



OTP Bank Plc.

2007 First Quarter Stock Exchange Report

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

Budapest, May 15, 2007

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OTP BANK PLC'S STOCK EXCHANGE PRELIMINARY REPORT FOR THE FIRST QUARTER OF 2007

OTP Bank Plc. has prepared its consolidated and non-consolidated, non-audited IFRS report for March 31, 2007. Below we present our analysis derived from the consolidated and the unconsolidated condensed IFRS financial statements adopted by the European Union.

SUMMARY OF THE FIRST QUARTER OF 2007

The key interest of investors and analysts focused on two major aspects in 1Q: to what extent will the stability measures effect the Company's underlying business activity in Hungary and for how fast and successful the integration of the newly acquired subsidiaries is going to be.

The first three months developments did not justify the gloomy expectations towards the Hungarian markets: adjusted by seasonal effects the households' loan demand remained relatively strong. Since the NBH kept the base rate unchanged at 8% level, the still high nominal interest rate difference and the fairly stable, further appreciating local currency supported the retail demand for FX-linked loan products. Apart from the steady growth of CHF-linked housing loans, home equity loans were also originated predominantly in FX. On the deposit side, as a result of constant promotions, volumes did stabilize and client could even enjoy some interest pick-up.

The final budgetary figures in Hungary turned to be somewhat better than forecasted and the first few months' developments may also support a cautious optimism. It improved the risk appetite of investors which in parallel with the high global liquidity supported the appreciation of the Forint and put downward pressure on Hungarian government yields.

The market positions of OTP Group in Hungary showed a mixed picture in 1Q: there was no change in deposits (23.7%), but retail position dropped 0.7% q-o-q, while municipalities and corporate share increased by 1% and 0.1%, respectively. In terms of total loans the Group lost 0.2%, apart from the municipalities (+0.9%) in all other categories there was some weakening. Housing loan positions declined by 1%, and even the consumer loan share moderated a bit by 0.2%. In terms of total assets the Group increased its market share by 1.6%.

FINANCIAL HIGHLIGHTS (IFRS consolidated):

in HUF billion	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Total assets	5,444.8	7,097.4	7,480.6	5.4%	37.4%
Total loans and advances (gross)	3,417.7	4,474.7	4,714.2	5.4%	37.9%
Total deposits	3,518.2	4,232.2	4,344.4	2.7%	23.5%
Gross loan/deposit ratio	97.1%	105.7%	108.5%	2.8%	11.4%
Shareholders' equity	539.1	788.2	791.9	0.5%	46.9%
Net interest income	71.3	104.6	102.9	-1.6%	44.3%
Net interest margin before provision	5.35%	6.30%	5.65%	-0.65%	0.30%
Net interest margin without swap					
Non-interest income	64.5	49.9	82.0	64.4%	27.2%
Non-interest expenses	75.6	99.8	102.8	3.0%	36.0%
Total income (with net fees)	129.6	144.8	176.4	21.8%	36.1%
Operating cost	69.4	90.2	94.2	4.5%	35.8%
Cost to income ratio ¹	53.5%	62.3%	53.4%	-8.8%	-0.1%
Pre-tax profits	54.3	44.5	60.9	36.6%	12.1%
After tax profits	46.2	40.6	50.5	24.5%	9.4%
EPS base (HUF)	179	155	196	26.1%	9.2%
EPS fully diluted (HUF)	179	155	195	26.2%	9.2%
Average assets	5,330.4	6,636.1	7,289.0	9.8%	36.7%
Return on Assets	3.47%	2.45%	2.77%	0.33%	-0.69%
Return on Equity	34.0%	22.6%	25.6%	3.0%	-8.4%

Within the Hungarian Group, OTP Bank had a mixed performance: gross loan volumes declined by 0.7% q-o-q, which was partly the result of the significant strengthening of the local currency (EUR/HUF exchange rate appreciated by 4.5 HUF in 1Q 2007). Also, the substantial drop in net interest income (-24.4%) has not much to do with the underlying trends in business: it is more so the reflection of acquisition financing; interest expenditures grew by 30.7% in 1Q.

Local subsidiaries (Fund Management, Merkantil Group, Garancia Insurance, Mortgage Bank, Faktoring) all achieved fairly good quarterly after tax results; the Fund Management gained again some market share.

In the forecasted 2007 consolidated earnings growth of foreign subsidiaries will have a significant role, especially the Bulgarian, Ukrainian and Russian companies. According to the quarterly figures 38.4% of total assets belonged to the foreign subsidiaries (1Q 2006: 25.1%), their share in total loans was 39.4% (1Q 2006: 24.8%), and 37.1% in total deposits (1Q 2006: 25.2%), respectively. Out of the total after tax profit the contribution of foreign subsidiaries reached 24.8% (1Q 2006: 12.3%).

Within them DSK Group remained dominant. In 1Q, however, the loan growth legged behind the lending activity in previous periods: the moderate growth in consumer loans, corporate loans and SME sector was only partially offset by the steady mortgage lending. Market positions of the Company remained stable.

CJSC OTP Bank had a stable loan growth in 1Q 2007. Profit after tax grew dynamically (+52.6% q-o-q) and the Bank had one of the lowest cost/income ratio within the Group. Market positions remained stable, in mortgage lending CJSC took around 12% of total markets.

Loan volume of ISB, Russia basically stagnated (+0.4% q-o-q). It was partially the result of internal personal and organizational changes, and also the strong seasonality of consumer lending. ISB reached the highest NIM within the Group (over 12%), the quality of its loan portfolio is satisfactory, NPL ratio stood at 6.8%.

Out of the smaller subsidiaries, OBH had a 7% loan growth q-o-q and kept its market positions. Lending remained dynamic at OBR, loan volumes grew by 11.8% q-o-q; higher provisioning was off-set by well-contained personal costs, results (loss) improved both q-o-q and y-o-y.

Gross loans at OBS increased by 5.5%, market positions remained basically unchanged in major segments.

CKB delivered the targeted volume growth and profit numbers, while the contribution of the Serbian banks was fairly weak; their (legal) integration is expected to get completed in the second half of May.

The volume of consolidated gross loans grew by 5.4% over the previous quarter and increased by 37.9% y-o-y.

On the liability side deposits grew by 2.7% q-o-q, due to the volume increase at the OTP Building Society, OBS and DSK and also the consolidation of CKB and Kulska banka. Issued securities grew substantially in 1Q (+22.5%) as a result of a EUR 750 million bond issue with 2 year tenor by OTP Bank in February. The volume of subordinated debt also increased by EUR 200 million (+18%) since the Bank tapped its existing issue in February.

The Group reached a consolidated after tax result of HUF 50.5 billion which exceeds 4Q 2006 figures by 24.5% and 4Q 2006 level by 9.4%, respectively.

On February 23, 2007 Moody's changed few outstanding ratings of the Bank in the course of reviewing its methodology: as a result, the long term local deposit ratings, as well as the foreign currency debt obligations were upgraded to Aa1, whereas the subordinated debt obligations got Aa2 rating.

POST BALANCE SHEET EVENTS

- On April 10, 2007 Moody's revised its rating methodology and changed the ratings of the Bank, thus the long term currency deposit ratings, as well the currency debt obligations were downgraded to Aa3, whereas the subordinated debt rating changed to A1. Moody's left unchanged the foreign currency deposit rating (A2) and financial strength rating (C+) of the Bank.
- The Board of Directors of OBR relieved Dr. Frigyes Hárshegyí from his duties as CEO of the Bank and appointed him for other important tasks within the Group. His position was succeeded by Mr. László Diósi, the former Deputy CEO of the Bank.
- On April 21, 2007 a law came into force abolishing the preference voting share (golden share) status of the State. According to the relevant paragraph of the Company's bylaw – and in line with the previous decision of the AGM – resolutions related to the preference voting shares ceased to exist and the

Golden share with HUF 1,000 face value will be transformed into 10 ordinary shares with HUF 100 face value each.

- On April 27, 2007 OTP Bank held its AGM and apart from approving the reports on 2006 financial year and proposal on dividend payment, in line with the recent amendments in the Corporate Law, it modified its bylaw and elected an Audit Committee.

CONSOLIDATED AND NON CONSOLIDATED, NON AUDITED IFRS REPORTS OF OTP BANK PLC. FOR THE PERIOD ENDED MARCH 31, 2007

CONSOLIDATED IFRS BALANCE SHEET

On March 31, 2007 the consolidated IFRS total assets of the Bank were HUF 7,480.6 billion, representing a HUF 2,035.8 billion or 37.4% growth over the same period a year earlier. Consolidated IFRS total assets were 58.8% higher on March 31, 2007 than the non-consolidated figures. Balance sheet grew by HUF 383.2 billion or 5.4% during 1Q 2007.

The Bank's consolidated shareholders' equity on March 31, 2007 was HUF 791.9 billion, by HUF 252.9 billion or by 46.9% higher than the consolidated shareholders' equity as of March 31, 2006, and 15.8% higher than the unconsolidated shareholders' equity. During the first quarter of 2007 the consolidated shareholders' equity increased by HUF 3.7 billion. The shareholders' equity represented 10.6% of total assets. Book value per share (BVPS) amounted to HUF 2,828 on March 31, 2007.

Selected balanced sheet data of OTP Bank consolidated IFRS balanced sheet:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	551,253	532,625	282,271	-47.0%	-48.8%
Placements with other banks	395,073	602,616	760,127	26.1%	92.4%
Financial assets at fair value through statements of operations	54,150	110,576	152,755	38.1%	182.1%
Trading securities	409,117	489,250	469,185	-4.1%	14.7%
Gross loans	3,417,720	4,474,702	4,714,236	5.4%	37.9%
Provisions on loans	111,353	127,611	145,822	14.3%	31.0%
Net loans	3,306,367	4,347,091	4,568,414	5.1%	38.2%
Equity investments	13,264	70,938	5,975	-91.6%	-55.0%
Securities held-to-maturity	269,054	268,281	522,902	94.9%	94.3%
Intangible assets	249,921	464,716	507,108	9.1%	102.9%
Other assets	196,615	211,334	211,886	0.3%	7.8%
ASSETS	5,444,814	7,097,426	7,480,623	5.4%	37.4%
Liabilities to credit institutions	412,107	660,416	635,637	-3.8%	54.2%
Liabilities to customers	3,518,178	4,232,153	4,344,431	2.7%	23.5%
Issued securities	555,853	781,316	957,119	22.5%	72.2%
Other liabilities	370,630	384,602	455,661	18.5%	22.9%
Subordinated loans	48,996	250,726	295,832	18.0%	503.8%
LIABILITIES	4,905,764	6,309,213	6,688,680	6.0%	36.3%
TOTAL SHAREHOLDERS' EQUITY	539,050	788,213	791,943	0.5%	46.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,444,814	7,097,426	7,480,623	5.4%	37.4%
				%-point	%-point
Gross loans/deposits	97.1%	105.7%	108.5%	2.8%	11.4%

On the asset side, cash, deposits and balances with the NBH decreased by 48.8% compared to March 31, 2006 and were lower by 47.0% in 1Q 2007. On March 31, 2007 the volume of interbank placements was 92.4% higher y-o-y and by 26.1% in 1Q 2007.

Financial assets at fair value through profit and loss increased by 182.1% to HUF 152.8 billion. Within this securities for trading grew by 162.2% to HUF 122.3 billion y-o-y. Available-for-sale securities (HUF 469.2 billion) declined by 4.1% in 1Q 2007, but were HUF 60.1 billion higher than a year earlier. This volume was by HUF 120.5 billion higher than the non-consolidated figure of the Bank, due to securities held by OTP Garancia Insurance, OTP Building Society and OTP banka Hrvatska and adjustment for mortgage bonds held by the parent bank.

Volume of consolidated loans, net of allowance for possible loan losses grew by 38.2% from HUF 3,306.4 billion on March 31, 2006 to HUF 4,568.4 billion as of March 31, 2007. This represented a 5.1% growth from December 31, 2006. The share of net loans in total assets reached 61.1%, and exceeded by 0.3% that of at the end of March 31, 2006.

Within consolidated gross business loan volume of HUF 4,714.2 billion, corporate loans represented 36.9% (HUF 1,737.8 billion; +43% y-o-y); retail loans 58.1% (HUF 2,739.7 billion; +33% y-o-y) and municipality loans 5% (HUF 236.7 billion; +66.7% y-o-y), respectively. Within retail loans housing loans stood at HUF 1,565.8 billion (+24.8% y-o-y); consumer loans at 1,173.9 billion (+45.8% y-o-y). 39.4% of aggregated total loans (HUF 1,858 billion) were granted by the foreign subsidiaries.

The growth of net loans (HUF 1,262 billion) of the 12 months period ending on March 31, 2007 resulted mainly from the consolidation of the Ukrainian, Russian, Montenegro and Serbian subsidiaries, as well as from OTP Bank, DSK Bank, OBR, Merkantil Bank and OTP Mortgage Bank. The retail portfolio growth was mainly coming from DSK Group (HUF 111.9 billion, +37.6%), OTP Bank (HUF 105.4 billion, +22.5%), Merkantil Bank (HUF 47 billion, +42.2%), OTP Mortgage Bank (HUF 43.3 billion, +5%) and OBR (HUF 45.5 billion, +544%). Major contributors to the corporate lending were DSK Bank (HUF 43.4 billion, +47.1%), OTP Bank (HUF 38.2 billion, +4.1%) and OBR (HUF 33.6 billion, +130.4%), while in the local government sector the growth came from OTP Bank (HUF 81 billion, +59.2%) and OBS (HUF 1.5 billion, +39%).

During 1Q 2007 gross loan volume grew by 5.4% or by HUF 239.5 billion. The loan volume of OTP Bank decreased by HUF 12.4 billion or by tiny 0.7%. In this quarter the growth was created mainly by foreign subsidiaries, in particular by loan generation at CJSC (HUF 17.8 billion), DSK Bank (HUF 14.5 billion), OBH (HUF 13.6 billion), OBR (HUF 12 billion) and OBS (HUF 10.4 billion). In Hungary the loan book of Merkantil Bank grew by HUF 13.1 billion, while at the Mortgage Bank the growth was HUF 10.1 billion.

During 1Q 2007 consolidated corporate loans grew by HUF 127.8 billion or 7.9%; retail loans by HUF 93.3 billion or 3.5% (housing loans by HUF 45.7 billion or 3%, consumer loans by HUF 47.6 billion or 4.2%). Municipality loans also increased by 8.4% (HUF +18.4 billion) q-o-q.

