilitate that transaction.

The purchase price of Garancia Group was HUF 164 billion, the net proceeds of the deal booked by OTP Group after deducting the book value, the taxes and relevant transaction costs amounted to HUF 121.4 billion.

In 2008 up until its divestment, OTP Garancia realized HUF 5.3 billion after tax profit adjusted by one-off items (provisions made for the losses at foreign subsidiaries).

Foreign subsidiaries, being majority owned by OTP Garancia Insurance (OTP Garancia zivotná poist’ovna and OTP Garancia poist'ovna in Slovakia; DSK Garancia Life Insurance and DSK Garancia Insurance in Bulgaria; OTP Garancia Asigurari in Romania) realized a total loss of HUF 1.1 billion in 2008 up until their divestment.

OTP FUND MANAGEMENT

Changes in assets under management and financial performance of OTP Fund Management:

HUF bn	31/12/2007	30/09/2008	31/12/2008	Q-o-Q	Y-o-Y
OTP Investment Funds	813.1	751.8	641.1	-14.7%	-21.2%
Pension Funds	638.2	603.8	549.0	-9.1%	-14.0%
o/w OTP Funds	625.9	592.3	534.0	-9.8%	-14.7%
Other pension funds	12.3	11.6	15.0	29.5%	21.6%
Other Institutional Investors	176.9	181.2	184.5	1.8%	4.3%
Assets under management. total	**1,628.3**	**1,536.8**	**1,374.6**	**-10.6%**	**-15.6%**

HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Result of Asset Management	6,261.7	4,987.7	-20.3%	1,883.9	1,396.6	467.7	-66.5%	-75.2%
Added value (after tax)	10,653.4	10,202.6	-4.2%	3,241.6	2,697.6	1,677.0	-37.8%	-48.3%

In FY2008 OTP Fund Management realised roughly HUF 5 billion after tax earnings, a decline of 20% y-o-y; value creation after tax amounted to around HUF 10 billion, decreased slightly (-4.2% y-o-y) compared to the previous year.

In the second half of the year the global money and capital market crisis showed its effect both in the amount of realised profit and in the volumes of assets under management as well. During 4Q on the domestic fund market the volume of managed assets decreased by 16.7%. Within this the total assets of the securities funds decreased by 13.8% while the total assets of property funds diminished by 30%.

During the quarter the money market (-17.8% q-o-q), the bond (-24.7% q-o-q) and equity funds (-11.4% q-o-q) suffered a significant outflow. The lower total assets amount of securities funds on one hand is the result of weaker historic yields, but on the other hand government bonds and deposits with favourable conditions offered more competitive form of savings in the last quarter of the year.

From the funds managed by OTP Fund Management OTP Optima was characterised by further outflow while in case of OTP Maxima the capital withdrawal continued (HUF -31.5 billion and HUF -3.0 billion respectively).

The net asset value of Pension Funds reached HUF 549 billion with a decrease of 9% by the end of December, while the asset of other institutional funds practically stagnated during the last quarter (+1.8% q-o-q).

Higher fees were charged offsetting the negative effect of the during the year continuously declining assets. The approximately HUF 11 billion yearly management fee was 1.43% compared to the average assets of funds.

At the end of December market position of Fund Management changed to 30.5% (-46 bps q-o-q).

In the last quarter of 2008 two foreign fund management became consolidated company, their profit contribution to the consolidated quarterly profit was approximately HUF 245 billion loss.

MERKANTIL GROUP

Performance of Merkantil Bank and Car:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	7,978	3,406	-57.3%	2,122	1,938	-2,639	-236.1%	-224.3%
One-off items, after-tax[1]	0	-373		0	0	-448		
After tax profit w/o dividends, net cash transfers and one-offs	7,978	3,779	-52.6%	2,122	1,938	-2,191	-213.0%	-203.2%
Pre-tax profit	9,975	5,392	-45.9%	2,580	2,542	-2,253	-188.7%	-187.3%
Total income	18,881	16,946	-10.2%	4,588	4,167	3,855	-7.5%	-16.0%
Net interest income[2]	20,281	20,341	0.3%	4,864	4,870	5,204	6.9%	7.0%
Net fees and commissions	-3,446	-4,457	29.3%	-1,029	-1,297	-1,243	-4.2%	20.8%
Other net non-interest income[2]	2,046	1,063	-48.1%	753	595	-107	-118.0%	-114.2%
Provisions for possible loan losses	-2,959	-4,544	53.5%	-486	-8	-3,577		636.1%
Other provisions	-609	-1,035	70.0%	-165	-139	-974	601.7%	491.4%
Operating expenses	-5,337	-5,976	12.0%	-1,358	-1,478	-1,557	5.3%	14.7%
Main components of balance sheet closing balances in HUF mn	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Total Assets	298,234	356,054	19.4%	298,234	325,005	356,054	9.6%	19.4%
Gross customer loans	274,177	323,202	17.9%	274,177	295,970	323,202	9.2%	17.9%
Retail loans	494	204	-58.8%	494	570	204	-64.2%	-58.8%
Corporate loans	32,820	40,485	23.4%	32,820	43,312	40,485	-6.5%	23.4%
Car financing loans	240,864	282,514	17.3%	240,864	252,089	282,514	12.1%	17.3%
Provisions	-19,578	-20,810	6.3%	-19,578	-17,491	-20,810	19.0%	6.3%
Car leasing	12,184	19,552	60.5%	12,184	16,421	19,552	19.1%	60.5%
Big ticket leasing	7,308	7,465	2.1%	7,308	7,214	7,465	3.5%	2.1%
Deposits from customers	7,625	8,439	10.7%	7,625	8,726	8,439	-3.3%	10.7%
Liabilities to credit institutions	220,167	269,856	22.6%	220,167	237,461	269,856	13.6%	22.6%
Issued securities	29,149	30,383	4.2%	29,149	32,561	30,383	-6.7%	4.2%
Subordinated debt	1,700	1,700	0.0%	1,700	1,700	1,700	0.0%	0.0%
Total shareholders' equity	34,095	34,545	1.3%	34,095	37,184	34,545	-7.1%	1.3%
Loan Quality (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	7.9%	8.2%	0.3%	7.9%	8.2%	8.2%	0.0%	0.3%
Indicators (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Cost/income ratio	28.3%	35.3%	7.0%	29.6%	35.5%	40.4%	4.9%	10.8%
Net interest margin	7.04%	6.22%	-0.82%	6.49%	6.13%	6.08%	-0.05%	-0.41%
ROA	2.8%	1.2%	-1.6%	2.8%	2.4%	-2.6%	-5.0%	-5.4%
ROE	26.3%	11.0%	-15.3%	25.5%	21.3%	-24.3%	-45.6%	-49.8%

[1] Sum of other provisioning, other non interest income and other non-interest expense booked in relation to the sale of OTP Leasing a.s.
[2] Net interest income comprises effect of fair value adjustment of swap transactions with OTP Bank

- ***Aggregated after tax profit of Merkantil Bank and Car amounted to HUF 3.8 billion in 2008***
- ***In 4Q loss was generated mainly by escalating risk costs and FX losses***
- ***Due to cutback in lending activity and revaluation of FX loans car financing portfolio grew by 12% q-o-q***
- ***NPL-ratio remained stable q-o-q, along with slightly deteriorating coverage***

Merkantil Bank's and Merkantil Car's aggregated, non-consolidated after tax profit reached HUF 3.8 billion. Net interest income virtually stagnated (+0.3%) supported by expanding loan portfolio, but hit by narrower margins. Since commissions paid to agencies showed an uptrend, net F&C expenditures grew by 29%. Other net non-interest income decreased by 48%, mainly due to high FX losses in 4Q 2008. Operating costs increased by 12%, provisions for possible loan losses zoomed to HUF 4.5 billion (+53.5% y-o-y) in 2008, primarily because of the additional HUF 3.5 billion provisions for possible loan losses in 4Q.

Up to the end of 3Q the cost of risk was supported by sale of problematic assets in 2Q and according to the income from these sales provisions were released. Beside of this change in the relevant regulation caused some other provision release. Furthermore, the decreasing provision rates in 3Q had a favourable effect on risk costs. Then in 4Q the loss on revaluation of FX denominated assets increased cost of risk (revaluation of provisions for mainly CHF denominated exposures appears as provision for possible loan losses). Further on another HUF 2 billion provision was made up in 4Q (based on the adverse changes in the economic situation which might lead to loan losses; this provisioning is not justified by portfolio quality developments in 4Q). Accrual of some commission item reasoned a further HUF 0.5 billion increase of other risk cost in 4Q.

In 4Q the aggregated, non-consolidated result of Merkantil Bank and Car was loss HUF 2.2 billion. In 4Q Merkantil Bank sold its share in OTP Leasing a.s. with a one-off loss of HUF 448 million in 4Q and a one-off gain of HUF 74 million in 2Q. NII increased by 7% in 4Q q-o-q, net commission expenditures decreased by 4%. The deterioration of other net non-interest income is the reflection of FX losses. In 4Q 2008 operating costs increased by 5.3% q-o-q explained mainly by higher local business tax burden which were partially counterbalanced by lower personnel expenditures. Cost of risk was influenced negatively by revaluation of provisions for mainly CHF denominated exposures and by the extra HUF 2 billion provision for possible loan losses.

Merkantil restricted its lending policy as an answer to liquidity crisis, however the placement volumes were affected negatively not only by voluntary restrictions on lending activity but market reasons also influenced it. The expansion of car financing volumes dropped remarkably in October due to the restricted growth policy and minimal margin expectations. Car financing loans increased by 12% q-o-q, 17% y-o-y respectively (the quarterly volume change was negative without the effect of HUF depreciation); car leasing volume dynamism showed a rise of 19.1% q-o-q, 60.5% y-o-y respectively.

Portfolio quality did not deteriorate appreciably in the last quarter, the amount of overdue loans and resumed cars did not increased significantly. The NPL ratio was 8.2% just like in the previous quarter, the coverage of NPLs fell from 70.8% to 69.1% (increasing provisioning did not improve NPL coverage ratio, because provisions were put aside for loans in the category to-be-watched). Practice for loan classification and provisioning changed in 3Q, which renders the comparison with figures of previous periods more difficult.

Non-car-financing Group Members had an aggregated total assets of HUF 64.5 billion (9% increase q-o-q, 1% y-o-y).

IFRS REPORTS OF THE MAIN SUBSIDIARIES

Note: in the following parts the after tax profit w/o dividends and net cash transfer of subsidiaries are presented. The structural adjustments on P&L statement lines of subsidiaries as well as description of calculation methods of performance indices are to be found in supplementary data annex.

DSK GROUP[4]

Performance of DSK Group:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	26,408	30,605	15.9%	7,240	7,376	8,070	9.4%	11.5%
Pre-tax profit	29,162	34,129	17.0%	7,934	8,201	9,070	10.6%	14.3%
Total income	60,046	71,149	18.5%	16,116	17,230	20,129	16.8%	24.9%
Net interest income	44,324	53,064	19.7%	11,648	12,557	15,565	24.0%	33.6%
Net fees and commissions	13,874	16,983	22.4%	3,925	4,380	4,368	-0.3%	11.3%
Other net non-interest income	1,848	1,103	-40.3%	543	293	195	-33.3%	-64.0%
Provisions for possible loan losses	-9,116	-9,625	5.6%	-3,146	-2,834	-2,035	-28.2%	-35.3%
Other provisions	-363	-1,303	258.6%	-222	-1	-1,282		477.7%
Operating expenses	-21,404	-26,093	21.9%	-4,813	-6,194	-7,742	25.0%	60.8%
Main components of balance sheet closing balances in HUF mn	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Total Assets	1,029,528	1,171,442	13.8%	1,029,528	1,088,199	1,171,442	7.6%	13.8%
Gross customer loans	779,835	1,014,894	30.1%	779,835	909,549	1,014,894	11.6%	30.1%
Retail loans	615,878	816,257	32.5%	615,878	732,774	816,257	11.4%	32.5%
Corporate loans	163,956	198,636	21.2%	163,956	176,775	198,636	12.4%	21.2%
Provisions	-27,925	-39,074	39.9%	-27,925	-34,284	-39,074	14.0%	39.9%
Deposits from customers	650,325	722,880	11.2%	650,325	676,831	722,880	6.8%	11.2%
Retail deposits	520,865	626,576	20.3%	520,865	572,688	626,576	9.4%	20.3%
Corporate deposits	129,460	96,304	-25.6%	129,460	104,143	96,304	-7.5%	-25.6%
Liabilities to credit institutions	193,290	175,126	-9.4%	193,290	202,317	175,126	-13.4%	-9.4%
Subordinated debt	50,668	92,680	82.9%	50,668	48,630	92,680	90.6%	82.9%
Total shareholders' equity	124,062	164,627	32.7%	124,062	144,048	164,627	14.3%	32.7%
Loan Quality (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	3.2%	4.0%	0.7%	3.2%	3.7%	4.0%	0.3%	0.7%
Market share (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Loans	16.1%	15.0%	-1.0%	16.1%	15.0%	15.0%	0.0%	-1.0%
Deposits	12.3%	12.1%	-0.2%	12.3%	12.1%	12.1%	0.1%	-0.2%
Total Assets	13.8%	12.7%	-1.1%	13.8%	12.5%	12.7%	0.2%	-1.1%
Indicators (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Gross loans to deposits	119.9%	140.4%	20.5%	119.9%	134.4%	140.4%	6.0%	20.5%
Cost/income ratio	35.6%	36.7%	1.0%	29.9%	36.0%	38.5%	2.5%	8.6%
Net interest margin	4.91%	4.82%	-0.09%	4.82%	4.75%	5.48%	0.73%	0.66%
ROA	2.9%	2.8%	-0.1%	3.0%	2.8%	2.8%	0.1%	-0.2%
ROE	24.7%	21.2%	-3.5%	24.7%	21.4%	20.8%	-0.6%	-3.9%

- ***Profit after tax growth reached +16% y-o-y, in line with management targets***
- ***Strong NII performance in 4Q 2008, improving NIM q-o-q***
- ***Despite the 4Q 2008 cutback in lending activity, loan growth exceeded full year plans (+30% y-o-y)***
- ***Due to successful deposit promotion campaigns in 4Q 2008, volumes have stabilized***

DSK group realized HUF 30.6 billion adjusted profit after tax in 2008, a 16% y-o-y growth was in line with its financial targets. Earning dynamism in 4Q was strongly effected by the weakening HUF exchange rate: in 4Q the bank reached HUF 8.1 billion net result, a growth of 9% q-o-q in HUF terms, but in BGN it is rather flat (-2%).