During 1Q 2007 OTP approved housing loan applications with the value of HUF 32.3 billion (HUF 39.1 billion in 1Q 2006; HUF 56.5 billion in 4Q 2006) and disbursed loans of HUF 29.9 billion (HUF 36.0 billion in 1Q 2006; HUF 57.5 billion in 4Q 2006). HUF 18.3 billion housing loans were denominated in FX which represented 61.2% of total disbursement. HUF 26.4 billion loans were transferred to the Mortgage Bank, and the parent bank repurchased qualified loans of HUF 0.9 billion. Clients of OTP Bank and OTP Mortgage Bank repaid HUF 26.9 billion loans¹ in the first quarter of 2007 (HUF 22.8 billion in 1Q 2006). Thus the increase of the outstanding loan volume is partly the result of volume growth, but also related to prepayments and final repayments. The repayment to average outstanding housing loans ratio was 2.4% in 1Q 2007 (2.2% in 1Q 2006 and 2.7% in 4Q 2006).

IFRS consolidated gross loan volume by business lines:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Corporate loans	1,214,858	1,609,989	1,737,804	7.9%	43.0%
Municipality loans	142,016	218,299	236,742	8.4%	66.7%
Retail loans	2,059,209	2,646,414	2,739,690	3.5%	33.0%
Housing loans	1,254,179	1,520,053	1,565,776	3.0%	24.8%
Consumer loans	805,030	1,126,361	1,173,914	4.2%	45.8%
Others	1,637	0	0		
Total	3,417,720	4,474,702	4,714,236	5.4%	37.9%

In 1Q the quality of the loan book² under IFRS slightly improved, performing portion represented 86.2% of total, 9.4% was to-be-monitored. Non-performing loans (NPLs) were 4.4% of total, by 10 bps lower than the adjusted 4.5% figure in the previous quarter. 37.5% of qualified loans and 32.7% of NPLs were in the books of foreign subsidiaries.

IFRS consolidated gross loan volume by qualified categories:

HUF mn	31/03/2006	31/12/2006 ³	31/03/2007	Q-o-Q	Y-o-Y
Performing loans	2,989,084	3,930,548	4,063,003	3.4%	35.9%
To-be-monitored loans	293,696	342,265	444,705	29.9%	51.4%
Below average	25,217	42,333	42,769	1.0%	69.6%
Doubtful	22,576	73,106	73,473	0.5%	225.5%
Bad	87,147	86,450	90,285	4.4%	3.6%
Total receivables	3,417,720	4,474,702	4,714,236	5.4%	37.9%
QUALITY					
Total qualified	428,636	544,154	651,233	19.7%	51.9%
NPL	134,940	201,889	206,528	2.3%	53.1%
qualified rate	12.5%	12.2%	13.8%	1.7%	1.3%
NPL rate	3.9%	4.5%	4.4%	-0.1%	0.4%

¹ Loans granted in year 2000 or later.

² At the consolidation, in case of the Russian and Ukrainian subsidiaries we used the qualified loan figures based on OTP Bank's classification standards. On the following pages, at the analysis of the network banks we show also this type of data.

³ It differs from data published in Stock Exchange Report a quarter earlier, because of the adjustment of loan figures in case of Russian and Ukrainian subsidiaries.

HUF mn	31/03/2006	31/12/2006 ³	31/03/2007	Q-o-Q	Y-o-Y
COVERAGE					
Provision on NPL	93,874	110,436	126,497	14.5%	34.8%
Coverage on NPL	69.6%	54.7%	61.2%	6.5%	-8.3%
Provision on qualified	106,303	121,323	139,963	15.4%	31.7%
Coverage on qualified	24.8%	22.3%	21.5%	-0.8%	-3.3%
Net loans	3,306,366	4,347,091	4,568,413	5.1%	38.2%

The consolidated loan loss provisions were HUF 145.8 billion of which HUF 140 billion was related to the qualified portfolio, representing 21.5% coverage over the qualified loans. HUF 126.5 billion provisioning covering HUF 206.5 billion NPLs represented 61.2% coverage ratio. During the first quarter performing loans grew by HUF 132.4 billion (based on the adjusted year-end figure), qualified loans increased by HUF 107.1 billion mainly due to the increase that portfolio at Merkantil Bank, OBR and Investsberbank. NPLs increased by HUF 4.6 billion. Total provisions increased by HUF 26 billion during the first quarter of 2007.

On the liability side, customer liabilities were HUF 4,344.4 billion, 23.5% higher than a year earlier and 64.7% higher than at the Bank. Customer deposits grew by HUF 112.3 billion or by 2.7% from the end of the previous quarter. Customer deposits represented 58.1% of total liabilities (64.6% as at March 31, 2006) Out of total 25.8% of deposits came from corporate; 68.2% from retail and 6% from municipality sector customers.

Consolidated deposits by business lines:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Corporate deposits	695,577	1,098,083	1,120,855	2.1%	61.1%
Municipality deposits	241,802	221,315	259,080	17.1%	7.1%
Retail deposits	2,580,799	2,912,755	2,964,497	1.8%	14.9%
Total	3,518,178	4,232,153	4,344,432	2.7%	23.5%

In the last 12 months, deposits grew mostly at the parent bank (corporate), at DSK (corporate and municipality), at OTP banka Hrvatska (corporate), at OTP Banka Slovensko (retail and corporate) and at OBR (corporate). Foreign subsidiaries collected 37.1% of aggregated deposits as at March 31, 2007 up from 25.2% a year earlier.

During 1Q 2007 corporate deposits of OTP Bank grew by HUF 22.8 billion, retail deposits by HUF 51.7 billion and municipality deposits by HUF 37.8 billion, respectively. Within foreign subsidiaries the deposits grew most significantly at OBS and DSK (by HUF 8.7 billion and HUF 7.2 billion).

Volume of issued securities was 72.2% higher than a year earlier and reached HUF 957.1 billion. In the 1Q 2007 the increase was HUF 175.8 billion or 22.5%. The yearly growth was mainly due to the issuances of EUR 750 million covered bonds by OTP Mortgage Bank and a bond issuance with similar size by OTP Bank in February.

The consolidated subordinated capital volume grew by HUF 246.8 billion y-o-y and HUF 45.1 billion q-o-q; in 1Q 2007 OTP Bank tapped its existing EUR 300 million LT2 issue by another EUR 200 million.

CONSOLIDATED IFRS STATEMENT OF OPERATIONS (PROFIT AND LOSS ACCOUNT)

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	119,254	164,611	178,860	8.7%	50.0%
Interest expense	47,909	60,035	75,923	26.5%	58.5%
Net interest income	71,345	104,576	102,937	-1.6%	44.3%
Net interest income without swap	74,642	83,497	95,675	14.6%	28.2%
Provision for possible loan losses	5,875	10,111	21,272	110.4%	262.1%
Net interest income after provision	65,470	94,465	81,665	-13.6%	24.7%
Fees and commissions income	33,486	39,045	43,869	12.4%	31.0%
Foreign exchange gains, net	5,481	-13,262	2,286	-117.2%	-58.3%
Gain on securities, net	2,165	2,426	1,609	-33.7%	-25.7%
Gain on real estate transactions	126	4	239		89.7%
Dividend income	156	12	130		-16.7%
Insurance premiums	19,393	15,547	18,351	18.0%	-5.4%
Other non-interest income	3,672	6,141	15,555	153.3%	323.6%
Total non-interest income	64,479	49,913	82,039	64.4%	27.2%
Fees and commissions expense	6,257	9,675	8,599	-11.1%	37.4%
Personnel expenses	22,701	29,717	35,315	18.8%	55.6%
Depreciation	6,585	6,684	8,343	24.8%	26.7%
Insurance expenses	15,688	13,402	15,029	12.1%	-4.2%
Other non-interest expenses	24,407	40,362	35,559	-11.9%	45.7%
from this: special banking tax	2,683	2,802	1,633	-41.7%	-39.1%
Total non-interest expense	75,638	99,840	102,845	3.0%	36.0%
Income before income taxes	54,311	44,539	60,859	36.6%	12.1%
Income taxes	8,124	3,970	10,338	160.4%	27.3%
from this: special banking tax	0	614	95	-84.5%	
After tax profit	46,187	40,569	50,521	24.5%	9.4%
				%-point	%-point
Total income (with net fees)	129,567	144,814	176,377	21.8%	36.1%
Operating cost	69,381	90,164	94,246	4.5%	35.8%
Cost/income ratio	53.5%	62.3%	53.4%	-8.8%	-0.1%
Net interest margin before provision	5.35%	6.30%	5.65%	-0.65%	0.30%
Net interest margin without swap	5.60%	5.03%	5.25%	0.22%	-0.35%
ROA	3.47%	2.45%	2.77%	0.33%	-0.69%
ROE	34.0%	22.6%	25.6%	3.0%	-8.4%

IFRS consolidated pre-tax profit was HUF 60.9 billion, which represented a 12.1% increase over 1Q 2007, and exceeded 1Q 2006 results by 36.6%. After-tax profit grew by HUF 9.95 billion or by 24.5% to HUF 50.5 billion in 1Q 2007, a y-o-y growth of HUF 4.3 billion (9.4%).

The 1Q 2007 consolidated IFRS net interest income of OTP Bank was HUF 102.9 billion, 44.3% higher than for 1Q 2006 but by 1.6% lower than in 4Q 2006. This was a result of 50% y-o-y increase in interest income and a significant 58.5% y-o-y growth in interest expenses. The q-o-q changes of interest income and interest expenses were 8.7% and 26.5%, respectively.

Consolidated interest income amounted to HUF 178.9 billion. Increase in interest income from loans was 22.3% q-o-q and reached HUF 132.8 billion. Consolidated interest income from loans was by HUF 86.5 billion, or 187% above unconsolidated data. Interest income decreased from interbank placements (-32.8%), from accounts held at NBH and other banks (-40%) and from securities available-for-sale (-12.5%), however grew from held-to-maturity (+363.1%) and trading securities (+46.2%). In 1Q interest income without swaps amounted to HUF 159.2 billion, by HUF 24 billion or 17.8% higher q-o-q. Including the swap result, total interest income grew less, by 8.7%.

Interest expense was HUF 75.9 billion, 26.5% higher than in 4Q 2006. Interest expenses paid to other banks were by 54.6% higher than in 1Q 2007. Disregarding the swap result the quarterly increase was 30.5%. Interest paid on customers' deposits increased by 24.1% to HUF 42.8 billion and was 61.3% higher than unconsolidated data. It increased by 90.2% compared to the fourth quarter of 2006 due to high interest rates in Hungary and also the deposit campaigns throughout the whole year. In the 1st quarter interest expense on issued securities was 2.6% higher than a quarter earlier and was HUF 8.6 billion higher than at the parent bank.

The swap results on interbank transactions were HUF 19.7 billion, and there was also a swap gain of HUF 12.4 billion accounted as negative loss on swaps with financial institutions which resulted in a total net swap interest gain of HUF 7.3 billion compared to HUF 21.1 billion a quarter earlier.

Provisions for possible loan and placement losses were 110% higher than in 1Q 2007 reaching HUF 21.3 billion. Provisioning cost as a percentage of average gross loans reached 1.85% compared to 0.7% a year earlier and 0.97% in 1Q 2007. Including also the income from provisions before the acquisitions (reported within other income), the adjusted cost of risk amounted to HUF 11.0 billion showing 0.96% to the average loans.

Non-interest income was 27.2% bigger than a year earlier and reached HUF 82 billion, an increase of 64.4% q-o-q. Within non-interest revenues, fee and commission income increased by 12.4% (HUF 4.8 billion) compared to the second quarter of 2006. Consolidated fee and commission expenses moderated by 11.1% during 1Q 2007. Net fees and commissions reached HUF 35.3 billion, which is 29.5% higher than in 1Q 2007 and 20.1% higher than in 1Q 2006. Net profit on securities trading was HUF 1.6 billion compared to HUF 2.4 billion in 4Q 2006 as a result of gains realised on securities portfolio of the Group. Net gain on foreign exchange transactions was HUF 2.3 billion against significant losses in previous quarters and a HUF 5.5 billion result a year ago. The gain was mainly related to the FX swap deals. The insurance premium reached HUF 18.4 billion, an increase of 5.4% q-o-q, but by 5.4% lower y-o-y. Insurance expenses decreased by 4.2% compared to 1Q 2006, but grew by 12.1% q-o-q. Net insurance result amounted to HUF 3.3 billion and was by HUF 1.2 billion higher than a quarter earlier and smaller by HUF 0.4 billion y-o-y. Other income increased significantly by HUF 11.9 billion y-o-y, and by HUF 9.4 billion q-o-q reaching HUF 15.5 billion. Such growth was mainly the result of the consolidation of provisions: in 2006 the Ukrainian and Russian loan portfolio was "netted" while being consolidated. Now those provision write backs appeared on "other income" line. Because of the significant increase of non-interest income their share amounted to 44.4% of total income (+12%-points q-o-q, -3.1%-points y-o-y).

Consolidated non-interest expenses grew by 36.6% year-on-year to HUF 102.8 billion. The quarterly increase was 3%. Consolidated personnel expenses were 18.8% higher than a quarter earlier and 55.6% higher than in 1Q 2006. Depreciation in 1Q 2007 was 26.7% higher than in 1Q 2006 and 24.8% bigger than in 4Q 2006. Other non-interest expenses were HUF 35.6 billion, 45.7% and 11.9% higher than in 1Q 2006 and 4Q 2006, respectively. Within this, the Bank spent HUF 2.4 billion for marketing, HUF 4.3 billion for rental fees, HUF 2.6 billion for IT services. Municipality taxes and the special banking tax (or contribution tax from January, 2007) amounted to HUF 2.6 billion and HUF 1.6 billion, respectively. Consolidated cost to income ratio was 53.4%, 8.8%-points lower than in 4Q 2006, and 0.1%-points lower than a year before.

Net consolidated interest margin over average total assets (HUF 7.289 billion) was 5.65% during the first quarter of 2007, 30 bps higher than 4Q 2006, but 65 bps below 1Q 2006 figure. Disregarding the effects of swaps net margin in 1Q 2007 was 5.25% which was 22 bps higher than 4Q 2006, but 35 bps lower than in 1Q 2006.

Consolidated ROAA was 2.77% (3.47% in 1Q 2006 and 2.45% in 4Q 2006), while consolidated ROAE reached 25.6% (34% in 1Q 2006 and 22.6% in 4Q 2006). Basic earnings per share (EPS) reached HUF 196, HUF 16 above 1Q 2006 and by HUF 41 higher than 4Q 2006. Diluted EPS equalled to HUF 195.

Aggregated market shares of the domestic group members in the credit institutions system in Hungary based on HAR data

	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Total assets	23.7%	24.7%	25.3%	0.5%	1.6%
Loans	21.2%	20.6%	20.4%	-0.2%	-0.8%
Retail	36.9%	34.4%	33.6%	-0.8%	-3.3%
Housing	45.4%	41.7%	40.7%	-1.0%	-4.7%
HUF	52.4%	51.2%	51.1%	-0.2%	-1.3%
FX	23.0%	22.9%	22.0%	-0.9%	-1.0%
Consumer	24.6%	24.8%	24.7%	-0.2%	0.1%
Corporate	11.8%	11.0%	10.7%	-0.3%	-1.1%
Municipal	51.8%	55.1%	55.9%	0.9%	4.1%
Deposits	25.3%	23.7%	23.7%	0.0%	-1.6%
Retail	33.5%	32.4%	31.7%	-0.7%	-1.7%
HUF	33.1%	32.0%	31.3%	-0.7%	-1.8%
FX	36.4%	35.0%	34.3%	-0.7%	-2.1%
Corporate	10.0%	9.9%	10.0%	0.1%	0.0%
Municipal	70.9%	64.2%	65.1%	1.0%	-5.8%

OTP BANK⁴

OTP Bank maintained its market position as the largest retail and municipality bank in Hungary and the largest bank by total assets. On March 31, 2007 total assets of the Bank were HUF 4,710.5 billion, by 25.3% higher than a year earlier. According to IFRS the Bank realized HUF 95.0 billion interest income and HUF 48.7 billion interest expenses, thus net interest income was HUF 46.3 billion. In the course of the last quarter OTP Bank reached HUF 56.7 billion pre-tax profit, +15.2% y-o-y.

Selected balanced sheet data of OTP Bank IFRS balanced sheet:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	515,325	429,325	201,676	-53.0%	-60.9%
Placements with other banks	382,697	657,939	807,125	22.7%	110.9%
Financial assets at fair value	38,208	61,085	55,296	-9.5%	44.7%
Securities for sale and trading	372,212	348,859	348,714	0.0%	-6.3%
Gross loans	1,545,767	1,782,699	1,770,337	-0.7%	14.5%
Provisions	-23,527	-31,021	-30,301	-2.3%	28.8%
Net loans	1,522,240	1,751,678	1,740,036	-0.7%	14.3%
Investments	227,099	583,298	594,980	2.0%	162.0%
Securities held-to-maturity	508,793	504,111	759,851	50.7%	49.3%
Intangible assets	105,171	100,721	101,601	0.9%	-3.4%
Other assets	88,726	69,681	101,262	45.3%	14.1%
ASSETS	3,760,473	4,506,697	4,710,541	4.5%	25.3%
Liabilities to credit institutions	323,916	557,857	533,280	-4.4%	64.6%
Deposits from customers	2,547,577	2,690,098	2,637,547	-2.0%	3.5%
Issued securities	212,521	202,050	384,354	90.2%	80.9%
Other liabilities	176,375	138,572	178,541	28.8%	1.2%
Subordinated loans	48,996	247,865	293,068	18.2%	498.1%
LIABILITIES	3,309,386	3,836,442	4,026,789	5.0%	21.7%
TOTAL SHAREHOLDERS' EQUITY	451,087	670,255	683,751	2.0%	51.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,760,473	4,506,697	4,710,541	4.5%	25.3%
				%-point	%-point
Gross loans to deposits	60.7%	66.3%	67.1%	0.9%	6.4%

In the first quarter of 2007 total assets were HUF 4.710,5 billion (+4.5% q-o-q), of which gross loan volume represented 37.6% (4Q 2006: 39.6%), while liabilities to customers amounted to 56.0% (4Q 2006: 59.7%). The structure of the gross loan portfolio remained stable during the last quarter. Retail loans reached HUF 574.9 billion, representing 32.5% of total loans (4Q 2006: 30.4%). The volume of the corporate loans was HUF 977.8 billion, representing 55.2% of total loans (4Q 2006: 60.8%). Share of municipality loans was 12.3%, an increase of 3.5% q-o-q and 59.2% y-o-y.

The quality of loan portfolio slightly improved in 1Q 2007. Qualified loans represented 5.3% of the total loans (4Q 2006: 5.4%), while NPL ratio was 3.0% (4Q 2006: 3.2%). The volume of provisions decreased by HUF 720 million over the previous quarter, as a result the coverage on qualified loans stood at 32%, and the NPL coverage was 50.2% compared to 48.7% at the end of December 2006.

On March 31, 2007 the volume of securities within total assets reached HUF 1,134.3 billion, representing 24.1%. Within them 44.6% were mortgage bonds and 44.8% were government securities and NBH bonds. According to the classification of the Bank 67% of the securities were held-to-maturity and 30.7% of the securities were classified as securities available-for-sale. Securities held for trading represented only 2.3% of the portfolio, and mainly (86.8%) comprised government securities.

At the end of the fourth quarter customer deposits amounted to HUF 2,637.5 billion, within them retail deposits representing 67.4%, corporate deposits 25.6%, while municipality deposits 6.9% respectively. The volume of corporate deposits grew on a yearly base (31.8% y-o-y); municipality and retail deposit volumes decreased by 3.0% and 3.7% y-o-y, respectively. In 1Q only the volume of municipality deposits grew (8.6% q/q). The gross loan to deposit ratio of the Bank was 67.1% at the end of March, by 6.4% higher than 12 months earlier.

Within the liabilities of the Bank the volume of subordinated loans grew further: in February OTP Bank tapped its EUR 300 million original issue by EUR 200 million with a spread of midswap +100 bps. In 1Q the

⁴ The Bank's IFRS unconsolidated condensed financial statements are available on the website of OTP Bank (www.otpbank.hu) and the Budapest Stock Exchange (www.bse.hu).

volume of issued securities increased significantly: OTP Bank had a EUR 750 million 2-year bond transaction, the risk premium was 19 bps over 3M Euribor.

Non-consolidated IFRS Statement of Operations (Profit and Loss account)

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	75,259	98,547	95,002	-3.6%	26.2%
interest inc. swap on loans	87	461	1,616	250.6%	
interest inc. swap on interbank loans	12,520	22,188	15,713	-29.2%	25.5%
Interest expense	37,630	37,247	48,676	30.7%	29.4%
interest exp. swap on interbank deposits	17,112	2,642	11,009	316.7%	-35.7%
interest exp. swap on deposits	836	1,528	725	-52.5%	-13.3%
Net interest income	37,629	61,300	46,326	-24.4%	23.1%
Net interest income (without swaps)	42,970	42,821	40,731	-4.9%	-5.2%
Provision for possible loan losses	5,477	7,818	3,457	-55.8%	-36.9%
Net interest income after provision	32,151	53,482	42,869	-19.8%	33.3%
Fees and commissions income	34,504	38,581	36,980	-4.1%	7.2%
Foreign exchange gains, net	6,737	-15,860	1,468	-109.3%	-78.2%
Gain on securities, net	-989	954	-208	-121.8%	-78.9%
Other non-interest income	16,070	27,186	19,194	-29.4%	19.4%
Total non-interest income	56,323	50,861	57,434	12.9%	2.0%
Fees and commissions expense	3,808	6,545	4,560	-30.3%	19.8%
Personnel expenses	14,537	17,949	17,205	-4.1%	18.4%
Depreciation	4,399	3,943	4,392	11.4%	-0.2%
Other non-interest expenses	16,459	26,275	17,408	-33.7%	5.8%
Total non-interest expense	39,203	54,712	43,565	-20.4%	11.1%
Income before income taxes	49,271	49,631	56,738	14.3%	15.2%
Income taxes	5,361	-1,214	5,653	-565.5%	5.4%
Deferred taxes	469	95	-45	-147.8%	-109.7%
After tax profit	43,441	50,750	51,130	0.7%	17.7%
				%-point	%-point
Total income (with net fees)	90,143	105,616	99,200	-6.1%	10.0%
Operating cost	35,395	48,167	39,004	-19.0%	10.2%
Cost/income ratio	39.3%	45.6%	39.3%	-6.3%	0.1%
Net interest margin (before provisioning)	4.09%	5.68%	4.02%	-1.66%	-0.07%
Net interest margin (before provisioning and swaps)	4.67%	3.97%	3.54%	-0.44%	-1.14%
ROA	4.73%	4.71%	4.44%	-0.27%	-0.29%
ROE	37.6%	33.9%	30.2%	-3.7%	-7.4%

In the first quarter of 2007 IFRS pre-tax profit of the Bank was HUF 56.7 billion, which represented an increase of 14.3% over 4Q 2006 and an improvement of 15.2% over 1Q 2006. During the fourth quarter OTP Bank reached HUF 46.3 billion net interest income, by 24.4% lower than in 4Q 2006. While the interest income of HUF 95 billion shows a q-o-q decline of 3.6%, interest expenditures grew sharply by 30.7%. Compared to the same period a year earlier, net interest income expanded by 23.1%. Within interest income interest receivables on loans were by 29.9% higher y-o-y, within interest expenses interest paid on customer deposits increased by 55.9%. The volume of net swap within interest income substantially lagged behind the result a quarter before: HUF 5.6 billion vs. HUF 18.5 billion

Net interest margin based on average total asset was 4.02%, which represented a significant decrease of 166 bps. Net interest margin without swaps was 3.54%, 0.44%-points lower than a quarter earlier. Such a sharp decrease was basically the reflection of the decline in net interest income, which is the consequence of growing Group-level borrowing costs booked with the Bank.

Non-interest income was by 12.9% higher than in the previous quarter, while non-interest income moderated by 20.4% q-o-q. Within HUF 57.4 billion non-interest income, fees and commission income reached HUF 37 billion, a decline of 4.1% q-o-q, but a growth of 7.2% on a yearly base. Net fee and commission income reaching HUF 32.4 billion, increased by 1.2% on a quarterly base and by 5.6% y-o-y, respectively. There were some shifts within the components of non-interest income compared to the previous quarter. Net gain on foreign exchange transactions reached HUF 1.5 billion vs. a loss of HUF 15.9 billion in 4Q, while the gain on securities dropped by HUF 1.2 billion. The insignificant portion of other non-interest income meant that there were no meaningful one-off cash transfers by any subsidiaries. The Bank captured a dividend income of HUF 18.5 billion.

Non-interest expenses were HUF 43.6 billion, by 20.4% lower on a quarterly base, but by 11.1% higher over the same period a year earlier. Within that fees and commission expenses represented 10.5%, personal expenses 39.5%, other non-interest income 40.0%; depreciation was 10.1%, respectively. The special

banking tax booked within other non-interest expenses amounted to HUF 0.2 billion vs. HUF 2.8 billion in the fourth quarter, due to legislative changes.

On March 31, 2007 OTP Bank realised HUF 51.1 billion profit after tax, with an increase of 0.7% q-o-q and 17.7% y-o-y.

The cost to income ratio was 39.3% (-6.3%-points q-o-q, +0.1%-points y-o-y). OTP Bank's non-consolidated return on average assets (ROA) was 4.44%, return on equity (ROE) was 30.2%.

Market shares of OTP Bank showed the following

	31/03/2006	30/06/2006	30/09/2006	31/12/2006	31/03/2007
Deposits	24.1%	23.9%	23.1%	22.4%	22.3%
Retail deposits	31.5%	31.4%	30.5%	30.3%	29.5%
HUF deposits	30.8%	30.6%	29.6%	29.5%	28.6%
FX deposits	36.4%	36.8%	36.1%	35.0%	34.3%
Corporate deposits	9.8%	10.4%	10.0%	9.7%	9.7%
Municipal deposits	70.9%	63.3%	68.1%	64.2%	65.1%
Loans	12.5%	12.2%	12.4%	12.3%	12.0%
Retail loans	12.2%	12.2%	12.3%	12.2%	11.8%
Housing loans	8.9%	9.2%	9.2%	9.3%	8.8%
Consumer loans	16.9%	16.3%	16.3%	16.2%	15.7%
Corporate loans	11.3%	10.7%	10.8%	10.5%	10.2%
Municipal loans	51.8%	52.2%	53.4%	55.0%	55.9%
Total assets	18.0%	17.4%	17.9%	18.9%	19.4%

At the end of March 2007 the market share of OTP Bank was 19.4% in total assets, share in retail deposits was 29.5% in the sector of credit institutions. The Bank held 28.6% of HUF deposits and 34.3% of FX retail deposits. The market share in housing loans was 8.8%, while the share in consumer loans declined to 15.7%.

The number of retail current accounts was 3,096 thousand at the end of March 2007. The number of issued retail bank cards exceeded 3,840 thousand on March 31, 2007, within that the number of debit cards reached 3,678 thousand. The number of credit cards was more than 252 thousand on March 31, 2007; their proportion in total issued cards was 6.2% (4Q 2006: 5.9%). Including corporate and FX based cards, the total number of cards reached 4,092 thousand.

The number of the Bank's ATMs grew from 1,522 a year earlier to 1,904 (4Q 2006: 1,887) due to the purchase of Eurobank's ATM network. The number of transactions executed by the Bank's card owners through the Bank's ATMs, reached 16.7 million in 1Q 2007, while the turnover of these transactions was HUF 494 billion, an increase of 0.6% and of 3.4%, respectively over 1Q 2006. The number of POS terminals on March 31, 2007 stood at 28,034, by 1,434 more y-o-y. The number of purchases on POS terminals at merchants was more than 12.8 million with a total value of HUF 87.6 billion. At the end of March 2007 the number of contracted customers for OTPdirekt telephone banking, mobile banking and internet banking service was almost 1.4 million (+27.6% y-o-y). The number of branches operated did not change: the Bank operated 408 branches. Number of employees was 8,204; by 266 people more than a year earlier and by 35 people more q-o-q.