The profit after tax growth of 16% was strongly supported by the y-o-y 20% NII growth and y-o-y 22% F&C increase.

[4] As for 2007, financials are based on DSK Bank, POK DSK-Rodina, DSK Trans Security and DSK Tours consolidated figures aggregated with Asset Management (SPV) and adjusted with controlling calculations. In 2008, after SPV stopped its operation figures are reflecting the performance of consolidated DSK Group without SPV.

Good NII results (y-o-y +20%, q-o-q +24%, latter +11% in BGN) were supported by the outstanding increase of the loan portfolio in the first 9 months of 2008, but also got a boost from asset-repricing started in the second quarter and the reduction of the mandatory reserve requirements in December 2008. These positive elements were partly offset by higher deposit interests due to promotions launched in order to stop the experienced erosion of deposit base in 4Q. As a result of all these factors the annual NIM remained unchanged y-o-y (4.82%), whereas the 4Q margin could still improve (5.48%, +0.73%-points q-o-q).

In 4Q 2008 as a consequence of the significantly worsening global liquidity the growth of the loan portfolio was moderate compared to the previous quarters (in BGN +2% q-o-q, but +25% y-o-y). In the last three months – calculated in BGN – only the housing and the corporate loans were able to grow, the consumer loans stagnated and the SME loans showed a small decline. Good news at the same time was that by the end of the year – primarily as a result of the retail deposit campaign – the erosion of the deposit base started in October has been almost totally stopped, the 9% q-o-q increase of retail deposits in HUF represents an unchanged deposit volume in BGN. But the corporate deposit base with a significantly lower weight has been declining continuously in the last quarter.

To finance its rapid lending activity DSK took an EUR 140 million syndicated loan in April 2008. During the year it increased the ratio of the subordinated financing: in 4Q it has received an EUR 150 million subordinated loan from OTP Bank.

The net fee and commission income increased by 22% y-o-y, but in 4Q the effects of the moderated credit supply were sensible, the decrease of 0.3% q-o-q is the result of the decrease of loan commissions. Other non interest income suffered from negative market developments in the whole year: it dropped by 40% y-o-y due to a loss realized on the securities portfolio in 2008.

Loan quality slightly deteriorated, NPL-ratio (4%) increased both y-o-y and q-o-q (0.7%-points and 0.3%-points, respectively). The provisioning increased y-o-y by 6%, the decrease of provisioning in the fourth quarter (-28% q-o-q) was due to a technical item: provisions for housing loans put aside by cautious considerations during the year were lifted up in the last quarter thanks to successful efforts to renew insurances connected to real estates as collateral to debts. In spite of the decrease in q-o-q provisions the coverage of NPLs stood at 80%, basically unchanged y-o-y.

The significant increase in other provisions both q-o-q and y-o-y was due to the loss provisions booked in the amount of HUF 0.9 billion in connection with the Bank's securities portfolio available-for-sale (mainly Bulgarian government bonds) in the last quarter of 2008.

Operating costs remained under close control in 2008, the annual cost-to-income ratio stood close to the level the Bank had a year ago (37%), still the lowest across the Group. The slight deterioration of operating expenses in the fourth quarter was due to the increase of other expenses (in line with plans).

OTP BANK RUSSIA[5]

Performance of OTP Bank Russia:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	7,590	8,899	17.2%	3,041	1,745	3,925	124.9%	29.1%
One-off items, after-tax[1]	502	0	-100.0%	0	0	0		
After tax profit w/o dividends, net cash transfers and one-offs	7,088	8,899	25.5%	3,041	1,745	3,925	124.9%	29.1%
Pre-tax profit	10,047	11,688	16.3%	3,796	2,383	4,757	99.6%	25.3%
Total income	56,009	75,366	34.6%	18,844	17,546	22,409	27.7%	18.9%
Net interest income	40,659	62,104	52.7%	13,621	14,980	17,633	17.7%	29.5%
Net fees and commissions	14,464	10,165	-29.7%	4,475	2,766	2,229	-19.4%	-50.2%
Other net non-interest income	886	3,097	249.6%	748	-201	2,547	-1370.0%	240.3%
Provisions for possible loan losses	-10,789	-18,998	76.1%	-4,115	-4,231	-4,719	11.5%	14.7%
Other provisions	-64	194	-403.1%	-170	18	190	953.9%	-211.4%
Operating expenses	-35,109	-44,874	27.8%	-10,763	-10,949	-13,123	19.9%	21.9%

[5] Based on OAO OTP Bank (Russia) (former Investsberbank) financial statements until 1Q 2008, from 2Q 2008 figures are based on the aggregated financial statements of OAO OTP Bank and the newly acquired Donskoy Narodny Bank.

Main components of balance sheet closing balances in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Total Assets	432,000	529,007	22.5%	432,000	477,717	529,007	10.7%	22.5%
Gross customer loans	304,410	383,118	25.9%	304,410	397,182	383,118	-3.5%	25.9%
Retail loans	183,148	247,927	35.4%	183,148	251,049	247,927	-1.2%	35.4%
Corporate loans	110,859	113,375	2.3%	110,859	125,852	113,375	-9.9%	2.3%
Car financing loans	10,403	21,813	109.7%	10,403	20,278	21,813	7.6%	109.7%
Provisions	-18,323	-30,389	65.9%	-18,323	-29,860	-30,389	1.8%	65.9%
Deposits from customers	291,154	224,152	-23.0%	291,154	247,696	224,152	-9.5%	-23.0%
Retail deposits	167,406	137,252	-18.0%	167,406	160,766	137,252	-14.6%	-18.0%
Corporate deposits[2]	123,777	86,901	-29.8%	123,777	86,929	86,901	0.0%	-29.8%
Liabilities to credit institutions	72,765	214,001	194.1%	72,765	134,940	214,001	58.6%	194.1%
Issued securities	8,332	8,189	-1.7%	8,332	5,656	8,189	44.8%	-1.7%
Subordinated debt	12,788	13,657	6.8%	12,788	12,652	13,657	7.9%	6.8%
Total shareholders' equity	41,546	60,650	46.0%	41,546	61,566	60,650	-1.5%	46.0%
Loan Quality (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Share of NPLs	9.7%	10.4%	0.7%	9.7%	9.3%	10.4%	1.0%	0.7%
Indicators (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	104.6%	170.9%	66.4%	104.6%	160.4%	170.9%	10.6%	66.4%
Cost/income ratio	62.7%	59.5%	-3.1%	57.1%	62.4%	58.6%	-3.8%	1.4%
Net interest margin	10.68%	12.92%	2.24%	13.39%	13.20%	13.94%	0.74%	0.55%
ROA	1.9%	1.9%	0.0%	3.0%	1.5%	3.1%	1.6%	0.1%
ROE	17.7%	17.4%	-0.3%	29.7%	13.3%	25.6%	12.3%	-4.2%

[1] Regarding OTP Russia, accounting after tax profit of 1Q 2007 contains the performance of 2006 December. For the sake of quarterly data comparability, 25% of 1Q 2007 after tax profit is considered as one-timer

[2] In 3Q 2008, excluding the deposit of the Russian Ministry of Finance

- ***Profit increased by 26% y-o-y, while on quarterly basis it more than doubled, fuelled by the good NII (+18% q-o-q) and one-off items***
- ***Significant cutback of lending activity in 4Q, loan portfolio remained flat q-o-q in local currency***
- ***Corporate deposits grew q-o-q, the erosion of retail deposits took a turn in December***
- ***Slight portfolio deterioration (NPL rose from 9.3% to 10.4% q-o-q)***
- ***Remarkable cutback of headcount in 4Q***

Note: from 4Q 2008 provisioning accruals of interest income at OTP Russia are reclassified from other risk costs to net interest income (in earlier reports only provisioning accruals of NPL's interest income were reclassified). To create comparable time series, we restated P&Ls of earlier periods to bring them in line with the new methodology.

In 2008 OTP Bank Russia realized HUF 8.9 billion profit after tax, an increase of 26% y-o-y without one-off items. The primary reason for the lower profit dynamics compared to plans is the sluggish loan book development in the second half of the year, which was fairly below plans due to the financial crisis. However the moderate portfolio growth had an economical impact on the costs as well. The HUF 3.9 billion PAT in 4Q represents more than twofold increase q-o-q and a 29% increase y-o-y.

In 4Q 2008 the good PAT dynamics was fuelled by several factors: on one hand due to the higher interests on the asset side the margin improved, NII grew 18% q-o-q. On the liabilities side the escalating tendency of converting RUB deposits to USD deposits added a significant exchange profit to the other non-interest profit line. The non-interest profit was also boosted q-o-q by almost HUF 1 billion mark-to-market profit on the bond portfolio, compared to the loss of similar size in 3Q. The main reason for this was the reclassification of securities out of the held-for-trading category to the available-for-sale category in concordance with the new IFRS rules, thus the app. HUF 0.9 billion mark-to-market loss of the first 9M was reversed and the majority will be recognised through the equity in the future.

The 19% decrease of NF&C in the last quarter is the result of the decreasing card income due to the scaled-back sales and the diminishing deposit and cash turnover income.

In the last 3 months the deterioration of the portfolio quality was below the expected level, the NPL ratio increased from 9.3% to 10.4% q-o-q, the coverage (68%) remained flat. Although the deterioration was mitigated by the write-off of non-performing loans in the last quarter, simultaneously with the loan disbursement restriction the lending standards became stricter (lower LTV ratios and credit lines; higher turn-down ratio; shorter maturity) which can positively influence the loan quality in the future as well. In line with this the risk cost increased by 12% q-o-q, but this is the result only of the weaker average HUF exchange rate, in LCY the amount of provisioning has not changed.

The growth of gross customer loans was 25% y-o-y – this is well behind of the plans due to the conscious restriction of loan disbursement in the last quarter, q-o-q it represented a 4% decrease. The latter is the consequence of the stronger closing HUF exchange rate, the size of the portfolio in RUB remained flat.

In 4Q the purchase of mortgage portfolios and the card cross-selling has been suspended, the consumer loan disbursement has been significantly restricted and the interest rates were raised significantly in most product segments. New loan disbursements were limited up to the repayments of outstanding loan portfolio.

The Bank's deposit base shrank by 10% q-o-q, partly as a consequence of the closing HUF rate strengthening, the decline denominated in RUB was only 6%. Due to the pricing changes and the product development (e.g. the introduction of retail multicurrency deposit) the retail deposit base began to recover first in December after the decline started in September (however the q-o-q change is -15%). The stock of corporate deposit – without the deposit of the Ministry of Finance – could increase even in absolute value by 5% q-o-q (in HUF by 0%). The liquidity management was supported by the deposits of the Ministry of Finance, from December exclusively by the deposits of National Bank of Russia and OTP Bank.

In 4Q by adding further 2 new units to the 24 opened in 9M, the Bank increased the number of its branches to 128. It was a favourable trend that besides the steady branch expansion the C/I ratio decreased by 3%-points to 60% y-o-y due to the strict cost control. In 4Q parallel with the slow-down in lending there was a layoff of cca. 600 employees, too.