CAPITAL ADEQUACY (BASED ON HAR)

The HAR **shareholders' equity** of OTP Bank was HUF 586.1 billion on March 31, 2007, by HUF 144.1 billion higher than a year earlier. The growth was a result of a growth of HUF 18.2 billion in general reserves, as well as HUF 176 billion retained earnings, which counterbalanced a HUF 1.1 billion decline in balance sheet profit and a HUF 49.2 billion drop in tied-up reserves. Non-consolidated book value of one share with face value of HUF 100 was HUF 2,443 on March 31, 2007.

The guarantee capital of the Bank stood at HUF 309,589 million or HUF 352 million including profit for the period, of which Tier 2 capital amounted to HUF 287,621 million. With risk weighted assets of HUF 2,796.6 billion (an increase of 38.8% y-o-y) the **capital adequacy ratio** – calculated according to the Hungarian regulations – reached 11.07%, higher than the minimal 8% level required by the Banking Act. The ratio calculated with 1Q 2007 profit was 12.53%.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

OTP MORTGAGE BANK

On March 31, 2007 total assets of OTP Mortgage Bank were HUF 1,083 billion; in the first quarter of 2007 the Bank had an after-tax profit of HUF 55 million.

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

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	3,559	59	316	433.6%	-91.1%
Placements with other banks	787	35,945	37,845	5.3%	4711.6%
Trading securities	36,245	107,805	99,759	-7.5%	175.2%
Gross loans	874,909	907,845	917,947	1.1%	4.9%
Provisions	-133	-82	-671	720.6%	403.2%
Net loans	874,775	907,764	917,277	1.0%	4.9%
Intangible assets	335	354	311	-12.1%	-7.1%
Other assets	36,013	22,887	27,514	20.2%	-23.6%
ASSETS	951,714	1,074,846	1,083,031	0.8%	13.8%
Liabilities to credit institutions	55,433	1,653	60	-96.4%	
Issued securities	810,856	987,871	979,098	-0.9%	20.7%
Other liabilities	46,929	46,048	69,122	50.1%	47.3%
LIABILITIES	913,218	1,035,572	1,048,280	1.2%	14.8%
TOTAL SHAREHOLDERS' EQUITY	38,497	39,274	34,751	-11.5%	-9.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	951,714	1,074,846	1,083,031	0.8%	13.8%
				%-point	%-point
Loans to mortgage bonds	107.9%	91.9%	93.7%	1.8%	-14.2%

The Bank's receivables from customers exceeded HUF 917 billion. It was by 4.9% higher than a year earlier and represented a moderate quarterly growth of 1.1%. The loan volume at the Bank grew by HUF 10.1 billion in 1Q 2007. Out of the outstanding loan book HUF 409 billion was the portion of loans originated under subsidy scheme being effective before June 2003, and roughly HUF 348.5 billion were loans with modified conditions after June 2003 or later. By March 31, 2007 the volume of FX-linked (98% CHF) loans reached HUF 115.7 billion. The volume of FX home equity loans represented HUF 39.9 billion, while HUF 4.5 billion has been originated for agricultural developments.

In the total loan book the portion of loans due over 30 days represented 1.5%, within that the share of NPL stood at 0.2%, a slight increase q-o-q.

The number of loan contracts with the Bank was almost 230.5 thousands with an average size of HUF 4.0 million/contract (an increase of HUF 0.5 million). Meanwhile, by March 31, 2007, the face value of mortgage bonds issued by the Bank reached HUF 979 billion, the dominant portion (97.3%) had longer than 1 year maturity. In 1Q 2007 OTP Mortgage Bank financed itself entirely from the local bond markets issuing retail targeted covered bonds. By March 31, 2007 the total outstanding volume of covered mortgage bonds grew by 20.7% compared to the corresponding period of last year. The ratio of mortgage loans to mortgage bonds stood at 93.7%. The volume of placements with other banks and liabilities to credit institutions grew by HUF 2 billion, however on a yearly base the increase was HUF 37.1 billion.

Selected IFRS results data of OTP Mortgage Bank:

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	28,711	35,113	29,951	-14.7%	4.3%
Interest expense	17,101	25,246	20,535	-18.7%	20.1%
Net interest income	11,610	9,867	9,416	-4.6%	-18.9%
Net interest income (without swaps)	10,973	9,735	10,118	3.9%	-7.8%
Provision for possible loan losses	-69	-25	589		
Net interest income after provision	11,679	9,891	8,827	-10.8%	-24.4%
Fees and commissions income	505	770	663	-14.0%	31.2%
Foreign exchange gains, net	-596	58	73	24.8%	-112.2%
Gain on securities, net	0	1,495	758	-49.3%	
Other non-interest income	4	2	15		298.3%
Total non-interest income	-87	2,326	1,508	-35.1%	
Fees and commissions expense	8,073	8,782	8,268	-5.8%	2.4%
Personnel expenses	205	135	138	2.4%	-32.6%

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Depreciation	30	20	38	89.7%	25.1%
Other non-interest expenses	512	459	1,870	307.2%	265.0%
Total non-interest expense	8,820	9,396	10,314	9.8%	16.9%
Income before income taxes	2,772	2,822	22	-99.2%	-99.2%
Income taxes	0	683	63	-90.8%	
Deferred taxes	-15	69	-96	-239.1%	522.5%
After tax profit	2,788	2,070	55	-97.4%	-98.0%
				%-point	%-point
Total income (with net fees)	3,450	3,411	2,657	-22.1%	-23.0%
Operating cost	747	614	2,045	233.3%	173.8%
Cost/income ratio	21.6%	18.0%	77.0%	59.0%	55.3%
Net interest margin (before provisioning)	4.87%	3.49%	3.49%	0.00%	-1.38%
Net interest margin (before provisioning and swaps)	4.60%	3.44%	3.75%	0.31%	-0.85%
ROA	1.17%	0.73%	0.02%	-0.71%	-1.15%
ROE	29.6%	20.4%	0.6%	-19.8%	-29.0%

In the first quarter of 2007 interest revenues dropped by 14.7%, while interest expenditures decreased more significantly by 18.7%, still the net interest income of HUF 9.4 billion represented a decline of 4.6% q-o-q and 18.9% y-o-y, respectively. The net interest margin of the bank was 3.49%, flat on q-o-q and a decline of 138 bps on 1Q 2006. The swap adjusted margin declined by 85 bps y-o-y, but grew by 31 bps q-o-q.

The significant increase of non-interest expenses in case of OTP Mortgage Bank was driven by the contribution tax in the amount of HUF 1.4 billion – earlier it was indicated as corporate tax – which from January 2007 it replaced the special banking tax.

During the course of 1Q 2007 OTP Mortgage Bank paid out roughly HUF 12.9 billion in forms of fees and commissions (-1.8% q-o-q) to OTP Bank. The value creation⁵, which is a more relevant indicator of the Mortgage Bank profitability reached HUF 12.9 billion, by 19% lower than in 4Q 2006.

DSK GROUP

During 1Q 2007 DSK Bank maintained its leading position on the retail market in Bulgaria. On March 31, 2007 total consolidated assets of DSK reached HUF 805.4 billion, of which 65.9%, HUF 531 billion were customer deposits. Gross loans amounted to HUF 468.9 billion, 58.2% of total assets.

During 1Q 2007 DSK realized HUF 6.6 billion pre-tax profit, a decrease of 25.1% over 4Q 2006.

Consolidated IFRS Balance Sheet of DSK:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	12,653	26,878	25,317	-5.8%	100.1%
Placements with other banks	156,555	227,039	244,760	7.8%	56.3%
Financial assets at fair value	11,060	8,721	8,173	-6.3%	-26.1%
Trading securities	27,277	24,407	23,123	-5.3%	-15.2%
Gross loans	389,874	454,394	468,877	3.2%	20.3%
Provisions	-13,521	-16,765	-18,209	8.6%	34.7%
Net loans	376,352	437,629	450,668	3.0%	19.7%
Investments	2,440	3,210	3,210	0.0%	31.5%
Securities held-to-maturity	19,674	21,184	18,709	-11.7%	-4.9%
Intangible assets	21,833	23,874	24,488	2.6%	12.2%
Other assets	6,838	6,430	6,950	8.1%	1.6%
ASSETS	634,683	779,370	805,398	3.3%	26.9%
Liabilities to credit institutions	86,159	150,265	157,883	5.1%	83.2%
Deposits from customers	457,868	523,770	530,956	1.4%	16.0%
Issued securities	0	0	0		
Other liabilities	12,537	12,861	19,978	55.3%	59.4%
Subordinated loans	0	0	0		
LIABILITIES	556,564	686,896	708,818	3.2%	27.4%
TOTAL SHAREHOLDERS' EQUITY	78,119	92,474	96,580	4.4%	23.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	634,683	779,370	805,398	3.3%	26.9%
				%-point	%-point
Gross loans to deposits	85.1%	86.8%	88.3%	1.6%	3.2%

⁵ Profit before tax + fees paid and cash given free of charge to OTP Bank

On March 31, 2007 total assets of DSK were 3.3% higher than at the end of December 2006 and 26.9% above the figure of March 31, 2006. Gross loans increased by 3.2% q-o-q and by 20.3 % y-o-y. The retail portfolio grew by 3.5% q-o-q and 12.0% y-o-y. Within the retail loans, housing loans grew by 6.3% (+61.8% y-o-y), consumer loans by 1.6% (-8.0% y-o-y) Retail loan volume amounted to HUF 333.2 billion, representing 71.1% of total loans. Corporate loans represented 28.9% of total loan volume. They grew by 2.5% (+47.1% y-o-y) and their volume reached HUF 135.6 billion. Over the HUF 468.9 billion gross loans, the volume of consumer loans booked at the SPV company was HUF 76.2 billion (BGN 601 million), so the total loan volume reached HUF 545.1 billion (+2.4% q-o-q; +39.8% y-o-y). The volume of corporate loans purchased by OTP Bank decreased from BGN 194 million to BGN 130 million q-o-q. The amount of mortgage loans being co-financed and kept in OTP Bank's book reached BGN 2.4 million (HUF 307 million). Including the sold and co-financed loans, volume of DSK's gross loans reached BGN 4,435 million (HUF 561.8 billion), an increase of 2.6% q-o-q and 32.7% y-o-y.

Share of qualified loans represented 5.6%. Adjusted by loans booked outside DSK balance sheet – either through loan sales to OTP or being transferred to an SPV – it was 5.1% (those figures were 5.2% and 4.5% in 4Q 2006). The NPL ratio was 4.1% (4Q 2006: 3.7%). Again, calculated with loans sold, the ratio is 3.7% vs. 3.2% in the previous quarter. The coverage on qualified loans stood at 58%, the NPL coverage was 75%. Because of prudential reasons, DSK creates provisions even on performing loans, the volume of which stood at HUF 2.9 billion in 1Q. The provision volume of loans at SPV were HUF 2.8 bn. Adjusted by that provision volume and also by the outsourced portfolio, the coverage on qualified loans would be 60.2%, and 77% on NPLs, respectively.

Customer deposits were HUF 531.0 billion representing a slight increase of 1.4% q-o-q, but a steady y-o-y growth of 16.0%. The proportion of retail deposits in total deposits was 81% (on December 31, 2006 82.3%). Loan to deposit ratio of DSK changed to 88.3% from 85.1% at the end of March 31, 2006 (including sold and securitized loans the ratio changed from 97.2% to 105.8%).

Consolidated IFRS P&L of DSK:

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	12,050	13,641	13,619	-0.2%	13.0%
Interest expense	2,867	3,977	4,226	6.2%	47.4%
Net interest income	9,183	9,664	9,393	-2.8%	2.3%
Provision for possible loan losses	2,229	809	1,938	139.5%	-13.1%
Net interest income after provision	6,954	8,855	7,456	-15.8%	7.2%
Fees and commissions income	3,336	4,178	4,119	-1.4%	23.5%
Foreign exchange gains, net	117	171	125	-26.7%	6.9%
Gain on securities, net	168	385	157	-59.2%	-6.1%
Other non-interest income	292	432	104	-75.9%	-64.3%
Total non-interest income	3,912	5,167	4,506	-12.8%	15.2%
Fees and commissions expense	148	353	239	-32.1%	61.6%
Personnel expenses	1,493	2,079	1,979	-4.8%	32.5%
Depreciation	580	699	674	-3.6%	16.2%
Other non-interest expenses	2,297	2,141	2,511	17.3%	9.3%
Total non-interest expense	4,518	5,272	5,404	2.5%	19.6%
Income before income taxes	6,348	8,750	6,558	-25.1%	3.3%
Income taxes	962	1,308	651	-50.2%	-32.3%
Deferred taxes	0	-626	0		
After tax profit	5,386	8,068	5,907	-26.8%	9.7%
				%-point	%-point
Total income (with net fees)	12,948	14,478	13,660	-5.7%	5.5%
Operating cost	4,370	4,919	5,164	5.0%	18.2%
Cost/income ratio	33.8%	34.0%	37.8%	3.8%	4.1%
Net interest margin (before provisioning)	6.03%	4.96%	4.74%	-0.22%	-1.29%
ROA	3.54%	4.14%	2.98%	-1.16%	-0.56%
ROE	28.8%	34.9%	25.0%	-9.9%	-3.9%

In 1Q 2007 DSK Bank realised HUF 6.6 billion consolidated profit before tax, which was by 25.1% lower q-o-q, but by 3.3% higher than in 1Q 2006. As a result HUF of 13.6 billion interest revenue and HUF 4.2 billion interest expenditure the net interest income reached HUF 9.4 billion. It was by 2.8% lower than in 4Q 2006, while non-interest income dropped by 12.8%. Compared to the first quarter of 2006, volumes increased by 2.3% and 15.2%, respectively.

Adjusted by the results of outsourced loans, the net interest income of DSK Group would be lower by 3.5% q-o-q (+10.4% y-o-y) while non-interest income would drop by 13.7% q-o-q and 8.2% y-o-y.

Net interest margin of DSK was 4.74% in 1Q 2007, representing a decrease of 22 bps compared to the 1Q 2006. Disregarding the result of loans sold, the NIM would be 5.27%, while the decline of the margin would be 28 bps.

Non-interest expenses amounted to HUF 5.4 billion in 1Q 2007, 2.5% and 19.6% higher than in 4Q 2006 and 1Q 2006, respectively. Within this fee and commission expenses decreased by 32.1% q-o-q and personnel expenses decreased by 4.8%, respectively. Net fees were by 1.4% higher than in 4Q 2006 and grew by 21.7% y-o-y. Compared to the previous quarter, fees related to loans declined by 2% (they comprise 1/3 of total fee income), deposit related fees grew by 1.7%, while card related fees dropped by 4%. Despite of their yearly growth of 34% card related fees still represent less than 10% of total fee income, whereas card related expenses grew by 42% y-o-y and comprised 48% of total fee expenses. On a quarterly base loan related fee expenses moderated by 7.2%, while card related ones dropped by 7.7% due to a seasonal decrease in transaction numbers.

After tax profit of DSK Group was HUF 5.9 billion, which is a decrease of 26.8% q-o-q, but a 9.7% y-o-y growth. Cost to income ratio of DSK Group grew to 38.7% (+3.8%-points q-o-q). Disregarding the results of loan outsourcing the Group's after tax profit would be HUF 5.2 billion (the adjusted profit is lower due to the risk costs at Asset Management SPV), a quarterly growth of 21.5%, but a yearly drop of 5.9%.

Evolution of DSK Bank's market shares:

	31/03/2006	30/06/2006	30/09/2006	31/12/2006	31/03/2007
Deposits	15.8%	15.8%	15.6%	14.9%	15.2%
Retail deposits	23.5%	22.9%	22.8%	21.8%	21.6%
BGN deposits	38.3%	37.1%	36.6%	35.2%	34.8%
FX deposits	11.2%	11.0%	11.3%	11.3%	11.1%
Corporate deposits	7.4%	7.2%	7.1%	7.2%	7.2%
Municipal deposits	9.4%	10.0%	8.7%	9.7%	10.5%
Loans	16.2%	17.4%	17.0%	16.6%	16.5%
Retail loans	37.2%	36.3%	33.6%	33.0%	33.1%
Housing loans	29.6%	29.2%	29.5%	28.6%	28.8%
Consumer loans	40.8%	39.9%	35.6%	35.7%	35.8%
Corporate loans	6.9%	7.7%	7.3%	7.3%	7.2%
Municipal loans	2.8%	2.7%	1.5%	1.8%	2.2%
Total assets	14.8%	14.2%	14.4%	14.4%	14.3%

At the end of March 2007 the market share of DSK Bank was 14.3% by total assets, by 0.5% lower than on March 31, 2006. Share on retail deposits was 21.6%, of which the Bank holds 34.8% of BGN deposits. The market share by housing loans represented 28.8%, while its share in consumer loans was 35.8%.

The number of debit cards issued reached 1,227 thousand which translates into a growth of 4.9% q-o-q; number of credit cards was 106.6 thousand (-0.3% q-o-q). The number of card transactions was close to 4.5 million (4.2 million ATM cash withdrawals and 289 thousands POS purchase), the volume of transactions reached BGN 390 million (-17.2% q-o-q, +23.8% y-o-y).

During 1Q 2007 the number of ATMs of the Bank grew from 640 to 667 and the number of POS terminals operated by the Bank increased from 1,727 to 1,772 (+2.6%). The Bank operated 369 branches, an increase of 3 unit q-o-q. The number of employees at DSK Group was 4,112 by 70 people more than at the end of 1Q 2006, and by 9 people more q-o-q.

The non-consolidated total assets of **DSK Bank** stood at BGN 6,372 million at the end of 1Q 2007(+5.2% q-o-q; +33.7% y-o-y), the profit after tax was BGN 45.2 million (-17.5% q-o-q; +8.4% y-o-y).

Within the fully consolidated subsidiaries of DSK, total assets of **POK DSK-Rodina AD** reached BGN 8.6 million, its pre-tax profit was BGN 462 thousands. Total assets under management of the two mandatory and one voluntary pension funds grew by 13.6% q-o-q, reaching BGN 108 million. The total number of insured individuals exceeded 245 thousands people (+3.9% q-o-q; +15.9% y-o-y).

Total assets of **DSK Tours EOOD** reached BNG 9.4 million at the end of the period; the pre-tax loss of the company was BGN 107 thousand. **DSK Trans Security EOOD** is fully owned by DSK Tours. Total assets of the company were BGN 2.7 million on March 31, 2007, the pre-tax earning was BGN 139 thousand.

Within non-consolidated subsidiaries total assets of **DSK Asset Management EAD** amounted BGN 1,165 thousand, profit in 1Q 2007 was BGN 267 thousand. Net asset value of managed funds stood at BGN 64

million (+79.5% q-o-q), while total assets under management reached BGN 81.8 million (+88.7% q-o-q). The market share of DSK Asset Management grew from 11.7% to 15.2% to the end of March 2007.

The total assets of **DSK Leasing** and **DSK Auto Leasing** amounted to BGN 92.8 million. Their profit after tax was BGN 784 thousands in the first quarter of 2007.

OTP BANKA HRVATSKA

On March 31, 2007 total assets of OTP banka Hrvatska d.d. reached HUF 374.2 billion; its pre-tax earnings were HUF 982 million.

IFRS condensed balance sheet of OTP banka Hrvatska d.d.:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	3,237	9,047	8,038	-11.1%	148.3%
Placements with other banks	94,432	110,297	107,571	-2.5%	13.9%
Trading securities	41,252	32,843	33,624	2.4%	-18.5%
Gross loans	172,501	197,329	210,949	6.9%	22.3%
Provisions	-944	-2,239	-2,639	17.9%	179.5%
Net loans	171,557	195,090	208,310	6.8%	21.4%
Investments	2,712	2,635	2,635	0.0%	-2.8%
Securities held-to-maturity	581	553	542	-2.0%	-6.7%
Intangible assets	9,388	9,258	9,272	0.2%	-1.2%
Other assets	5,264	4,395	4,252	-3.3%	-19.2%
ASSETS	328,423	364,118	374,242	2.8%	14.0%
Liabilities to credit institutions	50,173	49,874	61,938	24.2%	23.4%
Deposits from customers	238,453	275,695	268,315	-2.7%	12.5%
Other liabilities	10,473	7,940	8,023	1.1%	-23.4%
LIABILITIES	299,099	333,509	338,276	1.4%	13.1%
TOTAL SHAREHOLDERS' EQUITY	29,324	30,609	35,966	17.5%	22.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	328,423	364,118	374,242	2.8%	14.0%
				%-point	%-point
Gross loans to deposits	72.3%	71.6%	78.6%	7.0%	6.3%

On March 31, 2007 total assets amounted to HUF 374.2 billion, within that 56.4% or HUF 210.9 billion were customer receivables, and 28.7% or HUF 107.6 billion were interbank receivables. The gross loan volume of OBH increased by 6.9% (+22.3% y-o-y), while the customer deposits declined by 2.7% in the fourth quarter (+12.5% y-o-y). Gross loans to deposits ratio increased to 78.6% from 71.6% on March 31, 2007.

The volume of customer deposits on a quarterly base declined by 2.7%, representing HUF 268.3 billion, while on a yearly base indicating 12.5% moderate expansion. Out of total customer deposits the share of retail deposits increased marginally from 80.9% at end of December 2006 to 82.0% by March 31, 2007. Corporate deposits (HUF 44.5 billion) represented 16.6% of the total volume (4Q 2006: 17.3%). The increase of customer deposits lagged behind the planned volumes, and as a consequence of it, the constantly growing demand for capital was matched by interbank loans, so the volume of liabilities to credit institutions increased by 24.2% q-o-q.

Composition of gross loan portfolio remained stable. Within that the volume of retail loans expanded by 9.0% q-o-q reaching HUF 138.3 billion, its share in the total loan book increased from 64.3% to 65.6% at end of 1Q 2007. Corporate loans represented 34.2% of the total book, their volume increased by 3.2% reaching HUF 72.1 billion. During the fourth quarter the gross loan volume increased by 6.9% on a quarterly base, and by 22.3% over a year earlier. At the end of 1Q 2007 the gross loan volume stood at HRK 6.301 million, which was 9.6% higher than the level of the fourth quarter. During the first quarter the volume of risk cost was HUF 467 million, at the same time HUF 455 million was released from the provisions on loans, made before the acquisition.

The quality of the loan book remained good, with the qualified portion slightly decreasing from 1.8% to 1.7%; NPLs moderated from 1.5% to 1.4%. The coverage of the qualified book improved reaching 48.0% (4Q 2006: 40.9%), as a result of a slight increase of qualified loans (+0.5%), and a provision volume growth of 17.9%.

P&L account of OTP banka Hrvatska d.d.:

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	4,115	4,880	5,008	2.6%	21.7%
Interest expense	1,482	2,141	2,233	4.3%	50.7%
Net interest income	2,633	2,739	2,775	1.3%	5.4%
Provision for possible loan losses	643	361	467	29.3%	-27.4%
Net interest income after provision	1,990	2,378	2,308	-2.9%	16.0%
Fees and commissions income	884	992	905	-8.7%	2.4%
Foreign exchange gains, net	198	292	231	-20.8%	16.8%
Gain on securities, net	87	46	4	-92.1%	-95.8%
Other non-interest income	464	437	430	-1.6%	-7.4%
Total non-interest income	1,633	1,766	1,570	-11.1%	-3.9%
Fees and commissions expense	317	336	294	-12.4%	-7.1%
Personnel expenses	1,118	1,055	1,152	9.2%	3.0%
Depreciation	169	239	205	-14.3%	20.8%
Other non-interest expenses	1,099	1,455	1,245	-14.5%	13.3%
Total non-interest expense	2,703	3,085	2,895	-6.1%	7.1%
Income before income taxes	919	1,059	982	-7.3%	6.8%
Income taxes	188	227	198	-12.9%	5.3%
After tax profit	732	832	785	-5.7%	7.2%
				%-point	%-point
Total income (with net fees)	3,949	4,169	4,050	-2.9%	2.6%
Operating cost	2,386	2,749	2,601	-5.4%	9.0%
Adjusted cost of risk	643	361	12	-96.6%	-98.1%
Cost/income ratio	60.4%	65.9%	64.2%	-1.7%	3.8%
Net interest margin (before provisioning)	3.36%	3.00%	3.01%	0.01%	-0.35%
ROA	0.93%	0.91%	0.85%	-0.06%	-0.08%
ROE	9.8%	10.6%	9.4%	-1.2%	-0.3%

In the first quarter of 2007 the net interest income of the Bank was 1.3% higher q-o-q, the net interest margin based on average total assets was 3.01%, on a quarterly base remained stable, while on a yearly base indicated a decrease of 35 bps.

Non-interest income decreased by 11.1% over the 1Q 2007. Within that there was a significant net loss on securities portfolio (HUF -42 million) as a result of correction in re-adjustment of its value. Non-interest expenses moderated by 6.1% q-o-q. The cost to income ratio decreased by 1.7%-point and reached 64.2%.

In 1Q 2007 the after tax profit was HUF 785 million, which was 5.7% lower than at the end of December 2006, but by 7.2% exceeded the figure of March 2006.

Market shares of OTP banka Hrvatska d.d. showed following:

	31/03/2006	30/06/2006	30/09/2006	31/12/2006	31/03/2007
Deposits	4.5%	4.6%	4.5%	4.5%	4.5%
Retail deposits	5.5%	5.5%	5.5%	5.5%	5.5%
HRK deposits	4.1%	4.0%	3.8%	3.9%	5.9%
FX deposits	6.0%	6.1%	6.4%	6.3%	5.4%
Corporate deposits	1.8%	2.2%	2.2%	2.5%	2.5%
Municipal deposits	3.4%	3.0%	3.1%	3.2%	2.6%
Loans	3.1%	3.2%	3.2%	3.2%	3.3%
Retail loans	3.9%	3.9%	3.9%	3.9%	4.1%
Housing loans	4.6%	4.9%	4.8%	4.8%	4.8%
Consumer loans	3.4%	3.4%	3.4%	3.4%	3.7%
Corporate loans	2.8%	3.0%	2.9%	2.8%	2.8%
Municipal loans	0.1%	0.3%	0.3%	0.3%	0.1%
Total Assets	3.5%	3.4%	3.5%	3.5%	3.5%

OTP banka Hrvatska has approximately 395 thousands customers, handled 294 thousands retail accounts. The number of cards issued by the Bank since end of 1Q 2006 grew by 4.9% to 365 thousands, within that the number of credit cards exceeded 31 thousands, which shows a 23.1% y-o-y growth.

On March 31, 2007 OBH operated 97 branches, had 101 ATMs (1Q 2006: 91) and 907 POS terminals (1Q 2006: 832). The number of employees reached 1.004 people, 4 people decrease y-o-y and 12 people increase q-o-q.

Out of the subsidiaries of OBH; **OTP invest d.o.o.** currently manages 3 open-end funds (OTP Money market, OTP Euro Bond and OTP Balanced) and also 1 closed-end fund (Velebit). The net assets value of

OTP Funds increased significantly over the same period a year earlier reaching HRK 154.4 million (+57.5% q-o-q). In Croatia on the market of investment funds there was a shift among different types of funds, similar to the Hungarian market. The popularity of bonds fund is constantly deteriorating, thus the net asset value of bond funds was halved. Significant volume of assets was invested in mixed and equity funds, due to this fact, the net asset value of OTP Balanced Fund managed by OTP invest was doubled over a quarter earlier.

The fund management realized HRK 414 thousands income from management fee in the first quarter of 2007. OTP invest d.o.o. realised after tax loss of HRK 180 thousands at the end of first quarter 2007.

OTP nekretnine d.o.o. realised profit-after-tax was HRK 330 thousands in 1Q 2007.

OTP BANKA SLOVENSKO

On March 31, 2007 OBS's IFRS total assets were HUF 33.8 billion representing a 16% growth compared to March 31, 2006. Pre-tax profits were HUF 489 million.