CJSC *OTP BANK*

Performance of CJSC OTP Bank:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	14,089	17,206	22.1%	3,116	4,167	6,161	47.9%	97.7%
Pre-tax profit	19,317	23,551	21.9%	4,283	5,955	8,372	40.6%	95.5%
Total income	35,347	77,034	117.9%	9,704	15,755	37,425	137.5%	285.7%
Net interest income	29,424	49,086	66.8%	8,260	13,245	15,431	16.5%	86.8%
Net fees and commissions	3,998	5,738	43.5%	825	1,359	2,043	50.3%	147.7%
Other net non-interest income	1,925	22,209		619	1,151	19,951		
Provisions for possible loan losses	60	-26,433		-230	-2,862	-20,803	626.9%	
Other provisions	44	-223	-613.0%	-97	-393	165	-141.9%	-270.5%
Operating expenses	-16,134	-26,827	66.3%	-5,094	-6,546	-8,414	28.6%	65.2%
Main components of balance sheet closing balances in HUF mn	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Total Assets	624,585	844,135	35.2%	624,585	836,258	844,135	0.9%	35.2%
Gross customer loans	530,659	763,758	43.9%	530,659	728,876	763,758	4.8%	43.9%
Retail loans	222,574	351,838	58.1%	222,574	322,540	351,838	9.1%	58.1%
Corporate loans	251,696	331,880	31.9%	251,696	332,185	331,880	-0.1%	31.9%
Car financing loans	56,389	80,040	41.9%	56,389	74,151	80,040	7.9%	41.9%
Provisions	-3,431	-22,882	566.8%	-3,431	-8,970	-22,882	155.1%	566.8%
Deposits from customers	172,264	167,232	-2.9%	172,264	214,205	167,232	-21.9%	-2.9%
Retail deposits	96,212	77,745	-19.2%	96,212	97,925	77,745	-20.6%	-19.2%
Corporate deposits	73,539	89,486	21.7%	73,539	116,279	89,486	-23.0%	21.7%
Liabilities to credit institutions	371,622	551,030	48.3%	371,622	475,121	551,030	16.0%	48.3%
Subordinated debt	5,516	26,900	387.6%	5,516	23,415	26,900	14.9%	387.6%
Total shareholders' equity	65,613	80,683	23.0%	65,613	103,377	80,683	-22.0%	23.0%
Loan Quality (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	1.1%	3.6%	2.5%	1.1%	1.9%	3.6%	1.6%	2.5%
Market share (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Loans	3.7%	4.3%	0.6%	3.7%	3.9%	4.3%	0.4%	0.6%
Deposits	1.8%	1.9%	0.1%	1.8%	1.9%	1.9%	0.0%	0.1%
Total Assets	3.1%	3.8%	0.7%	3.1%	3.3%	3.8%	0.5%	0.7%
Indicators (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Gross loans to deposits	308.1%	456.7%	148.7%	308.1%	340.3%	456.7%	116.4%	148.7%
Cost/income ratio	45.6%	34.8%	-10.8%	52.5%	41.5%	22.5%	-19.1%	-30.0%
Net interest margin	5.57%	6.68%	1.12%	5.64%	6.62%	7.31%	0.69%	1.67%
ROA	2.7%	2.3%	-0.3%	2.1%	2.1%	2.9%	0.8%	0.8%
ROE	25.9%	23.5%	-2.3%	20.4%	19.2%	26.6%	7.4%	6.2%

- ***22.1% PAT increase y-o-y due to strong net interest- and FX trade results***
- ***Shrinking loan book in 4Q, not regarding the significant depreciation of UAH vis-a-vis the USD***
- ***Signs of portfolio deterioration visible, but not extreme on Group level (NPL rose from 1.9% to 3.6% q-o-q)***
- ***The steep increase of risk costs y-o-y is due to the LCY depreciation rather than to the effective portfolio quality deterioration***
- ***Costs under stringent control, CIR improved by 11 bps y-o-y, while the number of branches increased significantly***

CJSC OTP Bank realized HUF 17.2 billion in FY2008, resulting a yearly growth of +22.1%, well beyond the management's expectations. Despite the financial crisis the recorded HUF 6.2 billion 4Q adjusted after tax profit (+48% q-o-q) signs a robust growth, which is even more impressive in local currency (+57.9%).

This growth beyond plans was influenced by several factors. On one hand, NII increased by almost 67% y-o-y, primarily because of the higher interests on corporate loans. On the other hand, the realized FX gains – due to the UAH depreciation – outpaced the increase in risk cost owing to portfolio quality deterioration, as well as the branch network extension related higher operating costs.

The adverse market conditions influence the results of the bank from different angles. It has to be emphasized that out of the significant amount of provisions made in the last quarter only UAH 162 million is due to the factual deterioration of the portfolio quality. Some 60% of total NPL coverage (UAH 833 million) is compensated by the positive revaluation result of risk cost (UAH 484 million according to local regulation) booked as a non-interest income. Almost 84% of the loan portfolio is denominated in USD, and according to the local regulation the provisions for these loans have to be made in the currency of origination. As a result of the depreciation of UAH the provisions in USD increased the level of NPL coverage and on the other hand they generated a positive FX-result being booked as provision revaluation difference. The remaining UAH 187 million is the consequence of the exchange rate movements as well, the depreciation induced a significant growth of LTV-ratios which required further provisioning.

The increase of NF&C income was 43.5% y-o-y, the income of 4Q in LCY exceeds almost by 61% the income of the previous quarter. The latter is the result of the improving deposit commissions and current quarterly results are not decreased by non-accrued guarantee-fee (in contrast with the base period). The strict cost control governed by the management had an un-doubtable role in the outstanding growth of yearly profit. The branch network of the bank increased by 71 new branches during the year and despite of that CIR decreased significantly by 11 %-points y-o-y.

The Bank's customer loan volume increased by 44% y-o-y, although the volume growth in 4Q was the result of the significant depreciation of UAH against the USD (58% depreciation compared to September). Adjusted by the effect of FX change, the customer loan volume decreased by 4.9% q-o-q. According to the regulation of the National Bank in October the lending activity was deliberately restricted. In the retail segment mortgage lending was suspended in 4Q, while car financing was stopped at the end of December. The Bank introduced higher interest rates on existing loans and initiated more stringent scoring rules.

The unfavourable market conditions, increasing unemployment and growing expenses in connection with the depreciation of the local currency resulted in the slow but gradual deterioration of the loan portfolio. NPL-ratio reached 3.6% by the end of December, which is 150 bps lower than NPL-ratio on the consolidated level. However – due to the prudent provisioning – the coverage ratio improved significantly q-o-q (from 62.8% to 82.9%).

The drop in deposit volumes could not be stopped even by the National Bank's restriction on deposit withdrawal. (Volume of deposits decreased by 18% q-o-q adjusted by the effect of FX change). The interests paid on deposit lagged behind that of the competitors', therefore the volume of current account deposits and maturing ones decreased gradually. The volume growth of corporate deposits was connected with one customer, whose deposit represented approximately 55% of the total corporate portfolio.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs[1]	-2,990	133	-104.4%	-793	1,008	329	-67.4%	-141.4%
Pre-tax profit	-2,989	267	-108.9%	-758	1,134	284	-74.9%	-137.5%
Total income	10,152	16,800	65.5%	3,088	3,960	5,577	40.8%	80.6%

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Net interest income	5,605	7,136	27.3%	1,738	1,888	1,552	-17.8%	-10.7%
Net fees and commissions	1,015	3,931	287.3%	438	813	1,946	139.4%	344.5%
Other net non-interest income	3,532	5,733	62.3%	913	1,260	2,080	65.1%	127.8%
Provisions for possible loan losses	-789	-3,021	283.1%	-178	337	-2,065	-713.0%	
Other provisions	-101	-252	149.1%	-101	-51	-48	-6.6%	-53.0%
Operating expenses	-12,251	-13,259	8.2%	-3,567	-3,112	-3,180	2.2%	-10.9%
Main components of balance sheet closing balances in HUF mn	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Total Assets[2]	297,706	367,521	23.5%	297,706	358,706	367,521	2.5%	23.5%
Gross customer loans[2]	210,520	316,809	50.5%	210,520	285,167	316,809	11.1%	50.5%
Retail loans	106,152	183,217	72.6%	106,152	160,378	183,217	14.2%	72.6%
Corporate loans	104,368	133,592	28.0%	104,368	124,789	133,592	7.1%	28.0%
Provisions	-1,920	-4,365	127.4%	-1,920	-2,584	-4,365	68.9%	127.4%
Deposits from customers	70,729	72,206	2.1%	70,729	78,426	72,206	-7.9%	2.1%
Retail deposits	34,301	36,447	6.3%	34,301	41,365	36,447	-11.9%	6.3%
Corporate deposits	36,428	35,759	-1.8%	36,428	37,061	35,759	-3.5%	-1.8%
Liabilities to credit institutions	146,583	107,504	-26.7%	146,583	109,000	107,504	-1.4%	-26.7%
Total shareholders' equity	25,095	23,141	-7.8%	25,095	22,489	23,141	2.9%	-7.8%
Loan Quality (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	8.1%	6.9%	-1.2%	8.1%	4.9%	6.9%	2.0%	-1.2%
Market share (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Loans	2.0%	2.4%	0.4%	2.0%	2.2%	2.4%	0.2%	0.4%
Deposits	0.8%	0.7%	0.0%	0.8%	0.8%	0.7%	-0.1%	0.0%
Total Assets	1.4%	1.2%	-0.2%	1.4%	1.3%	1.2%	-0.1%	-0.2%
Indicators (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Gross loans to deposits	297.6%	438.8%	141.1%	297.6%	363.6%	438.8%	75.1%	141.1%
Cost/income ratio	120.7%	78.9%	-41.8%	115.5%	78.6%	57.0%	-21.6%	-58.5%
Net interest margin	2.28%	2.15%	-0.14%	2.46%	2.16%	1.70%	-0.46%	-0.76%
ROA	-1.2%	0.0%	1.3%	-1.1%	1.2%	0.4%	-0.8%	1.5%
ROE	-11.9%	0.5%	12.5%	-12.0%	18.0%	5.7%	-12.3%	17.7%

[1] From 2Q 2008 adjusted with result of swap transactions executed with OTP Bank in relation with interbank financing
[2] Including both corporate and retail loans that have been sold to OTP Bank

- ***The first profitable year in the Bank's history: favourable development of incomes (+65.5%), moderate increase of costs (+8.2%)***
- ***Despite of leaping risk costs positive PAT (stringent cost control, strong FX result)***
- ***Loan portfolio advanced by 50% y-o-y, 11% q-o-q, strong housing and mortgage loan dynamics; deposit base shrank by 8% q-o-q***
- ***NPL ratio rose to 6.9%***

With the profit of 4Q, OBR's yearly PAT totalled to HUF 133 million, thus ending its very first profitable year in 2008. The results comprise the HUF 77 million profit realized in 3Q on sale of insurance business.

CIRS swap transactions were made in the course of 3Q resulting in lower level of mandatory reserve requirement. Because of the backward-looking calculation base of this requirement, its full positive effect on results emerged only from October. At the end of November the National Bank lowered the mandatory reserve requirement on RON denominated liabilities by 2%-points to 18%.

All elements of total income showed a good performance in 2008: NII increased by 27%, net fee and commission income almost quadrupled, while other non-interest income advanced by 62%. Provisions on possible loan losses grew beyond HUF 3 billion from the HUF 0.8 billion base. The operating costs' dynamics of +8.2% y-o-y is well below the growth level of total income which had a consequence of improving cost/income ratio (by 42%-points y-o-y).

4Q was characterised by significantly increased volume of total income (+41%), however within this NII dropped by 18% as a consequence of a RON 3.4 million reallocation from interest income to commission income. NIM shrank by 46 bps q-o-q. At the same time NF&C income increased by 139% as a result of the RON 3.4 million reallocation and due to the fact that the growing transferred loan portfolio generated more fee income (income from transferred loans is booked here). The stock of loans sold to OTP Bank increased by 60% in the second half of 2008. The 65% q-o-q growth of the other net non-interest income is governed by FX profit.

In 4Q strict cost control has been exercised, compared to the low base in 3Q the cost increase was only 2%. Personnel costs decreased by 13% q-o-q as a result of the year-end discharge of non-utilized part of provisions, while material expenditures increased by 20%.

In 4Q there was no credit transfer to OTP, the transferred loan stock grew only because of FX rate changes. Together with the outsourced loan portfolio the loan portfolio showed an outstanding dynamics (+50% y-o-y, +11% q-o-q). In the retail loan portfolio the volume of housing loans and home equities increased by 121% y-o-y, 18% q-o-q but the volume of consumer loan portfolio shrank. On a y-o-y base corporate loans increased by 28%, on q-o-q base the growth is 7%. In 4Q the growth of the outstanding portfolio in HUF is primarily the result of the exchange rate movements. Due to the moderate origination mainly in November and December, the portfolios decreased in original currency. In last months of 2008 in line with the actual market trends the portfolio has been repriced. Analysing the volume dynamics we have to consider that in 4Q the appreciation of RON against HUF was 1.6% but on a y-o-y base it has depreciated by 6%.

The deposit volume increased by 2% y-o-y, while fell by 8% q-o-q, including the decrease of retail deposits by 12% q-o-q and the corporate by 3.5% respectively. Following the retail deposit withdrawal in October and November, the corporate deposit volume rose in December, while the retail deposit volume stabilised. Higher deposit interest rates were offered to attract deposits but this step reduced profitability.

The significant increase of provisions for possible loan losses was due in the one hand to restrictions on the methodology of provisioning (increased attention on risks related to FX, assuming higher default rates, more pessimistic assumptions on return of mortgage loans), on the other hand to the deterioration of the loan quality (NPL ratio increased both in retail and corporate sectors). NPL ratio reached 6.9% (+2%-points q-o-q), coverage of non-performing loans decreased to 12.9% (-0.4%-point q-o-q), which was a result both of high volume of provisions and increase of NPLs by 56% q-o-q.

OTP BANKA HRVATSKA

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	3,554	4,945	39.2%	731	1,351	1,234	-8.7%	68.8%
Pre-tax profit	4,490	6,216	38.5%	958	1,685	1,554	-7.7%	62.3%
Total income	15,402	19,026	23.5%	3,925	4,711	5,232	11.0%	33.3%
Net interest income	11,731	13,784	17.5%	3,102	3,439	3,779	9.9%	21.8%
Net fees and commissions	3,127	3,588	14.8%	927	870	1,007	15.7%	8.6%
Other net non-interest income	545	1,654	203.5%	-104	402	446	10.9%	-530.0%
Provisions for possible loan losses	-491	-843	71.8%	-353	-277	-300	8.1%	-15.1%
Other provisions	-80	179	-324.5%	16	145	-83	-157.3%	-632.1%
Operating expenses	-10,342	-12,145	17.4%	-2,630	-2,894	-3,295	13.8%	25.3%
Main components of balance sheet closing balances in HUF mn	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Total Assets	422,231	462,378	9.5%	422,231	449,566	462,378	2.8%	9.5%
Gross customer loans	248,819	309,567	24.4%	248,819	280,728	309,567	10.3%	24.4%
Retail loans	159,192	191,496	20.3%	159,192	174,596	191,496	9.7%	20.3%
Corporate loans	87,474	115,474	32.0%	87,474	103,769	115,474	11.3%	32.0%
Car financing loans	2,147	2,598	21.0%	2,147	2,364	2,598	9.9%	21.0%
Provisions	-4,120	-6,059	47.1%	-4,120	-5,250	-6,059	15.4%	47.1%
Deposits from customers	307,540	315,253	2.5%	307,540	315,377	315,253	0.0%	2.5%
Retail deposits	248,739	268,837	8.1%	248,739	262,344	268,837	2.5%	8.1%
Corporate deposits	58,801	46,416	-21.1%	58,801	53,033	46,416	-12.5%	-21.1%
Liabilities to credit institutions	64,021	81,098	26.7%	64,021	71,065	81,098	14.1%	26.7%
Total shareholders' equity	40,350	55,002	36.3%	40,350	52,073	55,002	5.6%	36.3%
Loan Quality (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	1.4%	1.7%	0.3%	1.4%	1.5%	1.7%	0.2%	0.3%
Market share (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Loans	3.3%	3.6%	0.3%	3.3%	3.6%	3.6%	0.0%	0.3%
Deposits	4.2%	4.1%	-0.1%	4.2%	4.1%	4.1%	-0.1%	-0.1%
Total Assets	3.4%	3.5%	0.1%	3.4%	3.6%	3.5%	-0.1%	0.1%
Indicators (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Gross loans to deposits	80.9%	98.2%	17.3%	80.9%	89.0%	98.2%	9.2%	17.3%
Cost/income ratio	67.1%	63.8%	-3.3%	67.0%	61.4%	63.0%	1.5%	-4.0%
Net interest margin	2.98%	3.12%	0.13%	3.00%	3.19%	3.30%	0.11%	0.29%
ROA	0.9%	1.1%	0.2%	0.7%	1.3%	1.1%	-0.2%	0.4%
ROE	10.0%	10.4%	0.4%	7.3%	10.7%	9.2%	-1.5%	1.9%

- ***Outstanding y-o-y profit growth (+39.2%), due to stringent cost control and one-off items***
- ***NII growth of 17.5%, improving 4Q NIM on yearly and quarterly basis as well***
- ***Stable loan portfolio, top performer within OTP Group with NPL-ratio of 1.7%, associated with high coverage ratio***

In FY2008 after tax profit of OBH group reached HUF 5 billion an increase of 40% y-o-y. The earnings dynamism in 4Q 2008 was heavily influenced by HUF weakening: while 4Q profit of HUF 1.2 billion represented a 9% decline q-o-q, in HRK PAT setback is more significant 18% q-o-q. All in all FY2008 was characterized by stable profit with strong net interest income and continuous, stringent cost control, with the assistance of some one-off items.

The asset portfolio of the bank showed a favourable development, the loan portfolio grew by almost 25%, driven foremost by the retail segment. The higher realized margin on loans and the higher cost of funding (including interbank loans and deposits) resulted a net interest income development of +9.9% q-o-q, in local currency a shrinkage of 1.5% q-o-q.

Net fees and commission income grew by 14.8% on a yearly basis, mainly generated by the increase of card related fees (34% y-o-y on HRK denominated portfolio), and by the increase of deposit and C/A related commissions (+15% y-o-y).

As a result of one-off items NII almost tripled compared to the previous year end. In 2008 the bank has realised HRK 15.3 million profit from real estate transactions (HRK +8.5 million y-o-y), and HRK 7.3 million was realised on selling of shares (Visa International, Krma Vinkovci).

Operating costs shaped according to the expectations of the management. Personnel costs increased due to the 2007 bonuses paid out during the year while material expenditures were increased by the costs of property appraisers and experts related to the real estate transactions.

Growth of customer portfolio was balanced in 2008. Quarterly increase of corporate loans was 11.3% while the draw down of contracted C/A loans and short term loans were higher than in the previous quarter. Altogether the quality of the portfolio has remained good, ratio of NPL-ratio (1.7%; +0.2%-points q-o-q) increased only marginally despite of the global crisis and is significantly lower than the Group average. Cost of risk is in accordance with the growth of the portfolio. The HRK 8 million risk costs cumulated in the last quarter is related to three corporate loan disbursements where the revaluation of collaterals caused the re-qualification of loans and the related provisioning. It has to be emphasised that this revaluation is a one-off item in the portfolio of the bank and not the first example of write-offs induced by the crisis. Together with this the coverage ratio of the NPL improved by 9.2%-points to 74.0% y-o-y.

The growth in municipality loan volume was a result of a syndicated loan to the Croatian state in the amount of EUR 30 million in this period. According to the agreement with the Croatian National Bank the mandatory reserve requirement was reduced from 32% to 28.5%. The interbank loan volume decreased by HRK 364 million in 4Q, however the CNB lifted up its 55% mandatory reserve requirement on foreign liabilities in October, and amended its general reserve requirement to 14% (from the previous 17%).

The Bank's deposit base reduced slowly in 4Q, but the interest rising steps taken to stop this trend proved successful and the deposit volume started to recover in December. The retail deposit volume grew by 5.3% in local currency in 2008. In spite of lower interest rates compared to competitors the Bank preserves its market positions in respect of customer deposits, growth of volume is in line with market trends.

OTP BANKA SLOVENSKO

Performance OTP Banka Slovensko:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	2,600	2,062	-20.7%	1,394	609	142	-76.6%	-89.8%
One-off items, after-tax[1]	0	-108		0	0	-108		
After tax profit w/o dividends, net cash transfers and one-offs	2,600	2,170	-16.5%	1,394	609	250	-59.0%	-82.1%
Pre-tax profit	2,192	2,388	9.0%	986	668	221	-66.9%	-77.6%
Total income	12,086	14,496	19.9%	3,321	3,623	3,925	8.3%	18.2%
Net interest income	8,419	10,119	20.2%	2,329	2,538	2,780	9.5%	19.4%
Net fees and commissions	2,300	3,027	31.6%	661	683	878	28.6%	32.8%
Other net non-interest income	1,368	1,350	-1.3%	330	402	267	-33.6%	-19.1%
Provisions for possible loan losses	-1,154	-1,678	45.4%	129	-417	-741	77.7%	-675.4%
Other provisions	25	49	98.5%	-85	19	52	170.3%	-160.9%
Operating expenses	-8,766	-10,480	19.6%	-2,379	-2,557	-3,015	17.9%	26.7%

Main components of balance sheet closing balances in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Total Assets	368,185	429,753	16.7%	368,185	407,916	429,753	5.4%	16.7%
Gross customer loans	232,286	314,422	35.4%	232,286	302,309	314,422	4.0%	35.4%
Retail loans	70,444	98,520	39.9%	70,444	88,995	98,520	10.7%	39.9%
Corporate loans	161,842	215,902	33.4%	161,842	213,314	215,902	1.2%	33.4%
Provisions	-2,974	-4,551	53.0%	-2,974	-3,931	-4,551	15.8%	53.0%
Deposits from customers	227,126	262,787	15.7%	227,126	257,515	262,787	2.0%	15.7%
Retail deposits	93,690	149,460	59.5%	93,690	114,425	149,460	30.6%	59.5%
Corporate deposits	133,436	113,327	-15.1%	133,436	143,089	113,327	-20.8%	-15.1%
Liabilities to credit institutions	42,628	45,411	6.5%	42,628	33,100	45,411	37.2%	6.5%
Issued securities	64,742	75,137	16.1%	64,742	73,565	75,137	2.1%	16.1%
Subordinated debt	0	7,679		0	7,046	7,679	9.0%	
Total shareholders' equity	23,627	31,235	32.2%	23,627	28,257	31,235	10.5%	32.2%
Loan Quality (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	3.9%	4.0%	0.1%	3.9%	3.7%	4.0%	0.3%	0.1%
Market share (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Loans	4.0%	4.0%	0.0%	4.0%	4.1%	4.0%	-0.1%	0.0%
Deposits	2.9%	2.6%	-0.3%	2.9%	3.0%	2.6%	-0.4%	-0.3%
Total Assets	2.8%	2.7%	-0.1%	2.8%	2.9%	2.7%	-0.2%	-0.1%
Indicators (%)	**2007**	**2008**	**Y-o-Y**	**4Q 2007**	**3Q 2008**	**4Q 2008**	**Q-o-Q**	**Y-o-Y**
Gross loans to deposits	102.3%	119.6%	17.4%	102.3%	117.4%	119.6%	2.3%	17.4%
Cost/income ratio	72.5%	72.3%	-0.2%	71.6%	70.6%	76.8%	6.2%	5.2%
Net interest margin	2.43%	2.54%	0.11%	2.56%	2.50%	2.64%	0.14%	0.08%
ROA	0.7%	0.5%	-0.2%	1.5%	0.6%	0.2%	-0.4%	-1.3%
ROE	11.8%	7.9%	-3.9%	24.3%	9.0%	3.3%	-5.6%	-21.0%

[1] Sum of other provisioning, other non interest income and other non-interest expense booked in relation to the sale of OTP Leasing a.s.

- ***Pre-tax profit increased by 9% in FY2008, while profit after tax decreased by 16.5%***
- ***The dynamics of income growth exceeded that of operating expenses***
- ***Highly successful retail operation: loans grew by 40% y-o-y, while deposits by 60% respectively***
- ***Provisions significantly increased in 4Q; NPL ratio grew to 4.0% in 4Q 2008***

In FY2008 OBS realized a profit after tax of HUF 2.17 billion without one-off items, which corresponds to a 16.5% decrease compared to FY2007. Pre-tax profit grew by 9%, reflecting the strong income generating profile of the Bank's core business. NII and net F&C income grew by 20% and 32% respectively (in 2Q 2008 OBS realized a one-off commission income from an international development bank), which counterbalanced the 1% shrinkage of other non interest income.

The rising tax burden registered in 2008 was due to a new taxation rule: risk costs are not recognized as tax expenses. Deferred tax payment had a negative effect of HUF 419 million in FY2008.

In 2008 the dynamics of operating costs was somewhat behind the growth of incomes. Personal costs were under strong control (9% increase in local currency). In 2008 depreciation increased by 14%, whereas marketing costs grew by 20% in local currency.

Provisions for possible loan losses increased by 45% in 2008 partially as a result of the growth of gross loan portfolio and the increased ratio of non-performing loans in the second half of 2008.

The gross loan portfolio increased by 35% in 2008 (in LCY 16% – SKK appreciated against HUF by 17% in 2008) in which the 68.6% growth dynamics of retail consumer loans and home equities has to be emphasised and the amount of retail housing loans increased by 31%. In 4Q the growth of gross loan portfolio was 4% (a 5% decrease in LCY). Retail housing loans remained flat in local currency, consumer loans increased by 3.4%. As a result of a deliberate management decision the corporate loan book dropped (in SKK -7.7%).

According to the resolution of the central bank effective from November 2008 a mandatory liquidity ratio has to be maintained by the banks. This requirement resulted firstly a conscious restriction of the corporate loan book, secondly the intentional increase of a solid customer term deposit base and thirdly the utilization of a temporary money market instrument from OTP Bank.

Deposit volume was up by 16%, structurally with a shift from the previously dominant corporate and municipal deposits to the retail (mainly term) deposits. These movements speeded up in the fourth quarter. As a result of the deposit collecting campaigns supported by successful promotion, the volume of retail deposits increased by 30% in 4Q 2008. However, the volume of corporate deposits decreased significantly following a downgrade by Moody's on 26th September (in LCY the decrease of corporate and municipal deposits were 2.5% and 77% respectively in the last quarter).

In 4Q OBS realized HUF 250 million PAT (-59% q-o-q). The sale of the Bank's share in OTP Leasing a.s. completed in the same period, resulted in a one-off loss of EUR 108 million.

In 4Q out of total income NII grew by 9.5%, in local currency it slightly decreased q-o-q; NF&C grew by 16% in SKK. FX result significantly decreased q-o-q, which manifested in the decrease of other net non-interest income by 33.6% q-o-q. Provisions for possible loan losses grew by 77% q-o-q in spite of the high basis. Operating expenses grew by 17.9% (in local currency by SKK 19.5 million or 6%). The increased expenses were mainly the extra cost of the euro introduction (approximately SKK 9 million), and the expanded marketing expenses in connection with the retail deposit campaign (the increment of marketing costs exceeded SKK 6.4 million q-o-q).

NPL ratio stood at 4.0% at the end of 4Q 2008, compared to 3.9% in 2007 and 3.7% in 3Q. The coverage of NPL portfolio improved by 3%-point to 30% y-o-y and 0.4%-points q-o-q respectively.