Main balance sheet data of OBS according to IFRS:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	4,024	4,503	4,467	-0.8%	11.0%
Placements with other banks	39,571	94,676	91,168	-3.7%	130.4%
Financial assets at fair value	3,946	703	983	39.7%	-75.1%
Trading securities	0	0	0		
Gross loans	209,584	189,901	200,255	5.5%	-4.5%
Provisions	-2,195	-3,693	-2,849	-22.8%	29.8%
Net loans	207,390	186,208	197,405	6.0%	-4.8%
Investments	801	874	1,052	20.3%	31.3%
Securities held-to-maturity	24,757	29,442	29,953	1.7%	21.0%
Intangible assets	5,571	6,519	6,475	-0.7%	16.2%
Other assets	1,718	2,300	2,255	-2.0%	31.3%
ASSETS	287,776	325,226	333,758	2.6%	16.0%
Liabilities to credit institutions	55,461	47,650	38,068	-20.1%	-31.4%
Deposits from customers	166,366	190,304	199,020	4.6%	19.6%
Issued securities	43,030	57,090	65,647	15.0%	52.6%
Other liabilities	4,952	9,872	9,836	-0.4%	98.6%
Subordinated loans	0	0	0		
LIABILITIES	269,809	304,917	312,570	2.5%	15.8%
TOTAL SHAREHOLDERS' EQUITY	17,968	20,309	21,187	4.3%	17.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	287,776	325,226	333,758	2.6%	16.0%
				%-point	%-point
Gross loans to deposits	126.0%	99.8%	100.6%	0.8%	-25.4%

Total assets of OBS grew by 2.6% q-o-q. Gross loans (HUF 200 billion) to assets ratio dropped to 60% (vs. 73% a year ago). The volume of total loans slightly decreased by 4.5 y-o-y, at the same time it was by 5.5% higher than a quarter earlier. Deposits to total liabilities diminished to 59.6% from 61.6% as of March 31, 2007; their volume increased by 4.6% q-o-q, and by 19.6% y-o-y. Loans to deposits ratio stood at 100.6% on March 31, 2007, by 25.4%-points lower than a year earlier. Shareholders' equity increased by 4.3% to HUF 21.1 billion during the year.

At the end of March 2007, deposits stood at HUF 199 billion; of which retail deposits represented 41.5%, HUF 82.7 billion (+2.6% q-o-q). Corporate deposit of HUF 78.8 billion represented 39.6% of total deposits, whereas the volume of deposits from municipalities amounted to HUF 37.5 billion. Volume of issued securities grew by 15% q-o-q to HUF 65.6 billion representing 21% of total liabilities (from 16% as at March 31, 2006).

Out of total loans, corporate lending represented 67% (at the end of December, 2006 it was 66.4%), their volume increased by 6.7% q-o-q (-14.5% y-o-y). The retail lending book grew by 3.2% on a quarterly base, with housing loans increasing by 2.3% and consumer loans by 6.9%, respectively. They represented 30% of gross loan book.

Qualified loans/total loans ratio decreased from 4.4% to 4.2%, due to the improvement in the NPL category. The coverage of the qualified portfolio stood at 27%, the coverage of the NPLs was 29%.

Main P&L data of OBS in IFRS:

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	2,972	4,305	4,245	-1.4%	42.8%
Interest expense	1,282	2,224	2,290	3.0%	78.6%
Net interest income	1,690	2,081	1,956	-6.0%	15.7%
Provision for possible loan losses	188	215	587	172.5%	212.8%
Net interest income after provision	1,503	1,866	1,369	-26.6%	-8.9%
Fees and commissions income	549	751	731	-2.6%	33.1%
Foreign exchange gains, net	160	150	163	8.1%	1.7%
Gain on securities, net	-96	-183	0	-100.0%	-100.0%
Other non-interest income	44	454	200	-56.0%	358.3%
Total non-interest income	657	1,172	1,094	-6.6%	66.5%
Fees and commissions expense	148	187	129	-30.9%	-12.7%
Personnel expenses	761	929	765	-17.7%	0.5%
Depreciation	154	230	218	-5.3%	41.4%
Other non-interest expenses	754	881	863	-2.1%	14.4%
Total non-interest expense	1,817	2,227	1,974	-11.4%	8.6%
Income before income taxes	343	813	489	-39.9%	42.4%
Income taxes	0	0	0		
Deferred taxes	0	0	0		
After tax profit	343	813	489	-39.9%	42.4%
				%-point	%-point
Total income (with net fees)	2,199	3,066	2,921	-4.7%	32.8%
Operating cost	1,669	2,041	1,845	-9.6%	10.5%
Cost/income ratio	75.9%	66.6%	63.2%	-3.4%	-12.7%
Net interest margin (before provisioning)	2.46%	2.60%	2.37%	-0.22%	-0.08%
ROA	0.50%	1.01%	0.59%	-0.42%	0.09%
ROE	7.8%	16.3%	9.4%	-6.9%	1.6%

In 1Q 2007 OBS reached HUF 489 million profit before tax, which is by 39.9% higher than in 4Q 2006, and by 42.4% than a year ago. Net interest income moderated by 6% q-o-q, but on a yearly base increased by 15.7%. Based on average total assets, the net interest margin was 2.37%, an improvement of 8 bps y-o-y and 22 bps q-o-q.

Non-interest revenues decreased by 6.6%, within fee and commission by 2.6% q-o-q. Net fee and commission income was 6.8% higher than in the 4Q 2006. Non-interest expenses were lower by 11.4% q-o-q, but exceeded the volume of 1Q 2006 by 8.6%. Within that category personal expenses decreased by 17.7% q-o-q and slightly expanded by 0.5% y-o-y. Cost to income ratio in 1Q 2007 declined to 63.2%, by 12.7%-points less than a year ago. Return on average assets reached 0.59% and return on equity was 9.4%.

Market shares of the Bank showed the following:

	31/03/2006	30/06/2006	30/09/2006	30/06/2007	31/03/2007
Deposits	2.7%	2.9%	2.9%	2.8%	2.6%
Retail deposits	2.4%	2.4%	2.5%	2.5%	2.5%
SKK deposits	2.5%	2.5%	2.6%	2.6%	2.6%
FX deposits	2.1%	2.1%	2.1%	1.9%	2.1%
Corporate deposits	2.7%	3.0%	2.9%	3.0%	2.6%
Municipal deposits	3.7%	3.7%	4.3%	3.6%	3.5%
Securities issued	9.4%	9.8%	8.9%	8.6%	8.6%
Loans	5.3%	4.1%	4.0%	4.0%	4.0%
Retail loans	3.9%	3.8%	3.7%	3.6%	3.6%
Corporate loans	6.2%	4.3%	4.2%	4.2%	4.2%
Municipal loans	2.1%	2.7%	2.8%	4.2%	3.5%
Total assets	2.9%	2.9%	3.1%	3.2%	3.0%

In terms of market share the Bank's position in total assets decreased by 0.2% q-o-q, but grew by 0.1% y-o-y, respectively. Market share in total loans remained stable, while in case of deposits, compared to the previous quarter it lost 0.2% q-o-q, on a yearly base market shares deteriorated by 1.3% and by 0.1%.

Number of retail current accounts amounted to 95 thousands, grew by 3 thousands y-o-y. The number of cards issued was over 102 thousands and the Bank operated 114 ATMs (1Q 2006: 110), 454 POS terminals (1Q 2006: 489) and had 90 branches at the end of March 2007 (1Q 2006: 79). At the end of the period number of employees reached 805 people, by 25 people more than a year earlier.

Amongst the subsidiaries of the Bank, **OTP Leasing, a.s.** is specialized in car financing and entered into 863 new contracts in 1Q 2007. At the end of March 2007 the company had total assets of HUF 27.8 million and it had a loss of HUF 137.4 million.

OTP Faktoring Slovensko, a.s. by end of March 2007 had total assets of HUF 6.4 billion, pre-tax profits were close to HUF 1.3 million.

OTP BANK ROMANIA

Total assets of OTP Bank Romania reached HUF 188.0 billion on March 31, 2007 (RON 2.55 million), which was by 2.8% less than at the end of 2006. This decrease was caused not by a reduction of the loan-growth dynamics in the previous years, but rather by a transfer of some loans from OBR to OTP on the one hand, and by a technical factor on the other: placements with other banks decreased by 26%, because OBR paid due mandatory reserves to the National Bank of Romania only after March 31 (regulations of NBR allow banks to do so).

IFRS condensed balance sheet of OTP Bank Romania:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	1,819	2,930	2,531	-13.6%	39.1%
Placements with other banks	21,363	72,902	54,030	-25.9%	152.9%
Trading securities	791	472	301	-36.3%	-62.0%
Gross loans	34,154	101,295	113,296	11.8%	231.7%
Provisions	-821	-928	-1,118	20.5%	36.1%
Net loans	33,333	100,366	112,178	11.8%	236.5%
Investments	197	588	1,141	94.0%	478.2%
Securities held-to-maturity	3,000	560	554	-1.1%	-81.5%
Intangible assets	5,238	9,386	9,482	1.0%	81.0%
Other assets	764	6,207	7,746	24.8%	914.5%
ASSETS	66,505	193,412	187,963	-2.8%	182.6%
Liabilities to credit institutions	25,372	125,555	121,091	-3.6%	377.3%
Deposits from customers	25,378	40,996	39,269	-4.2%	54.7%
Issued securities	0	0	0		
Other liabilities	1,248	1,819	3,429	88.5%	174.9%
Subordinated loans	0	0	0		
LIABILITIES	51,998	168,371	163,788	-2.7%	215.0%
TOTAL SHAREHOLDERS' EQUITY	14,507	25,041	24,175	-3.5%	66.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	66,505	193,412	187,963	-2.8%	182.6%
				%-point	%-point
Gross loans to deposits	134.6%	247.1%	288.5%	41.4%	153.9%

Gross loan volume in OBR's balance sheet amounted to HUF 113.3 billion on March 31, 2007, which is a more than three-times increase comparing to 1Q 2006 (+11.8% q-o-q). However, OBR transferred mortgage loans to OTP Bank because of the National Bank's high mandatory reserve requirements on loans: in volume of HUF 5.7 billion in 4Q 2006, and in volume of HUF 5.8 billion in 1Q 2007. Taking also the transferred loan volume into account, gross loans of OBR would exceed HUF 124.8 billion, and dynamics of growth would be 16.6% q-o-q, and 264.9% y-o-y.

Retail loans accounted for HUF 53.9 billion, 47.6% of total gross loan volume (with transferred mortgage loans total retail loan volume would reach HUF 65.4 billion). Within the retail segment, consumer loans grew to HUF 40.4 billion (+17.0% q-o-q), mortgage loans decreased to HUF 13.5 billion (-18.3% q-o-q), however, included also the transferred volume mortgage loan volume exceeded HUF 25.0 billion (+12.6% q-o-q). Corporate credits amounted to HUF 59.4 billion (+18.2 q-o-q). OBR's growth dynamics exceeded the market's increase rates in the first two months of 2007 and thus the Bank was able to further improve its market shares: in corporate lending from 1.24% to 1.45%, in the consumer loan segment from 1.59% to 1.60%, in mortgage lending from 3.75% to 3.96%, respectively. (Data for March are still not available).

Rate of qualified loans decreased from 69.3% to 64.9% q-o-q. (This high proportion of qualified loans – especially compared to other OTP Group members – can be attributed to the special Romanian regulation and to the qualification of FX-linked loans automatically to the to-be-watched category.) Total volume of NPL jumped by 17.1% in 1Q 2007, thus the NPL ratio amounted to 3.8% compared to 3.6% as at December 31, 2006. Provisions for NPL increased by almost three-times, thus the coverage ratio of NPL rose from 3.6% to

8.6%. These low coverage ratios are to be explained by Romanian regulation specialities (i.e. provisions only have to be made for uncollateralized parts of non-performing loans).

The volume of customer deposits decreased to HUF 39.3 billion (-4.2% q-o-q, but +54.7% y-o-y). Out of total, retail deposits comprised 51.1%, while corporate deposits represented 48.9%, thus retail deposit exceeded the volume of corporate deposits first time in the Bank's history. Because of the decrease on the asset-side interbank loans also became less by 3.6% q-o-q, and amounted to HUF 121.1 billion (+377.3% y-o-y). Gross loans to deposits increased further to 288.5%. Equity of OBR stood at HUF 24.2 billion on March 31, 2007 (-3.5% q-o-q, +66.6% y-o-y).

IFRS profit and loss accounts of OTP Bank Romania:

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	821	2,326	2,415	3.8%	194.2%
Interest expense	309	1,163	1,373	18.0%	344.3%
Net interest income	512	1,163	1,042	-10.4%	103.6%
Provision for possible loan losses	185	-463	198	-142.8%	7.2%
Net interest income after provision	327	1,626	845	-48.1%	158.0%
Fees and commissions income	288	700	699	-0.1%	143.2%
Foreign exchange gains, net	95	320	444	38.8%	367.7%
Gain on securities, net	0	283	96	-66.0%	
Other non-interest income	149	-288	4	-101.4%	-97.2%
Total non-interest income	532	1,015	1,244	22.5%	133.8%
Fees and commissions expense	51	319	343	7.6%	570.4%
Personnel expenses	627	1,444	874	-39.5%	39.3%
Depreciation	174	303	301	-0.8%	72.6%
Other non-interest expenses	625	1,269	1,052	-17.1%	68.4%
Total non-interest expense	1,477	3,335	2,570	-22.9%	73.9%
Income before income taxes	-618	-694	-482	-30.6%	-22.1%
Income taxes	0	0	0		
Deferred taxes	-36	89	7	-91.6%	-120.9%
After tax profit	-583	-783	-489	-37.5%	-16.1%
				%-point	%-point
Total income (with net fees)	993	1,859	1,943	4.5%	95.7%
Operating cost	1,426	3,016	2,227	-26.2%	56.1%
Cost/income ratio	143.7%	162.2%	114.6%	-47.6%	-29.1%
Net interest margin (before provisioning)	3.36%	2.68%	2.19%	-0.49%	-1.18%
ROA	-3.83%	-1.80%	-1.03%	0.78%	2.80%
ROE	-16.5%	-12.1%	-8.0%	4.1%	8.6%

On a quarterly base, a 3.8% higher interest income and 18.0% higher expenditure resulted in lower net interest income (-10.4% q-o-q). The net interest margin stood at 2.19% which is a decrease of 49 bps over the quarter. Opposite to the provision write backs in 4Q 2006, provisions for loan losses amounted to HUF 198 million in the first quarter of this year.

Net fee income reached HUF 356 million and thus has not changed significantly since last quarter. Foreign exchange gains stemming partially from FX loans conversions increased to HUF 444 million by 38.8% q-o-q. Total income with its HUF 1.9 million exceeded 4Q-figure by 4.5%.

Operating costs dropped – despite the expansion activity of OBR – significantly, by 26.2%, because personnel expenses went back by 39.5% comparing to 4Q 2006 (because holidays not taken in 2006, but paid off in last quarter). The Bank had a pre-tax loss of HUF 482 million (RON 6.6 million) for the first three months, which was a 30.6% improvement compared to 4Q 2006.