OTP BANKA SRBIJA

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	594	2,338	293.6%	-298	-191	194	-201.7%	-165.0%
One-off items, after-tax[1]	0	1,828		0	-2	0	-101.3%	
After tax profit w/o dividends, net cash transfers and one-offs	594	510	-14.2%	-298	-189	194	-202.6%	-165.0%
Pre-tax profit	600	575	-4.3%	-292	-189	257	-235.6%	-187.9%
Total income	11,489	12,536	9.1%	3,238	2,595	4,144	59.7%	28.0%
Net interest income	6,133	6,426	4.8%	1,286	1,586	1,615	1.8%	25.6%
Net fees and commissions	2,240	2,607	16.4%	555	669	726	8.5%	30.9%
Other net non-interest income	3,116	3,503	12.4%	1,397	339	1,802	430.9%	29.0%
Provisions for possible loan losses	-497	-1,761	254.2%	-247	-722	-779	7.8%	215.2%
Other provisions	-155	385	-348.5%	259	651	-120	-118.5%	-146.6%
Operating expenses	-10,237	-10,584	3.4%	-3,541	-2,713	-2,988	10.1%	-15.6%
Main components of balance sheet closing balances in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Total Assets	112,213	143,070	27.5%	112,213	150,916	143,070	-5.2%	27.5%
Gross customer loans	63,161	94,744	50.0%	63,161	93,808	94,744	1.0%	50.0%
Retail loans	15,707	24,851	58.2%	15,707	23,878	24,851	4.1%	58.2%
Corporate loans	47,454	69,893	47.3%	47,454	69,929	69,893	-0.1%	47.3%
Provisions	-4,183	-6,007	43.6%	-4,183	-5,539	-6,007	8.5%	43.6%
Deposits from customers	38,090	33,913	-11.0%	38,090	39,563	33,913	-14.3%	-11.0%
Retail deposits	19,386	17,998	-7.2%	19,386	22,191	17,998	-18.9%	-7.2%
Corporate deposits	18,704	15,915	-14.9%	18,704	17,372	15,915	-8.4%	-14.9%
Liabilities to credit institutions	30,683	30,460	-0.7%	30,683	32,741	30,460	-7.0%	-0.7%
Subordinated debt	0	37,323		0	34,382	37,323	8.6%	
Total shareholders' equity	40,895	38,728	-5.3%	40,895	41,406	38,728	-6.5%	-5.3%
Loan Quality (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Share of NPLs	16.5%	12.0%	-4.5%	16.5%	11.1%	12.0%	0.9%	-4.5%
Market share (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Loans	2.3%	2.8%	0.5%	2.3%	3.0%	2.8%	-0.3%	0.5%
Deposits	1.6%	1.4%	-0.2%	1.6%	1.6%	1.4%	-0.2%	-0.2%
Total Assets	2.1%	2.5%	0.4%	2.1%	2.7%	2.5%	-0.2%	0.4%
Indicators (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	165.8%	279.4%	113.6%	165.8%	237.1%	279.4%	42.3%	113.6%
Cost/income ratio	89.1%	84.4%	-4.7%	109.4%	104.5%	72.1%	-32.4%	-37.3%
Net interest margin	8.35%	5.03%	-3.32%	4.83%	4.40%	4.37%	-0.03%	-0.46%
ROA	0.8%	0.4%	-0.4%	-1.1%	-0.5%	0.5%	1.1%	1.6%
ROE	2.4%	1.3%	-1.1%	-3.0%	-1.9%	1.9%	3.8%	4.9%

[1] One-off gain on the sale of investments in 2008

- ***The Bank posted a profit of HUF 2.34 billion in 2008***
- ***Profitable 4Q despite increasing provisions and operating costs***
- ***Due to cutback of lending corporate portfolio shrank; NPL ratio rose to 12%***
- ***Deposit base decreased by 14% q-o-q as a result of retail deposit withdrawals***

In 2008 OTP banka Srbija posted an after tax profit without dividends and net cash transfer of HUF 2,338 million after HUF 594 million in 2007. The results were boosted by one-off items.

NII hardly changed (+5%) despite of the 50% growth of loan portfolio, mainly due to higher funding costs. Unfavourable changes in the structure of liabilities as well as higher deposit interest rates – in answer to deposit withdrawals – had an adverse effect on interest expenses. Regarding the changes in the structure of liabilities, the higher proportion of interbank borrowings compared to deposits and the higher proportion of OTP Bank related borrowings compared to interbank borrowings is to be mentioned. Moreover, increased parent bank financing implied higher mandatory reserve requirements, which had negative impact on profit.

In order to boost FX liquidity the central bank intervened several times in 4Q and made other steps too, however the banking system still has to face high mandatory reserve requirements.

Net fee and commission income grew by 16% in 2008, primarily as a result of good performance of card business (moreover, the bank introduced new types of fees in 2Q in order to boost NF&C income). Other net non-interest income came out at HUF 3.5 billion (+12.4%). Provisions on possible loan losses jumped in 2H and operating costs went up by 3.4% y-o-y, within that personnel costs grew by 8% but other expenses declined by 3%.

In 4Q the after tax profit of the bank was HUF 194 million in contrast with the loss HUF 191 million in the previous quarter. This result was due on one hand to the positive effect of the other net non-interest income increased by HUF 1.5 billion q-o-q (FX exchange rate income and re-evaluation income) and on the other hand to the negative effects of the increasing risk costs and operating costs on q-o-q base.

In October as a consequence of frozen money market and retail deposit withdrawals, in order to maintain liquidity the bank increased its open FX position (long EUR). In December after the ceasing deposit withdrawal the bank closed its FX position and on the depreciation of EUR/RSD exchange rate it realised RSD 166 million profit.

Due to checking loan portfolio and stable margins NII increased by 2% q-o-q (some part of the loan portfolio has been repriced but the funding costs increased significantly). NF&C income increased by 8.5% q-o-q. In 4Q the provisions for possible loan losses increased by 7.8% while in 2008 risk cost grew to 3.5-fold level. 10% q-o-q growth of operating costs is mainly resulted by the 15% q-o-q increase of material expenditures (renting fees, contribution of sub-contractors, material costs), the increase of personnel costs was 4%.

The retail deposit volume decreased by 20% in October compared to the end of September, and by a further 7% in November. As a result of high interest rates on deposits the retail deposit volume increased in December, counter-weighting the fall in November. The retail deposits dropped by 19% altogether during 4Q. Corporate deposit volume remained relatively stable (-2.3% q-o-q), but municipality deposits declined by 83% mainly due to technical reasons (in accordance with a local regulation the local municipalities have to deposit their liquidity surplus at the state treasury on the last day of the year).

Loan volume expanded by 50% y-o-y, by 1% q-o-q respectively. The Bank reduced its lending activity significantly, restricted lending conditions, and focused on lending in local currency. Retail loan volume grew by 4% q-o-q, while corporate loan volume calculated in HUF stagnated (there was a remarkable backdrop in the original currency).

The quality of loan portfolio altogether deteriorated, while the retail portfolio slightly improved, provisions in the amount of HUF 0.5 billion had to be put aside in connection with two corporate loans. NPL ratio increased by 0.9%-points q-o-q to 12.0%. High provisioning not justified by risk profile change in 3Q was followed by further provisioning in 4Q (the Bank revised the classification of loans which indicated increase in provisions). Due to this and the deterioration of the portfolio quality the NPL coverage remained stable on a quarterly basis (44.5%), and increased by 10.6%-points y-o-y.

CRNOGORSKA KOMERCIJALNA BANKA

Performance of CKB:

Main components of P&L account in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	2,247	3,411	51.8%	469	958	908	-5.2%	93.7%
Pre-tax profit	2,415	3,579	48.2%	527	993	966	-2.7%	83.1%
Total income	8,189	11,449	39.8%	2,545	2,659	3,422	28.7%	34.4%
Net interest income	4,220	6,396	51.6%	1,278	1,534	1,961	27.8%	53.5%
Net fees and commissions	3,695	4,749	28.5%	1,206	1,172	1,383	18.1%	14.7%
Other net non-interest income	274	304	10.8%	61	-47	78	-264.0%	26.2%
Provisions for possible loan losses	-911	-2,074	127.6%	-160	-270	-702	160.4%	337.5%
Other provisions	-155	-162	4.9%	-118	-17	-96	463.3%	-18.0%
Operating expenses	-4,709	-5,634	19.6%	-1,740	-1,379	-1,658	20.2%	-4.7%

Main components of balance sheet closing balances in HUF mn	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Total Assets	260,493	304,576	16.9%	260,493	297,363	304,576	2.4%	16.9%
Gross customer loans	183,497	249,334	35.9%	183,497	228,391	249,334	9.2%	35.9%
Retail loans	119,650	155,430	29.9%	119,650	141,816	155,430	9.6%	29.9%
Corporate loans	63,584	93,904	47.7%	63,584	86,575	93,904	8.5%	47.7%
Provisions	-1,414	-3,926	177.6%	-1,414	-2,907	-3,926	35.0%	177.6%
Deposits from customers	211,109	203,517	-3.6%	211,109	221,471	203,517	-8.1%	-3.6%
Retail deposits	104,458	92,783	-11.2%	104,458	111,005	92,783	-16.4%	-11.2%
Corporate deposits	106,190	110,735	4.3%	106,190	110,466	110,735	0.2%	4.3%
Liabilities to credit institutions	28,096	67,271	139.4%	28,096	47,427	67,271	41.8%	139.4%
Subordinated debt	3,040	3,177	4.5%	3,040	2,918	3,177	8.9%	4.5%
Total shareholders' equity	10,589	18,747	77.0%	10,589	16,280	18,747	15.2%	77.0%
Loan Quality (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Share of NPLs	1.4%	5.8%	4.4%	1.4%	3.0%	5.8%	2.8%	4.4%
Market share (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Loans	32.2%	33.5%	1.3%	32.2%	32.5%	33.5%	0.9%	1.3%
Deposits	39.8%	38.1%	-1.6%	39.8%	39.0%	38.1%	-0.9%	-1.6%
Total Assets	34.6%	34.1%	-0.5%	34.6%	34.1%	34.1%	0.0%	-0.5%
Indicators (%)	2007	2008	Y-o-Y	4Q 2007	3Q 2008	4Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	86.9%	122.5%	35.6%	86.9%	103.1%	122.5%	19.4%	35.6%
Cost/income ratio	57.5%	49.2%	-8.3%	68.4%	51.9%	48.4%	-3.4%	-19.9%
Net interest margin	2.13%	2.26%	0.13%	2.05%	2.12%	2.59%	0.47%	0.54%
ROA	1.1%	1.2%	0.1%	0.8%	1.3%	1.2%	-0.1%	0.4%
ROE	27.3%	23.3%	-4.1%	18.1%	24.4%	20.6%	-3.8%	2.6%

- ***Outstanding profit after tax growth (+51.8% y-o-y), strong NII dynamics, improving NIM (+0.13%-points y-o-y)***
- ***Cutback of lending activity corresponding to regulatory limitations in force***
- ***General withdrawal of retail deposits***
- ***Non-performing loans ratio increased (4Q 2008 NPL-ratio: 5.8%)***

2008 after tax profit of CKB was HUF 3.4 billion (EUR 13.6 million), which is more than 50% higher than the profit of the last year. As for the earnings dynamism it was fuelled by the permanent growth of NII – almost 52% increase y-o-y – as a result of the above the plan loan growth. Though customer loans are typically originated with fixed interest rate and the effect of repricing effects mainly the new origination, that interest margin (4Q 2008: 2.59%) has still improved significantly compared to 3Q 2008 (+0.47%-points q-o-q).

Net F&C income performed nicely both in the whole year and in the last three months. Despite of the cut-back of the loan disbursement the loan commissions increased by 36% and the card related commissions showed an almost 51% growth y-o-y. On one hand this can be explained by the increase of the number of bank cards issued (+14 thousand y-o-y), on the other hand by the growth of card transactions through the continuously expanding POS network.

Risk provisions altogether doubled in 2008 (127.6% y-o-y); the increase of risk provisions in 4Q was primarily due to the financial crisis. In the last quarter the Bank has scaled-back the disbursement of new loans (e.g. the mortgage loan product has been suspended) in accordance with the effective regulatory limitation; simultaneously the provisioning on certain loan categories has been made more stringent. NPL-ratio increased significantly q-o-q, and stood at 5.8% at the end of December 2008. However it is to be emphasized that the customer loans are denominated in EUR, therefore there is no risk of depreciation.

The deposit base of the Bank decreased continuously from the end of September (in total by approximately EUR 100 million), mainly due to deposit withdrawals in the retail sector; thus the annual deposit growth practically eroded. Note that the deposit withdrawal was typical in the whole banking sector of Montenegro, fuelled by negative historical experiences. Still the market share of CKB remained almost unchanged (representing 38.1% at the end of October).

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP group was 30,878 people as of 31 December. Due to the sale of Garancia Insurance company the staff number decreased by 3,150 persons and in 4Q parallel with the slow-down in lending there was a layoff at Group members.

The closing number of OTP Bank staff was 8,189 on 31 December, 2008 (decreased by 305 persons y-o-y).

	30/09/2007	30/06/2008	30/09/2008	Q-o-Q	Y-o-Y
OTP BANK					
Closing staff (persons)	8,494	8,541	8,189	-4.1%	-3.6%
Average staff (persons)	8,281	8,346	8,333	-0.2%	0.6%
Per capita total assets (HUF mn)	601.7	673.7	712.1	5.7%	18.3%
Per capita profit after tax quarterly (HUF mn)	3.3	19.0	-6.5	-134.1%	-297.9%
GROUP					
Closing staff (persons)	33,062	31,709	30,878	-2.6%	-6.6%
Average staff (persons)	30,912	30,758	30,691	-0.2%	-0.7%
Per capita consolidated total assets (HUF mn)	255.9	295.3	305.8	3.6%	19.5%
Per capita consolidated profit after tax quarterly (HUF mn)	1.7	5.5	0.2	-97.0%	-90.2%

Network of OTP Group included 1,573 branches at the end of December. In the last quarter the branch network development has slowed down, while on a yearly base increased by 101 new branches, 392 ATMs and 5,251 POS units. The number of issued cards reached roughly 9.6 million, thus the number of card transactions increased significantly.