Estimated market shares of OTP Bank Romania:⁶

	31/03/2006	30/06/2006	30/09/2006	31/12/2006	28/02/2007
Deposits	0.43%	0.48%	0.56%	0.56%	0.53%
Retail deposits	0.43%	0.51%	0.60%	0.57%	0.54%
RON deposits	0.37%	0.42%	0.50%	0.49%	0.44%
FX deposits	0.55%	0.68%	0.78%	0.71%	0.71%
Corporate deposits	0.43%	0.45%	0.52%	0.55%	0.53%

⁶ Market shares of previous quarters – due to the more adequate information about the Romanian market – have been modified subsequently, so there can be some nicety over the previously published data. Market share data for March were not available.

	31/03/2006	30/06/2006	30/09/2006	31/12/2006	28/02/2007
Loans	0.69%	1.02%	1.38%	1.57%	1.72%
Retail loans	0.47%	1.11%	1.75%	2.04%	2.07%
housing loans	0.68%	1.67%	3.69%	3.75%	3.96%
consumer loans	0.41%	0.96%	1.25%	1.59%	1.60%
Corporate loans	0.82%	0.96%	1.11%	1.24%	1.45%
Total Assets	0.7%	1.0%	1.3%	1.5%	-

Customer accounts run by the Bank grew by 16% q-o-q, from 85 thousands to 99 thousands; number of retail clients increased from 69 thousands to 80 thousands (+17% q-o-q), number of corporate clients grew from 8,417 to 8,626 (+2.5% q-o-q). Number of cards issued by OBR went up from 33,400 to 44,200 compared to December, 2006, composed by approx. 39,200 retail debit cards (+28% q-o-q), by 2,200 credit cards (+94% q-o-q), and by 2,800 business cards (+66% q-o-q). On March 31, 2007 OTP Bank Romania operated 71 branches, (opening 5 new ones in 1Q 2007), had 80 ATMs and the number of employees reached 847 (by 294 more than one year before).

CJSC OTP BANK

The Ukrainian subsidiary of OTP Bank has been consolidated in November 2006, so 1Q 2007 is the first, completely consolidated period in reference to CJSC OTP Bank.

Main balance sheet items:

HUF mn	31/12/2006	31/03/2007	Q-o-Q
Cash and bank	12,133	6,779	-44.1%
Placements with other banks	43,683	54,368	24.5%
Trading securities	4,260	4,777	12.1%
Gross loans	365,793	383,638	4.9%
Provisions	-645	-1,202	86.4%
Net loans	365,148	382,436	4.7%
Investments	10	10	0.0%
Intangible assets	4,677	4,729	1.1%
Other assets	2,712	3,128	15.3%
ASSETS	432,623	456,228	5.5%
Liabilities to credit institutions	227,642	248,438	9.1%
Deposits from customers	148,752	142,313	-4.3%
Other liabilities	6,366	12,959	103.6%
Subordinated loans	6,498	6,340	-2.4%
LIABILITIES	389,258	410,050	5.3%
TOTAL SHAREHOLDERS' EQUITY	43,365	46,177	6.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	432,623	456,228	5.5%
			%-point
Gross loans to deposits	245.9%	269.6%	23.7%

At the end of March, 2007 total assets of the Bank were HUF 456.2 billion, customer loans represented 84.1%, and placements with other banks were 11.9% of total assets. The volume of customer deposits lagged behind the volume of loans, practically, due to the financing policy of the former parent company. Typically, the attracting of deposit taking did not enjoy priority on the Ukrainian market, and as a consequence of it deposits from customers were only 31.2% of total assets. The capital demand of the Bank was mainly ensured by interbank loans; its volume amounted to HUF 250 billion, representing 54.5% of total assets (2006 4Q: 52.6%).

At the end of March, 2007 retail loans represented 44.2% of total loan portfolio (4Q 2006: 44.8%), while corporate loans were 55.8% (4Q 2006: 55.2%). The distribution of deposits was similar to loans, retail deposits comprised 50.1% of total (4Q 2006: 47.8%), while corporate deposits reached 49.9% (4Q 2006: 52.2%).

During the first quarter 2007 the quality of loan portfolio⁷ remained stable in case of CJSC OTP Bank. The qualified ratio reached 2.9%, while NPL ratio was 2.5%. If evaluating the previous quarter according to Hungarian accounting standards, the qualified ratio stood at 2.3%, while NPL ratio was 2.1%, respectively.

IFRS profit and loss accounts of CJSC OTP Bank:

HUF mn	4Q 2006	1Q 2007	Q-o-Q
Interest income	7,598	12,288	61.7%
Interest expense	3,237	5,692	75.9%
Net interest income	4,362	6,596	51.2%
Provision for possible loan losses	650	592	-8.8%
Net interest income after provision	3,712	6,004	61.7%
Fees and commissions income	774	1,075	38.9%
Foreign exchange gains, net	323	377	16.9%
Gain on securities, net	-15	-2	-85.2%
Other non-interest income	1,973	1,075	-45.5%
o/w income from provisions on loans before acquisition	0	925	
Total non-interest income	3,055	2,525	-17.3%
Fees and commissions expense	149	171	15.0%
Personnel expenses	1,264	1,652	30.8%
Depreciation	163	257	57.7%
Other non-interest expenses	1,422	1,100	-22.7%
Total non-interest expense	2,997	3,180	6.1%
Income before income taxes	3,769	5,348	41.9%
Income taxes	1,159	1,365	17.8%
Deferred taxes	-92	58	-163.5%
After tax profit	2,611	3,983	52.6%
			%-point
Total income (with net fees)	7,267	8,949	23.1%
Operating cost	2,848	3,009	5.6%
Adjusted cost of risk	650	-333	-151.2%
Cost/income ratio	39.2%	33.6%	-5.6%
Net interest margin (before provisioning)		5.94%	
ROA		3.58%	
ROE		35.6%	

In the first quarter of 2007 CJSC OTP Bank realized HUF 12.3 billion (+61.7% q-o-q) interest income, and HUF 5.7 billion (+75.9% q-o-q) as interest expenses, thus net interest income reached HUF 6.0 billion. Pre tax profit of the Bank was HUF 5.3 billion, and after tax profit was HUF 4.0 billion. Cost to income ratio was 33.6%, ROE was 35.6%, and ROA was 3.58%.

Evaluating the first quarter results it should be considered, that because of the closing of the acquisition, the base period contains only the results for November-December, 2006.

Evolution of CJSC OTP Bank's market shares:

	2006-12-31	2007-03-31
Deposits	2.1%	2.0%
Retail deposits	1.8%	1.6%
HRK deposits	0.8%	0.8%
FX deposits	2.8%	2.7%
Corporate deposits	2.6%	2.5%
Loans	4.0%	3.8%
Retail loans	5.4%	5.1%
Housing loans	11.9%	11.7%
Consumer loans	2.3%	2.1%
Corporate loans	3.3%	3.2%
Total Assets	3.5%	3.3%

At the end of March 2007 the market share of CJSC OTP Bank was 3.3% in total assets, and 1.6% in retail deposits, within that the Bank had a 2.7% share of FX deposit market. CJSC OTP Bank had a prominent market share in case of housing loans, it reached 11.7%.

⁷ Based on the loan classification standards of OTP Bank, which are in line with IFRS rules. Based on the Ukrainian rules, the proportion of qualified loans is significantly higher because of the poor quality of client's financial statements, since in Ukraine this is a factor of the loan qualification as well.

In the first quarter of 2007 the Bank operated 72 branches, and 57 ATMs. The number of employees was 2.427 on March 31, 2007.

INVESTSBERBANK

OTP Bank closed the acquisition of Investsberbank on 30 October, 2006. The balance sheet has been consolidated last year, while the P&L of ISB was consolidated for the first time in 1Q 2007.

On 31 March, 2007 total assets of Investsberbank represented HUF 328.7 billion, almost unchanged (-0.2%) against the previous quarter. Profit before tax reached HUF 2,525 million, while profit after tax was HUF 2 billion.

Main components of Investsberbank's balance sheet (IFRS):

HUF mn	31/12/2006	31/03/2007	Q-o-Q
Cash and bank	26,444	16,709	-36.8%
Placements with other banks	19,850	14,069	-29.1%
Financial assets at fair value	41,834	64,705	54.7%
Trading securities	94	92	-2.2%
Gross loans	215,232	216,115	0.4%
Provisions	0	-8,632	
Net loans	215,232	207,483	-3.6%
Investments	0	0	
Securities held-to-maturity	0	0	
Intangible assets	19,506	18,806	-3.6%
Other assets	6,366	6,864	7.8%
ASSETS	329,326	328,727	-0.2%
Liabilities to credit institutions	12,175	12,367	1.6%
Deposits from customers	253,645	254,982	0.5%
Issued securities	16,289	13,185	-19.1%
Other liabilities	4,765	4,530	-4.9%
Subordinated loans	4,113	4,040	-1.8%
LIABILITIES	290,988	289,105	-0.6%
TOTAL SHAREHOLDERS' EQUITY	38,338	39,623	3.4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	329,326	328,727	-0.2%
			%-point
Gross loans to deposits	84.9%	84.8%	-0.1%

The gross loan portfolio represented 65.7% of the total assets. The volume of gross loans amounted to HUF 216 billion, within that corporate loans comprised 49.4% (HUF 106.7 billion), retail loans – mainly (98%) consumer loans – 49.7% (HUF 107.5 billion). The total loan book basically remained unchanged q-o-q, with the corporate loans declining by HUF 9.8 billion and retail loans growing by HUF 10.4 billion. Deposits from customers represented 77.5% of total liabilities and reached HUF 255 billion (+0.5% q-o-q). Within that the volume of retail deposits reached HUF 177.3 billion (70%), the volume of corporate loans was HUF 77.6 billion (30%).

Total shareholders' equity of the Bank was HUF 39.6 billion at the end of March, 2007, by 3.4 higher q-o-q.

Main components of Investsberbank's P&L account (IFRS):

HUF mn	1Q 2007
Interest income	16,220
Interest expense	6,304
Net interest income	9,916
Provision for possible loan losses	8,827
Net interest income after provision	1,089
Fees and commissions income	4,237
Foreign exchange gains, net	242
Gain on securities, net	465
Other non-interest income	7,526
o/w income from provisions on loans before acquisition	7,054
Total non-interest income	12,471
Fees and commissions expense	524
Personnel expenses	5,918
Depreciation	1,236
Other non-interest expenses	3,356
Total non-interest expense	11,034

HUF mn	1Q 2007
Income before income taxes	2,525
Income taxes	508
Deferred taxes	0
After tax profit	2,017
Total income (with net fees)	21,862
Operating cost	10,510
Adjusted cost of risk	1,773
Cost/income ratio	48.1%
Net interest margin (before provisioning)	12.05%
ROA	2.45%
ROE	20.7%

In 1Q the Bank realized HUF 9.9 billion net interest income, the net interest margin on average balance sheet reached 12.05%. Provisions amounted to HUF 8.8 billion. Within the total loan book the qualified portfolio represented 36.6%, while NPL-s were at 6.8%. Their coverage stood at 10.9% and 46.8%, respectively. The cost of risk on the average loan book was 3.29%

Out of total non-interest income of HUF 12.5 billion, fee & commission income represented HUF 4.2 billion, other incomes reached HUF 7.5 billion. Bulk of that item (HUF 7 billion) was related to the write back of provisions on this line. Net fee & commission income comprised HUF 3.7 billion.

Non-interest expenses reached HUF 11 billion, of which personal expenses represented HUF 5.9 billion. The cost/income ratio of ISB was 48.1%. Return on average assets was 2.45%, ROE stood at 20.7%

At the end of 1Q the Bank operated 78 branches, the number of employees at Investsberbank was 5,523 people, 175 people more than at end-2006.

Since the acquisition there were several personal changes at the top management level: a new CFO, a new deputy CEO in charge of risk management (currently acting CEO) and a new deputy CEO responsible for retail operation have been appointed. Also, there were important organizational and technical changes implemented with the aim of supporting product development and distribution efforts, as well as fostering and improving ISB's position in the market.

SERBIAN GROUP MEMBERS

OTP Bank consolidated all of three Serbian subsidiaries in this quarter, thus we have IFRS-based data from them for the first time. Weight of the Serbian subsidiaries in the Group's balance sheet and their contribution to the Group's profit is still quite moderate.

IFRS condensed balance sheet of the Serbian subsidiaries:

HUF mn	Niška banka	Zepter banka	Kulska banka	Aggregated
Cash and bank	321	674	872	1,867
Placements with other banks	6,506	7,926	29,329	43,760
Financial assets at fair value	8	75	65	147
Trading securities	127	0	538	665
Gross loans	3,095	12,932	34,496	50,524
Provisions	-223	-166	-1,883	-2,272
Net loans	2,872	12,766	32,614	48,252
Investments	0	2	212	213
Securities held-to-maturity	0	0	900	900
Intangible assets	3,538	627	5,314	9,480
Other assets	121	345	1,905	2,371
ASSETS	13,493	22,414	71,749	107,656
Liabilities to credit institutions	4,403	1,242	17,587	23,232
Deposits from customers	4,524	16,288	22,586	43,398
Issued securities	0	0	0	0
Other liabilities	563	458	2,736	3,756
Subordinated loans	0	0	0	0
LIABILITIES	9,489	17,988	42,909	70,386
TOTAL SHAREHOLDERS' EQUITY	4,004	4,426	28,840	37,269
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,493	22,414	71,749	107,656
Gross loans to deposits	68.4%	79.4%	152.7%	116.4%

Aggregated, non-consolidated total assets of the Serbian Group Members amounted to HUF 107.7 billion on March 31, 2007, the gross loan volume accounted for HUF 50.5 billion, 47.0% of the BS. Within all loans weight of corporate lending was 75.7%, whereas retail loans reached 23.8% of the total loan volume. Ratio of qualified loans stood at 49.2%, NPL ratio at 8.2%. These figures exceed the OTP Group-averages. On the liability side, deposit from customers was HUF 43.4 billion, thus gross loans to deposit reached 116.4%. Corporate deposits amounted to 55.1% of all deposits, in case of retail deposits this ratio stood at 34.1%.