	31 December, 2008						Change YTD					
	Bank branches	ATMs	POSs	Bank cards (th)	Number of banking clients (th)	Staff (closing)	Bank branches	ATMs	POSs	Bank cards	Number of clients	Staff (closing)
OTP Bank	**403**	**2,015**	**33,803**	**3,967**	**4,760**	**8,189**	***-6***	***34***	***1,926***	***-24***	***2***	***-305***
DSK Bank	379	850	3,481	1,603	2,939	4,279	*4*	*61*	*1,084*	*93*	*-691*	*256*
OTP Banka Slovensko	89	119	602	120	188	839	*-1*	*4*	*119*	*13*	*19*	*56*
OTP banka Hrvatska	105	163	1,172	357	447	1,047	*5*	*44*	*106*	*34*	*13*	*31*
OTP Bank Romania	105	132	681	116	178	1,096	*1*	*32*	*601*	*39*	*39*	*98*
CJSC OTP Bank (Ukraine)	229	208	362	101	238	4,392	*71*	*109*	*105*	*-33*	*70*	*892*
OAO OTP Bank (Russia)	128	192	2,169	3,035	2,819	7,862	*26*	*44*	*183*	*1,054*	*-476*	*-506*
OTP banka Srbija	95	204	3,356	94	n.a,	1,183	*-5*	*33*	*901*	*-45*	n.a,	*9*
CKB	40	105	2,131	189	303	483	*6*	*31*	*226*	*14*	*35*	*60*
Subsidiaries total	**1,170**	**1,973**	**13,954**	**5,616**	**7,113**	**21,181**	***107***	***358***	***3,325***	***1,169***	***-992***	***896***
Group total (aggregated)	**1,573**	**3,988**	**47,757**	**9,584**	**11,873**	**30,878**	***101***	***392***	***5,251***	***1,145***	***-1,172***	***-1,353***

PERSONAL AND ORGANIZATIONAL CHANGES

There was neither change in the composition of the Supervisory Board and Board of Directors, nor in the Auditor of OTP Bank.

Budapest, 12 February, 2009

FINANCIAL DATA

UNCONSOLIDATED AND CONSOLIDATED IFRS BALANCE SHEET

in HUF million	OTP Bank			Consolidated		
	31/12/2008	31/12/2007	change	31/12/2008	31/12/2007	change
Cash, due from banks and balances with the National Bank of Hungary	155,631	229,644	-32.2%	345,397	353,243	-2.2%
Placements with other banks, net of allowance for possible placement losses	920,455	725,458	26.9%	591,056	654,788	-9.7%
Financial assets at fair value through profit and loss	151,716	123,371	23.0%	129,347	285,895	-54.8%
Securities held-for-trading	54,819	60,384	-9.2%	56,671	221,957	-74.5%
Fair value adjustment of derivative financial instruments	96,897	62,987	53.8%	72,676	63,938	13.7%
Securities available-for-sale	549,911	320,615	71.5%	480,916	473,925	1.5%
Loans, net of allowance for possible loan losses	2,714,834	2,188,632	24.0%	6,735,542	5,582,437	20.7%
Accrued interest receivable	60,505	46,421	30.3%	88,978	63,459	40.2%
Investments in subsidiaries	656,730	630,703	4.1%	10,342	9,892	4.5%
Securities held-to-maturity	437,422	558,510	-21.7%	321,619	317,557	1.3%
Premises, equipment and intangible assets, net	112,478	110,273	2.0%	527,976	541,909	-2.6%
Other assets	71,405	177,047	-59.7%	211,155	178,769	18.1%
TOTAL ASSETS	**5,831,087**	**5,110,674**	**14.1%**	**9,442,328**	**8,461,874**	**11.6%**
Due to banks and deposits from the National Bank of Hungary and other banks	705,565	590,748	19.4%	850,605	798,154	6.6%
Deposits from customers	3,090,762	2,955,035	4.6%	5,214,848	5,038,372	3.5%
Liabilities from issued securities	602,253	394,196	52.8%	1,527,096	985,265	55.0%
Accrued interest payable	34,622	18,411	88.1%	97,606	60,153	62.3%
Other liabilities	264,586	138,111	91.6%	324,036	383,189	-15.4%
Subordinated bonds and loans	302,600	298,914	1.2%	316,796	301,164	5.2%
TOTAL LIABILITIES	**5,000,388**	**4,395,415**	**13.8%**	**8,330,987**	**7,566,297**	**10.1%**
SHARE CAPITAL	28,000	28,000	0.0%	28,000	28,000	0.0%
RETAINED EARNINGS AND RESERVES	900,544	741,467	21.5%	1,223,202	976,225	25.3%
Retained earnings and reserves without earnings	707,517	599,786	18.0%	920,416	768,017	19.8%
Reserves	702,767	577,373	21.7%	790,823	619,061	27.7%
Fair value adjustment of securities available-for-sale and of derivative financial instruments recognised directly through equity	-14,431	3,260		-14,072	-679	
Fair value adjustment of share based payments	19,181	19,153	0.1%	19,181	19,153	0.1%
Additional reserve (issued capital element)				124,484	130,482	-4.6%
Retained earnings	193,027	141,681	36.2%	302,786	208,208	45.4%
TREASURY SHARES	-97,845	-54,208		-146,749	-114,001	28.7%
MINORITY INTEREST				6,888	5353	28.7%
TOTAL SHAREHOLDERS' EQUITY	**830,699**	**715,259**	**16.1%**	**1,111,341**	**895,577**	**24.1%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,831,087**	**5,110,674**	**14.1%**	**9,442,328**	**8,461,874**	**11.6%**

UNCONSOLIDATED AND CONSOLIDATED IFRS PROFIT AND LOSS ACCOUNT

in HUF million	OTP Bank			Consolidated		
	2008	2007	change	2008	2007	change
Loans	243,170	199,770	21.7%	720,232	586,883	22.7%
Interest income without swap	233,389	194,803	19.8%	710,451	581,267	22.2%
Results of swaps	9,781	4,967	96.9%	9,781	5,617	74.1%
Placements with other banks	203,352	104,968	93.7%	172,787	95,793	80.4%
Interest income without swap	43,621	41,920	4.1%	22,173	22,729	-2.4%
Results of swaps	159,731	63,048	153.3%	150,614	73,064	106.1%
Due from banks and balances with the National Bank of Hungary	14,147	11,754	20.4%	16,133	12,824	25.8%
Securities held-for-trading	4,979	2,808	77.3%	7,066	7,272	-2.8%
Securities available-for-sale	24,104	24,952	-3.4%	32,364	34,145	-5.2%
Securities held-to-maturity	42,582	51,298	-17.0%	26,696	29,938	-10.8%
Total Interest Income	532,334	395,550	34.6%	975,278	766,856	27.2%
Due to banks and deposits from the National Bank of Hungary and other banks	206,208	65,939	212.7%	226,651	76,147	197.6%
Interest expenses without swap	35,802	22,471	59.3%	44,903	31,294	43.5%
Losses of swaps	170,406	43,468	292.0%	181,748	44,853	305.2%
Deposits from customers	150,729	110,504	36.4%	221,501	172,403	28.5%
Interest expenses without swap	145,014	106,884	35.7%	215,786	168,750	27.9%
Losses of swaps	5,715	3,620	57.9%	5,715	3,653	56.4%
Liabilities from issued securities	25,355	16,151	57.0%	73,066	50,197	45.6%
Subordinated bonds and loans	16,444	16,086	2.2%	17,009	16,438	3.5%
Other entrepreneurs				54	103	-47.6%
Total Interest Expense	398,736	208,680	91.1%	538,281	315,288	70.7%
NET INTEREST INCOME	**133,598**	**186,870**	**-28.5%**	**436,997**	**451,568**	**-3.2%**
Provision for possible loan losses	29,398	21,453	37.0%	110,495	58,144	90.0%
Provision for possible placement losses	362	0		516	40	
Provision for possible loan and placement losses	29,760	21,453	38.7%	111,011	58,184	90.8%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	103,838	165,417	-37.2%	325,986	393,383	-17.1%
Fees and commissions	157,466	153,449	2.6%	181,843	168,912	7.7%
Foreign exchange gains and losses, net	58,228	633		130,668	8,399	
Gains and losses on securities, net	118	2,232	-94.7%	-1,087	5,085	-121.4%
Gains and losses on real estate transactions, net	-27	-54	-50.0%	1,890	1,371	37.9%
Dividend income and gains and losses of associated companies	138,264	18,920	630.8%	2,618	993	163.6%
Insurance premiums				60,431	83,591	-27.7%
Result of discontinued operation				126,235	0	
Other	21,524	4,717	356.3%	26,814	40,067	-33.1%
Total Non-Interest Income	375,573	179,897	108.8%	529,412	308,419	71.7%
Fees and commissions	24,689	20,611	19.8%	46,664	35,903	30.0%
Personnel expenses	77,323	71,018	8.9%	167,301	147,831	13.2%
Depreciation and amortization	21,032	20,035	5.0%	74,599	35,627	109.4%
Insurance expenses				47,178	69,204	-31.8%
Other	156,707	71,868	118.0%	183,891	164,286	11.9%
Total Non-Interest Expense	279,751	183,532	52.4%	519,633	452,850	14.7%
INCOME BEFORE INCOME TAXES	**199,660**	**161,782**	**23.4%**	**335,765**	**248,952**	**34.9%**
Income taxes	6,633	20,101	-67.0%	32,311	40,404	-20.0%
INCOME AFTER INCOME TAXES	**193,027**	**141,681**	**36.2%**	**303,454**	**208,548**	**45.5%**
Minority interest				-668	-340	96.5%
NET INCOME	**193,027**	**141,681**	**36.2%**	**302,786**	**208,208**	**45.4%**

UNCONSOLIDATED AND CONSOLIDATED IFRS CASH-FLOW STATEMENT

in HUF million	OTP Bank			Consolidated		
	2008	2007	change	2008	2007	change
OPERATING ACTIVITIES						
Income before income taxes	199,660	161,782	23.4%	335,765	248,952	34.9%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-14,566	-24,101	-39.6%	-40,857	-45,005	-9.2%
Depreciation and amortization	21,032	20,035	5.0%	74,599	35,627	109.4%
Provision for loan and placement losses	108,679	22,372	385.8%	129,213	70,719	82.7%
Net increase in insurance reserves					20,604	-100,0%
Share-based compensation	28	5,123	-99.5%	28	5,123	-99.5%
Unrealised losses on fair value adjustment of securities held of trading	-556	688	-180.8%	-662	695	-195.3%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	45,754	-1,620		137,593	-44,522	-409.0%
Changes in operating assets and liabilities	162	0		-55,483	-20,588	169.5%
Net cash provided by operating activities	**360,193**	**122,167**	**194.8%**	**580,196**	**251,001**	**131.2%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-828,727**	**-763,646**	**8.5%**	**-1,278,388**	**-1,369,086**	**-6.6%**
FINANCING ACTIVITIES						
Net cash provided by financing activities	**472,761**	**420,339**	**12.5%**	**764,611**	**916,287**	**-16.6%**
Net (decrease) / increase in cash and cash equivalents	**4,227**	**-221,140**	**-101.9%**	**66,419**	**-201,798**	**-132.9%**
Cash and cash equivalents at the beginning of the period	73,441	294,581	-75.1%	194,860	396,658	-50.9%
Cash and cash equivalents at the end of the period	**77,668**	**73,441**	**5.8%**	**261,279**	**194,860**	**34.1%**
DETAILS OF CASH AND CASH EQUIVALENTS						
Cash, due from banks and balances with the National Bank of Hungary	229,644	429,325	-46.5%	353,243	532,625	-33.7%
Mandatory reserve established by the National Bank of Hungary	-156,203	-134,744	15.9%	-158,383	-135,967	16.5%
Cash and equivalents at the beginning of the period	**73,441**	**294,581**	**-75.1%**	**194,860**	**396,658**	**-50.9%**
Cash, due from banks and balances with the National Bank of Hungary	155,631	229,644	-32.2%	345,397	353,243	-2.2%
Compulsory reserve established by the National Bank of Hungary	-77,963	-156,203	-50.1%	-84,118	-158,383	-46.9%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**77,668**	**73,441**	**5.8%**	**261,279**	**194,860**	**34.1%**

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January, 2008			31 December, 2008		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	5.5%	5.7%	15,395,349	5.7%	6.1%	15,917,385
Foreign institution/company	83.8%	86.4%	234,776,578	75.4%	81.1%	211,211,327
Domestic individual	3.9%	4.0%	10,857,968	7.9%	8.5%	22,232,810
Foreign individual	0.0%	0.0%	72,730	0.1%	0.1%	193,787
Employees, senior officers	2.0%	2.1%	5,598,027	2.1%	2.3%	5,881,388
Treasury shares	2.9%	0.0%	8,179,328	7.0%	0.0%	19,509,673
Government held owner[3]	0.3%	0.3%	920,030	0.3%	0.3%	853,640
International Development Institutions[4]	1.5%	1.5%	4,200,000	1.5%	1.6%	4,200,000
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	100.0%	100.0%	280,000,010	100.0%	100.0%	280,000,010

[1] Ownership ratio
[2] Voting rights at the issuer's General Meeting
[3] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies etc.
[4] E.g.: EBRD, EIB, etc.

Number of treasury shares held in the year under review

	1 January	31 March	30 June	30 September	31 December
Company	6,080,768	10,743,108	6,020,608	2,520,568	17,411,113
Subsidiaries	2,098,560	2,098,560	2,098,560	2,098,560	2,098,560
TOTAL	8,179,328	12,841,668	8,119,168	4,619,128	19,509,673

Shareholders with over/around 5% stake

Name	Number of shares	Ownership	Voting rights
Artio Global Management LLC	28,595,389	10.21%	10.98%
Megdet, Timur and Ruszlan Rahimkulov	23,615,619	8.43%	9.07%
Groupama	22,399,364	8.00%	8.60%

[1] On 15 June 2008 Julius Baer Investment Management LLC were Artio Global Management LLC, respectively.

Changes in the headcount (number of persons) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank	8,494	8,494	8,189
Consolidated	30,062	33,062	30,878

Senior officers, strategic employees and their shareholding of OTP shares

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	200,000
IT	Mihály Baumstark	member	50,000
IT	Dr. Tibor Bíró	member	47,000
IT	Péter Braun	member	587,905
IT	Dr. István Kocsis	member	103,500
IT	Dr. Sándor Pintér	member	101,350
IT	Dr. Antal Pongrácz	member, Deputy CEO	230,000
IT	Dr. György Szapáry	member	0
IT	Dr. László Urbán	member, Deputy CEO	1,320
IT	Dr. László Utassy	member	250,000
IT	Dr. József Vörös	member	117,200
FB	Tibor Tolnay	Chairman	80,580
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member, Deputy CEO	33,000
FB	Jean-Francois Lemoux	member	0
FB	András Michnai	member	15,600
SP	Dr. István Gresa	Deputy CEO	63,758
SP	Ákos Takáts	Deputy CEO	153,347
SP	László Wolf	Deputy CEO	732,640
TOTAL No. of shares held by management:			**2,777,200**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr. Csányi directly or indirectly: 3,302,000

SUPPLEMENTARY DATA

FOOTNOTES OF THE TABLE 'CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)

General note: regarding OTP Core and other subsidiaries, profit after tax is calculated without received dividends and net cash transfers. Regarding dividends and net cash transfers received from non-group member companies, it is shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

(1) Revaluation result of the strategic open FX position. Size and denomination of the short position developed as follows:

01.01.2007-10.01.2008: EUR 570 million short position

21.01.2008: EUR 525 million short position plus USD 65 million short position

22.01.2008-07.09.2008: EUR 515 million short position plus USD 80 million short position

08.09.2008: EUR 495 million short position plus USD 108 million short position

09.09.2008-10.09.2008: EUR 485 million short position plus USD 122 million short position

11.09.2008-12.09.2008: EUR 465 million short position plus USD 150 million short position

13.09.2008-28.12.2008: EUR 315 million short position plus USD 150 million short position

29.12.2008-31.12.2008: EUR 300 million short position plus USD 75 million short position

(2) Goodwill impairment charges booked in relation to OTP Banka Srbija (Serbia) and CJSC OTP Bank (Ukraine) in 4Q 2008.

(3) OTP Core, Corporate Centre and foreign banks aggregated, excluding one-timers.

(4) After tax profit of OTP Core (consolidated result of OTP Bank Plc, OTP Mortgage Bank, OTP Building Society and OTP Faktoring) without the after tax result of strategic open FX position, dividend, net cash transfers, subsidiary financing and interest expense of Tier2 Capital. From 1Q 2008, adjusted after tax profit of OTP Core also excludes the net interest income result of swap transactions realised by OTP Bank Romania in relation to subsidiary financing.

(5) Corporate Centre: Interest expense of Tier2 Capital plus net interest and non-interest income of foreign subsidiary financing realised by OTP Bank and OTP Financing Cyprus, plus net interest income of swap transactions made in relation to subsidiary financing.

(6) Net interest and non interest income of subsidiary financing realised by OTP Bank and OTP Financing Cyprus, plus net interest income of swap transactions made in relation to subsidiary financing.

(7) Regarding OAO OTP Bank (Russia), accounting after tax profit of 1Q 2007 contains the performance of 2006 December. For the sake of quarterly data comparability, 25% of 1Q 2007 after tax profit is considered as one-timer.

(8) From 1Q 2008, adjusted after tax profit excludes the fair value adjustment result of swap transactions executed with OTP Bank in relation to interbank financing.

(9) One-off gains realised on the sale of investments in 1H 2008.

(10) One-off other provisioning, other non interest income and other non-interest expense booked in relation to the sale of OTP Leasing a.s. in 4Q 2008.

(11) Aggregated after tax profit of Merkantil Bank and Merkantil Car without dividends and net cash transfer.

(12) One-off other provisioning, other non interest income and other non-interest expense booked in relation to the sale of OTP Leasing a.s. in 4Q 2008.

(13) OTP Leasing a.s. (Slovakia)

(14) After-tax result of provisioning on losses of foreign insurance subsidiaries.

(15) OTP Garancia poistovna, a.s. (Slovakia), OTP Garancia zivotna poistovna (Slovakia), a.s., DSK Garancia Insurance AD (Bulgaria), DSK Garancia Insurance Life AD (Bulgaria), Asigurarea CECCAR-ROMAS SA (Romania) aggregated

(16) After-tax result of OTP Asset Management without fees and commissions paid to OTP Bank

(17) LLC AMC OTP Capitol (Ukraine) and OTP Asset Management SAI S.A. (Romania)

(18) HIF Ltd. (UK), OTP Faktoring Slovensko (Slovakia)

(19) Total Hungarian subsidiaries: sum of after tax results of Hungarian group members including (Corporate Center) and related eliminations.

(20) Total Foreign subsidiaries: sum of profit after tax (without dividends and net cash transfers) of foreign subsidiaries.

CALCULATION OF ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS PRESENTED IN THE SUMMARY

In order to present Group level trends in a comprehensive way in Summary, the presented consolidated and unconsolidated profit and loss statements of the Summary were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Summary. Consolidated accounting figures together with unconsolidated accounting figures of OTP Bank are still disclosed in the Financial Data section of the Summary.

- Received dividends, received and paid cash transfers, after tax profit of strategic open FX position, after tax profit realized on the sale of OTP Garancia Group in 3Q 2008 together with goodwill impairment charges booked in relation to the Serbian OTP banka Srbija and the Ukrainian CJSC OTP Bank in 4Q 2008 is shown separately and after-tax on the adjusted P&L.
- Out of net Foreign exchange results, fair value adjustment (FVA) of the spot leg of FX swaps has been added to Net Interest Income.
- Any earnings within net gain/loss on securities related to FX swaps have been added to Net Interest Income.
- In 4Q 2008, accounting treatment of agent fees at OTP Mortgage Bank has changed. In order to create comparable time series, we amended the financial records to be in line with the old methodology, therefore we reclassified net interest accruals in relation to agent fees from net interest income to net fees and commissions (both on consolidated and OTP Core level).
- Insurance premiums and insurance expenses are netted and shown as part of other net non-interest income.
- Other non-interest income elements stemming from provisioning release in connection with loans originated before the acquisitions have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates net other non-interest income from non-financial activities.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs on the adjusted P&L. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets. Paid cash transfers – excluding movie subsidies, which are quasi marketing expenses but kept as paid cash transfer on the P&L – are also deducted from other expenses, together with the above mentioned other non-interest expenses stemming from non-financial activities.
- Provisioning accruals of interest income at OAO OTP Bank (Russia) are reclassified from other risk costs to net interest income. The reclassification is carried out on both consolidated and non-consolidated level.
- In 1Q 2008, parallel cash transfer and provision release (having net 0 P&L effect) stemming from the closing of a legal case were netted both on OTP Group consolidated and OTP Core consolidated level.
- Cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding received dividends and net cash transfers and the after tax result of strategic open FX position. Cost/income ratio is calculated from operating costs, excluding other risk costs.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 07	2Q 07	3Q 07	4Q 07 Audited	07 Audited	1Q 08	2Q 08	3Q 08	4Q 08 Preliminary	08 Preliminary
Net interest income	**107.759**	**102.411**	**127.593**	**113.804**	**451.568**	**114.608**	**169.408**	**42.356**	**110.626**	**436.998**
(+) Foreign exchange result of swap transactions	-3.813	1.154	-11.353	6.018	-7.994	4.728	-43.998	88.916	42.387	92.033
(+) Gain on securities due to swap transactions	758	3.672	-4.430	0	0	0	0	0	0	0
(+) Other provisioning accruals (other risk costs) after NPLs' interest income (OTP Russia)	-3	-1	-12	-5.122	-5.138	-1.848	-1.953	-2.069	-2.147	-8.017
(-) Net interest accruals of agent fees (OTP Mortgage Bank)									5.393	5.393
Net interest income (adj)	**104.701**	**107.236**	**111.798**	**114.700**	**438.436**	**117.488**	**123.456**	**129.203**	**145.473**	**515.621**
Net fees and commissions	**30.447**	**30.489**	**33.641**	**38.433**	**133.009**	**34.202**	**34.562**	**34.851**	**31.564**	**135.179**
(+) Net interest accruals of agent fees (OTP Mortgage Bank)	0	0	0	0	0	0	0	0	5.393	5.393
Net fees and commissions (adj.)	**30.447**	**30.489**	**33.641**	**38.433**	**133.009**	**34.202**	**34.562**	**34.851**	**36.957**	**140.572**
Foreign exchange result on Consolidated IFRS P&L	**2.286**	**6.135**	**-10.385**	**10.363**	**8.399**	**10.056**	**-23.615**	**89.862**	**54.365**	**130.667**
(-) Foreign exchange result of swap transactions	-3.813	1.154	-11.353	6.018	-7.994	4.728	-43.998	88.916	42.387	92.033
(-) Result of strategic open FX position	2.548	1.100	-2.770	-1.476	-598	-2.232	12.625	-4.472	-11.821	-5.899
Foreign exchange result (adj.)	**3.551**	**3.881**	**3.738**	**5.821**	**16.992**	**7.560**	**7.758**	**5.418**	**23.799**	**44.534**
Gain/loss on securities, net	**1.609**	**5.230**	**-1.557**	**-197**	**5.085**	**-3.348**	**2.929**	**-442**	**-226**	**-1.087**
(-) Gain/loss on securities due to swap transactions	758	3.672	-4.430	0	0	0	0	0	0	0
Gain/loss on securities, net (adj.)	**851**	**1.558**	**2.873**	**-197**	**5.085**	**-3.348**	**2.929**	**-442**	**-226**	**-1.087**
Result of discontinued operation	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**125.287**	**948**	**126.235**
(-) Profit of the sale of OTP Garancia Group (before tax)								125.287	0	125.287
Result of discontinued operation (adj)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**948**	**948**
Gains and losses on real estate transactions	**239**	**608**	**219**	**306**	**1.371**	**172**	**588**	**779**	**351**	**1.890**
Result of discontinued operation (adj)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**948**	**948**
(+) Other non-interest income	**15.556**	**5.359**	**8.955**	**10.196**	**40.067**	**5.446**	**5.983**	**8.276**	**7.109**	**26.814**
(-) Received cash transfers	19	-11	-29	-18	-38	1	-8	28	12	32
(-) Non-interest income from the release of pre-acquisition provisions	10.267	556	2.446	2.831	16.100	547	1.023	610	1.245	3.426
(+) Other non-interest expenses	-620	-1.412	-400	-1.611	-4.044	-432	-338	-3.758	-1.436	-5.965
Net other non-interest result (adj)	**4.887**	**4.011**	**6.357**	**6.077**	**21.333**	**4.638**	**5.218**	**4.659**	**5.715**	**20.230**
Provision for possible loan and placement losses	**-21.272**	**-6.841**	**-10.578**	**-19.493**	**-58.185**	**-12.826**	**-16.859**	**-17.857**	**-63.470**	**-111.012**
(+) Non-interest income from the release of pre-acquisition provisions	10.267	556	2.446	2.831	16.100	547	1.023	610	1.245	3.426
Provision for possible loan and placement losses (adj)	**-11.005**	**-6.285**	**-8.132**	**-16.663**	**-42.085**	**-12.279**	**-15.836**	**-17.247**	**-62.225**	**-107.586**
Other expenses	**-35.559**	**-38.976**	**-39.329**	**-50.422**	**-164.286**	**-40.032**	**-41.929**	**-45.720**	**-56.210**	**-183.891**
(-) Other provisions	-1.778	-2.667	-1.249	-6.841	-12.535	750	-2.270	-4.094	-12.588	-18.202
(-) Paid cash transfers	-89	-182	-119	-1.366	-1.757	-2.202	-598	-255	-226	-3.281
(+) Film subsidies paid as cash transfer	-60	-154	-89	-1.378	-1.681	-129	-595	-213	-155	-1.092
(-) Other non-interest expenses	-620	-1.412	-400	-1.611	-4.044	-432	-338	-3.758	-1.436	-5.965
Other expenses (adj)	**-33.131**	**-34.870**	**-37.649**	**-41.981**	**-147.632**	**-38.278**	**-39.318**	**-37.826**	**-42.114**	**-157.535**

in HUF million	1Q 07	2Q 07	3Q 07	4Q 07 Audited	07 Audited	1Q 08	2Q 08	3Q 08	4Q 08 Preliminary	08 Preliminary
Other risk costs	**-1.778**	**-2.667**	**-1.249**	**-6.841**	**-12.535**	**750**	**-2.270**	**-4.094**	**-12.588**	**-18.202**
(-) Other provisioning accruals (other risk costs) after interest income (OTP Russia)	-3	-1	-12	-5.122	-5.138	-1.848	-1.953	-2.069	-2.147	-8.017
(-) Other provisioning release of Bagat transaction	0	0	0	0	0	2.070	0	0	0	2.070
Other risk costs (adj)	**-1.775**	**-2.665**	**-1.237**	**-1.719**	**-7.397**	**528**	**-317**	**-2.025**	**-10.441**	**-12.256**
After tax dividends and net cash transfers	**59**	**282**	**213**	**-1.357**	**-802**	**-1.402**	**-345**	**480**	**635**	**-631**
(-) Paid cash transfer due to Bagat transaction	0	0	0	0	0	-2.070	0	0	0	-2.070
(-) Film subsidies paid as cash transfer	-60	-154	-89	-1.378	-1.681	-129	-595	-213	-155	-1.092
After tax dividends and net cash transfers	**119**	**437**	**302**	**21**	**879**	**798**	**250**	**693**	**790**	**2.531**
Depreciation	**-8.343**	**-9.188**	**-8.699**	**-9.398**	**-35.627**	**-9.406**	**-10.244**	**-10.760**	**-44.190**	**-74.600**
(-) Goodwill impairment charges (OTP banka Srbija (Serbia), CJSC OTP Bank (Ukraine)) (before tax)	0	0	0	0	0	0	0	0	-35.796	-35.796
Depreciation (adj)	**-8.343**	**-9.188**	**-8.699**	**-9.398**	**-35.627**	**-9.406**	**-10.244**	**-10.760**	**-8.394**	**-38.804**

NEWSFLOW OF THE CURRENT QUARTER AND POST BALANCE SHEET EVENTS

Hungary

- On 8 October the Hungarian Government pledged to provide a blanket guarantee on all deposits held with commercial banks.
- On 10 October NBH announced its support for FX swap trading.
- On 13 October NHB expanded the range of repoable instruments with covered mortgage bonds being rated and traded at the BSE.
- On 16 October ECB pledged to provide EUR 5 billion facility to NBH to support the local swap markets.
- On 16 October OTP Bank announced that it revised its original plan of divesting its Serbian and Slovakian operations; there sales were taken off the agenda.
- On 16 October S&P put OTP Bank's 'BBB+' rating on Credit Watch with downgrade implication.
- On 22 October NBH hiked base rate by 300 bps to 11.5%.
- On 29 October it was announced that IMF, EU and the Worldbank would provide an all-in facility of USD 25.1 billion to Hungary. Parallel with it the Government is obliged to revise its macroeconomic and budgetary frameworks for 2009.
- On 4 November details of a Financial Sector Policies were made public; that particular package earmarks a HUF 600 billion total funding evenly divided between the Capital Base Enhancement Fund and the Refinancing Guarantee Fund. The utilization of the package will be determined by a special bill.
- On 7 November Moody's downgraded OTP Bank's and OTP Mortgage Bank's FX deposit rating following similar action on the sovereign rating.
- On 10 November OTP Bank announced the sale of its Slovakian leasing operation.
- Between 25 November and 20 January, the NHB lowered its base rate from 11.5% to 9.5% in four steps.
- On 28 January the NHB and the Swiss National Bank announced the establishment of a temporary EUR/CHF swap arrangement. This facility will allow the NHB to provide Swiss franc funding to banks in its jurisdiction in the form of foreign exchange swaps. Under the facility, NHB will use the EUR 5 billion funding, it received from the European Central Bank on 16 October.
- On 5 February, NBH announced that it is introducing a new longer-term instrument designed to help Hungarian banks to forecast for longer horizons by having access to euro liquidity with six-month maturity in an amount up to EUR 5 billion. By introducing the new facility, the Bank's aim is to further reduce uncertainties arising from occasional scarce liquidity in the Hungarian money market and to alleviate recent strains in corporate lending. From 2 March, 2009 the NBH will introduce six-month EUR/HUF swap tenders providing euro liquidity. Those domestic credit institutions will be allowed to participate in the weekly FX swap tenders who are willing to fulfil the criteria for participation specified by the Bank. One of the conditions is that participating commercial banks undertake to maintain their domestic corporate loans throughout 2009 at least at end-2008 levels. In addition, from 20 February, 2009 the NBH will also accept as collateral bonds issued by Hungarian local authorities, in order to further increase forint liquidity.

Bulgaria

- On 30 September, 2008, Moody's Investors Service changed the outlook on DSK's short-term and long-term foreign currency deposit ratings of 'Baa3/Prime-3' to stable from positive, in line with a similar change in Bulgaria's ceiling for such instruments.
- From 1 October BNB changed its rules on mandatory reserve requirement with the aim of supporting the liquidity of the local banking sector. Hereafter 50% of cash position of the bank can be incorporated while making mandatory reserves. Also, under the prevailing level of 12%, BNB provides 3 months financing facility up to 8% for the local banks.
- On 30 October S&P downgraded Bulgaria from 'BBB+' to 'BBB' and maintained a negative outlook on the rating.
- In October the Bulgarian Government pledged a guarantee on retail deposits up to BGN 100 thousands, furthermore indicated a potential guarantee for interbank loans.
- Mandatory reserve requirements fell to 10% from 12% from 1 December, 2008.
- Mandatory reserves for attracted foreign funds is maintained at 5% from 1 January, 2009.

- Mandatory reserves for attracted funds from state institutions and government is maintained at 0% from 1 January, 2009.
- On 15 January, 2009, Moody's Investors Service changed the credit outlook for Bulgaria's banking system to negative from stable. Moody's also changed to negative from stable the outlook on DSK Bank's Bank Financial Strength Ratings (BFSRs) and long-term local currency deposit ratings.
- In its recommendation, the National Bank of Bulgaria asked the banks to keep their liquid asset ratios not below 15% and primary capital adequacy ratios not below 10% in 2009, in order to retain the stability of the banking system.

Russia

- After an overall decrease in mandatory reserves by 4% in September, from 15 October the Central Bank of Russia cut the mandatory rate to 0.5%. Prior to the move the mandatory rate was 4.5% for offshore interbank deposits, 1.5 for RUB and retail deposits and 2% for other liabilities.
- The Ministry of Finance initiated a deposit auction with the maximum amount of RUB 1.500 billion to boost liquidity. Out of the licensed banks in Russia, 28 banks – including OAO OTP Bank (Russia) were eligible to participate up to their individual limits (in case of OAO OTP Bank (Russia) it is RUB 4 billion.
- The CBR lifted up the repo limits from RUB 160 billion to EUB 430 billion.
- After the announcement of the President the Russian Government may provide subordinated loan facilities with max. 5 years to the banking sector with the total available amount of RUB 950 billion. According to the plans bulk of the facility will go to Sberbank, VTB and the Russian Agriculture Bank, other banks may apply for max. RUB 225 billion.
- On 14 October the Russian Depository Insurance Agency increased the guaranteed retail deposit amounts from RUB 400 thousands to RUB 700 thousands.
- On 11 November Fitch Ratings downgraded OAO OTP Bank (Russia) currency deposit rating from 'BBB-' to 'BB+'. At the same time the outlook was modified from negative to stable, in line with the general trend in ratings in Russia.
- The Central Bank of Russia has been authorised by the State Duma to provide unsecured loans to banks with a minimum 'BB-' credit rating (based on RusRating). Banks with a credit rating at or below 'B-' (according to S&P) may obtain these loans for a maximum of five weeks. Banks with ratings above 'B-' and up to 'BBB-' may get loans for a maximum of six months. OTP Bank Russia with its international rating is eligible for this facility.
- From mid-November to mid-January, Bank of Russia has widened the rubel's trading band 20 times as it sought to rebalance the economy amid plunging oil prices and the global crisis in financial markets. These steps led to a significant depreciation of the rubel against the US dollar (+15% in 4Q'08).
- The Central Bank recommended to banks to close their open FX balance positions, and limit their exposure to foreign assets in a bid to support the national currency.
- The deposit insurance agency took over a number of banks experiencing liquidity crunch. All problematic banks in the present crisis were either taken over by the deposit insurance agency or state-owned banks. Depositors were by theses measures saved from losses.
- On 8 December Standard & Poor's cut Russia's rating from 'BBB+' to 'BBB' and assigned a negative outlook.
- On 4 February, 2009 Fitch Ratings downgraded Russia to 'BBB' and assigned a negative outlook.

Ukraine

- On 13 October NBU imposed a ban on early withdrawal of deposits and put restriction on banking asset growth. At the same time the central bank provides liquidity up to one year and up to max. 60% of own equity. The annual interest rate charged is min. 15%.
- On 17 October the prime Minister announced that Prominvestbank, the country's 6th biggest bank would be taken under state control.
- On 20 October Moody's downgraded Ukraine and 22 commercial banks.
- On 22 October the Minister of Finance and the Worldbank started negotiations on a USD 500 million loan facility aimed at modernizing the local banking sector.
- On 30 October the Ukrainian Parliament accepted the IMF rescue package aimed at stabilizing the economy and strengthening the local deposit insurance system. The package earmarks USD 16 billion for the country.

- On 22 December the European Bank for Reconstruction and Development approved a loan of USD 75 million to boost capital at Raiffeisen Bank Aval, Ukraine's second-biggest lender by assets.
- On 25 December Ukraine's parliament passed a law requiring the country's central bank to delay the repayment of debt by citizens who've lost their jobs. The central bank must adopt procedures allowing "individuals who registered as unemployed after Oct. 1," to delay repayment to banks, according to a statement on parliament's Web site today.
- On 30 December Moody's has changed to negative from stable the outlook on the bank financial strength ratings of 15 Ukrainian banks and has also changed the outlook on the long-term global local currency or foreign currency deposit or debt ratings of 19 Ukrainian banks to negative from stable.
- On 26 January the National Bank of Ukraine (NBU) has used up 11 billion dollars from its gold reserves since early October 2008 in order to stabilize the national currency and to pay off the country's external debt.
- Fitch Ratings on 26 January downgraded the Long-term Issuer Default Ratings (IDRs) of four Ukrainian banks: Kreditprombank, Ukrgasbank and Vseukrainsky Aksionerny Bank to 'CCC' from 'B-' (B minus) and Rodovid Bank to 'CC' from 'CCC'. As a result, all these banks are at the default risk and a subject to reorganization in the nearest future.
- Fitch downgraded Nadra Bank's rating to 'CC' reflecting its default risks. NBU appointed temporary administration at the bank

Serbia

- To prevent the local currency from devaluating against the EUR and to ensure FX liquidity, the central bank intervened several times in October and November by selling EUR on local markets. The depreciation of the RSD continued in January but the central bank did not intervene in the amounts which were usual in 4Q 2008. The reason for that is the contract with IMF in which the central bank is limited in terms of interventions on the Serbian market.
- The Serbian government increased the guaranteed amount of deposits from EUR 3.000 to EUR 50.000 in November 2008.
- The central bank modified the way of calculating mandatory reserves two times. The portion of the FX reserves which can be placed with the central bank in RSD was changed from 10% to 20% and later from 20% to 40%. With this measure the central bank returned to the banks additional FX liquidity.
- The central bank increased the REPO rate in November from 15.75% to 17.75%. The REPO rate was then reduced to 16.50% in January.
- On 16 January the IMF approved a 402.5 million EUR stand-by loan for Serbia. The IMF said the loan, which will be disbursed over 15 months, is to support Serbia's economic program which is aimed at stabilizing the economy in the wake of the global financial turmoil.

Romania

- On 27 October Standard & Poor's Ratings Services lowered its long- and short-term foreign currency sovereign credit ratings on Romania to 'BB+/B' from 'BBB-/A-3', and its local currency long-term rating to 'BBB-' from 'BBB'.
- On 10 November Fitch Ratings has downgraded Romania's public finance ratings (foreign currency long term debt rating was changed from 'BBB' to 'BB+' and local currency long term debt rating was changed from 'BBB+' to 'BBB-').
- The central bank reduced the minimum reserve requirement ratio on RON denominated liabilities of credit institutions to 18 percent from 20 percent starting with the 24 November-23 December maintenance period. The central bank lowered its policy rate by 25 bps to 10.0% starting with 5 February.
- Starting with end of December 2008, commercial banks have no longer the possibility to discretionary change the interest rates for individual loans, except if they are linked to an independent benchmark, not controlled by the bank.
- Significant RON depreciation in January 2009 (a historic maximum of 4.36 EUR/RON has been recorded). The central bank intervened on the market in January.
- Romania intends to contract a EUR 6-7 billion from an international organization, but up until now, there is no political consensus regarding the amount and the source of funding (EU, IMF). An agreement has not been reached yet. Currently there is no ongoing or planned banking sector bail-out package by the government.

Slovakia

- On 26 September Moody's downgraded OBS from 'A2/P-1' to 'Baa1/P-2'.
- In November the parliament may approve a bill on a blanket guarantee on all retail deposits.
- Following the liquidity tightening and fall of trust, the central bank introduced a new rule for liquidity risk management. It is valid from November 2008 and it prescribes an obligatory liquidity ratio to banks.
- The government agreed the 100% guarantee of clients deposits without volume limitation (retail and some segments of SME deposits are protected).
- On 1st of January 2009 Slovakia became the member of the eurozone.

Croatia

- On 10 October the CNB lifted up its earlier punitive (55%) mandatory reserve requirement on foreign liabilities. The general 17% reserve requirement will remain effective.
- On 16 October the Croatian parliament approved a bill on a deposit guarantee with a maximum of HRK 400,000 from HRK 150,000.
- In December 2008 the Croatian National Bank decreased the mandatory reserve rate from 17% to 14%.

Montenegro

- On 20 October the Minister of Finance announced the government intention to minimize the negative impact of the current crisis. The Parliament will soon approve a bill and a deposit insurance scheme (up to EUR 50,000) and the Government may provide guarantee on interbank loans, as well.
- On 18 December Moody's Investors Service downgraded the outlook on Montenegro's 'Ba2' foreign-currency bond rating to negative from stable, as the global financial crisis, a drop in aluminium prices and the end of a property boom hit the economy.
- On 20 January Montenegro has offered to guarantee borrowing by Kombinat Aluminijuma Podgorica, the country's only aluminium producer, on condition that its Russian majority owner maintain long-term production.

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