IFRS profit and loss accounts of the Serbian subsidiaries:

HUF mn	Niška banka	Zepter banka	Kulska banka	Aggregated
Interest income	236	455	1,750	2,441
Interest expense	96	132	369	597
Net interest income	140	323	1,381	1,845
Provision for possible loan losses	16	171	1,979	2,166
Net interest income after provision	124	152	-597	-321
Fees and commissions income	132	159	409	700
Foreign exchange gains, net	11	-61	-185	-234
Gain on securities, net	2	0	0	2
Other non-interest income	65	379	2,157	2,601
Total non-interest income	210	477	2,381	3,068
Fees and commissions expense	19	19	24	62
Personnel expenses	293	207	402	902
Depreciation	37	43	84	164
Other non-interest expenses	110	271	865	1,245
Total non-interest expense	459	540	1,374	2,373
Income before income taxes	-125	90	409	374
Income taxes	0	0	2	2
Deferred taxes	0	0	0	0
After tax profit	-125	90	407	371
Total income (with net fees)	331	782	3,738	4,851
Operating cost	439	521	1,350	2,311
Cost/income ratio	132.7%	66.7%	36.1%	47.6%

In 1Q 2007 the Serbian Group Members reached net interest income of HUF 1.8 billion and profit after tax of HUF 371 million. Most of the profit was produced by Kulska banka, Zepter banka's profit resulted to HUF 90 million, whereas Niška banka was still loss-making. However, the most significant contribution to the aggregated profit was the write-backs of provision reserved before the consolidation. These write-backs were recorded in the P&L to "other non-interest income" and amounted to approximately HUF 1.5 billion in the three Serbian banks together. Average cost to income ratio of Serbian Group Members was 47.6%.

Estimated aggregated market shares of the Serbian subsidiaries are:

	31/03/2007
Deposits	2.5%
Retail deposits	1.5%
LCY deposits	2.8%
FX deposits	1.4%
Corporate deposits	2.5%
Municipal deposits	9.9%
Loans	1.9%
Retail loans	0.8%
Housing loans	0.0%
Consumer loans	0.2%
Corporate loans	2.6%
Municipal loans	1.6%
Total Assets	2.6%

The three Serbian banks together had 333 thousands retail and 22,400 corporate customers. Almost half of the retail customers belonged to Zepter Banka, whereas Kulska banka owned 42% of the corporate clients. The three banks issued 128 thousands retail cards together, approx 25% of that were credit cards.

Market share of the Serbian Group Members were especially high in municipal deposit segment with their 9.9%, followed by approx. 2.5% in corporate banking, and by 1.5% in retail deposits and 0.8% in retail lending. The three banks operated 97 branches and 50 ATM on March 30, 2007, and had 1,156 employees together.

Niška banka increased its total assets by 19.9% to HUF 13.5 billion and its gross loan volume by 9.9% above HUF 3 billion. Its loss before tax amounted to HUF 125 million in 1Q 2007, which is almost less than the half of the 4Q 2006 figure. The Bank operated 26 branches and 8 ATM, and had 406 employees.

Zepter banka's total assets was HUF 22.4 billion on March 31, 2007 (-4.2% q-o-q), gross loan volume grew by 9.9% to HUF 12.9 billion. The Bank's after tax profit reached HUF 90 million. Although Zepter banka had the smallest distribution network (21 branches, 19 ATM) and the least employees (252 pates) among OTP's Serbia Group Members, it served the most retail customers (158 thousands), and had half of the retail credit volume of the Serbian subsidiaries (HUF 6 billion).

Kulska banka – which is the most significant Bank among Serbian Group Members – was consolidated in 1Q 2007 for the first time: its total assets accounted for HUF 71.8 billion, its gross lending volume for HUF 34.5 billion. Kulska banka is rather a corporate bank: 87.0% of its gross loan volume was provided to the corporate sector, the same ratio for deposit is also high (72.2%). The Bank's profit after tax reached HUF 407 million in 1Q 2007. It operated 50 branches and 23 ATM and with its 1,435 POS the Bank had a significant market share of 3% in this market segment. Kulska banka had 498 employees on March 31, 2007.

CRNOGORSKA KOMERCIJALNA BANKA AD

CKB was consolidated in 1Q 2007 for the first time. The Bank's total assets amounted to HUF 161.0 billion, of which the HUF 106.4 volume of gross loan accounted for 66.1%. Deposit to customers reached HUF 131.8 billion, thus gross loan to deposits stood at 80.7%.

IFRS condensed balance sheet of the CKB:

HUF mn	31/03/2007
Cash and bank	9,937
Placements with other banks	38,399
Financial assets at fair value	52
Trading securities	43
Gross loans	106,364
Provisions	-124
Net loans	106,241
Investments	0
Securities held-to-maturity	261
Intangible assets	4,076
Other assets	1,981
ASSETS	160,990
Liabilities to credit institutions	16,016
Deposits from customers	131,794
Issued securities	0
Other liabilities	4,530
Subordinated loans	0
LIABILITIES	152,340
TOTAL SHAREHOLDERS' EQUITY	8,650
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	160,990
Gross loans to deposits	80.7%

Within total lending retail loans accounted for 25.6%, corporate loans for 64.3%. Within retail lending mortgage loans reached HUF 14.3 billion (52.6% of total retail loan volume), thus the share of consumer loans stood at 47.4%. CKB also provided HUF 10.8 billion to the municipality sector.

Credit quality was better than Group-average: ratio of qualified loans stood at 10.3%, NPL-ratio was only 0.3%.

Within total deposits the proportion of retail and corporate deposits was almost equal (48% and 46% respectively); municipalities owned the rest (6%).

In the first quarter of the year CKB's net interest income reached HUF 683 million resulting from HUF 2.1 billion interest income and HUF 1.4 billion interest expenses. Net fee income amounted to HUF 747 million; non-interest income was HUF 1.1 million. Within non-interest expenses the most important item was personal costs, which stood at HUF 446 million. The Bank had a cost/income ratio of 57.7%, profit after tax accounted for HUF 498 million.

IFRS profit and loss accounts of the CKB:

HUF mn	1Q 2007
Interest income	2,063
Interest expense	1,380
Net interest income	683
Provision for possible loan losses	126
Net interest income after provision	557
Fees and commissions income	965
Foreign exchange gains, net	69
Gain on securities, net	0
Other non-interest income	41
o/w income from provisions on loans before acquisition	0
Total non-interest income	1,075
Fees and commissions expense	218
Personnel expenses	446
Depreciation	96
Other non-interest expenses	345
Total non-interest expense	1,106
Income before income taxes	525
Income taxes	27
Deferred taxes	0
After tax profit	498
Total income (with net fees)	1,540
Operating cost	888
Adjusted cost of risk	126
Cost/income ratio	57.7%

There were no available market share data for 1Q 2007. At the end of last year, CKB disposed of 41.5% and 43.5% of the retail and corporate deposit market, and reached a market share of 27.4% and 44.3% in retail and corporate lending, respectively. The bank owned 38.3% of total assets of Montenegrin banking system.

CKB had more than 89 thousands customers on March 31, 2007, among them retail number of customers reached 85 thousands and there were 3,500 corporate clients. Number of issued cards amounted to 160 thousands, number of credit cards stood at 12 thousands pieces.

The Bank operated 33 branches, 66 ATM and 1,396 POS. Number of employees was 320 on March 31, 2007.

MERKANTIL GROUP

The aggregated balance sheet total of Merkantil Group exceeded HUF 337.2 billion on March 31, 2007. Aggregated after tax profit of the Group – after a correction detailed below – reached HUF 2.0 billion, which is an increase of 1.3% over 1Q 2006.

Aggregated, non-consolidated IFRS Balance Sheet:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	2,341	9,305	3,880	-58.3%	65.7%
Placements with other banks	4,378	744	2,342	214.6%	-46.5%
Financial assets at fair value	1,729	4,833	6,563	35.8%	279.5%
Trading securities	0	0	0	-	-
Gross loans	247,318	252,984	256,875	1.5%	3.9%
Provisions	-16,543	-16,801	-17,792	5.9%	7.6%
Net loans	230,776	236,183	239,083	1.2%	3.6%
Investments	2,210	2,426	2,426	0.0%	9.8%
Securities held-to-maturity	1,898	1,403	1,403	0.0%	-26.1%
Intangible assets	6,736	7,834	8,312	6.1%	23.4%
Other assets	52,035	71,444	73,208	2.5%	40.7%
o/w: Receivables due to leasing	42,179	62,652	62,108	-0.9%	47.2%
ASSETS	302,103	334,173	337,215	0.9%	11.6%
Liabilities to credit institutions	224,170	254,939	251,693	-1.3%	12.3%
Deposits from customers	6,552	6,250	8,904	42.5%	35.9%
Issued securities	34,369	30,892	31,292	1.3%	-9.0%
Other liabilities	11,369	10,608	12,376	16.7%	8.9%
Subordinated loans	600	1,700	1,700	0.0%	183.3%
LIABILITIES	277,060	304,389	305,966	0.5%	10.4%

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
TOTAL SHAREHOLDERS' EQUITY	25,043	29,783	31,250	4.9%	24.8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	302,103	334,173	337,215	0.9%	11.6%

Aggregated, non-consolidated total assets of Merkantil Group increased by 0.9% to HUF 337.2 billion during 1Q 2007. Asset volume of Merkantil Car continued to shrink, but this was counterbalanced by the asset-growth in Merkantil Bank, other Group Members kept their previous positions. Comparing to 1Q 2006 total assets of the Group rose by 11.6%.

Merkantil Group's total gross volume expanded by HUF 9.6 billion, by +3.9% to HUF 256.9 billion in the first quarter of the year. Provisions grew somewhat faster (+5.9% q-o-q, 7.6% y-o-y). The growth of qualified loans also exceeded the increase of total loans (+2.0% q-o-q, +6.5 y-o-y), but it is a result of Merkantil Bank's and Car's prudent provisioning policy under which FX loans and dealer finances are classified as 'to-be-monitored' even if there are no signs of deteriorating credit quality. Proportion of NPL did not change in Merkantil Bank in the last three months (4.9%), but increased in Merkantil Car (from 14.1% to 16.2%).

Members of Merkantil Group managed to increase their aggregated car-financing portfolio by 3.0%, which amounted to HUF 234.3 billion as at March 31, 2006. This dynamism slightly exceeds that of the Members of Hungarian Leasing Associations which was only 2% in 1Q 2007. Number of contracts (191.2 thousands on March 31, 2007) rose only by 0.9%, thus average loan per car grew from HUF 1.200 million to HUF 1.225 million.

Loan volume from new contracts in the first quarter was approx. the same as in 4Q 2006 (HUF 24.6 billion), but expanded significantly, by 30.3% comparing to the first three months in last year. Number of new contracts was 11.800, by 560 pieces more than in 4Q 2006 and by 910 more than in 1Q 2006. New contracts were denominated almost entirely in FX: number of new HUF-loans was a merely 96 among the 11.800.

Beside the loan portfolio, leasing and renting claims accounted as "other assets" remained unchanged (with HUF 62.1 b), comparing to March 2006 the increase was 47.2%.

The Group's aggregated equity reached HUF 31.3 billion (+5.0% q-o-q, +24.8%).

Aggregated, non-consolidated IFRS P&L⁸ of Merkantil Group:

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	7,759	10,498	11,080	5.5%	42.8%
Interest expense	2,059	3,550	4,185	17.9%	103.3%
Net interest income	5,700	6,948	6,895	-0.8%	21.0%
Net interest income (without swaps)	4,278	4,437	4,513	1.7%	5.5%
Provision for possible loan losses	1,275	452	1,010	123.5%	-20.8%
Net interest income after provision	4,425	6,497	5,885	-9.4%	33.0%
Fees and commissions income	403	475	458	-3.6%	13.6%
Foreign exchange gains, net	-809	-1,473	-1,451	-1.5%	79.4%
Gain on securities, net	0	0	0		
Other non-interest income	1,012	1,954	711	-63.6%	-29.8%
Total non-interest income	606	956	-282	-129.5%	-146.5%
Fees and commissions expense	878	903	1,214	34.4%	38.4%
Personnel expenses	604	554	647	16.8%	7.2%
Depreciation	79	157	156	-0.4%	96.4%
Other non-interest expenses	1,291	2,877	1,168	-59.4%	-9.5%
Total non-interest expense	2,852	4,491	3,185	-29.1%	11.7%
Income before income taxes	2,179	2,961	2,418	-18.4%	10.9%
Income taxes	494	1,132	558	-50.7%	13.0%
Deferred taxes	-22	14	-7	-152.7%	-66.4%
After tax profit	1,685	1,843	1,866	1.3%	10.7%
				%-point	%-point
Total income (with net fees)	5,429	7,001	5,399	-22.9%	-0.6%
Operating cost	1,974	3,588	1,971	-45.1%	-0.2%
Cost/income ratio	36.4%	51.2%	36.5%	-14.7%	0.1%
Net interest margin (before provisioning)	8.21%	8.08%	8.22%	0.14%	0.00%

⁸ P&L data were adjusted by the amount of dividend paid by Merkantil Car to Merkantil Bank in the volume of HUF 2,850 million. The decrease in shareholders' equity was driven by the reduction in retained earnings caused by dividend payment. The table showing the group members one-by-one contains the non-adjusted figures of the companies.

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Net interest margin (before provisioning and swaps)	6.16%	5.16%	5.38%	0.22%	-0.78%
ROA	2.43%	2.14%	2.22%	0.08%	-0.20%
ROE	28.2%	25.5%	24.5%	-1.1%	-3.7%

In 1Q 2007 Merkantil Car paid off – from its retained earnings – dividends of HUF 2.85 billion to Merkantil Bank, and HUF 150 million to Merkantil Bérlet. These dividends do not influence the consolidated profit, but would distort significantly the aggregated, non-consolidated P&L of Merkantil Group, therefore we adjusted them. With these dividends Merkantil Groups aggregated after tax profit would be HUF 4.9 billion, without the dividends after tax profit was only HUF 1.9 billion (+1.3% q-o-q, +10.7% y-o-y).

The accounting adjustments of swaps, through which Merkantil Bank covers its FX-positions stemming from FX lending activities, continued to distort the P&L of the Merkantil Group. On the “spot-leg” of the CHF/HUF and CHF/EUR FX-swaps Merkantil Bank “suffered” a significant foreign exchange loss, which was, however, counterbalanced by interest income gains from the “forward leg” of the swaps. Thus swaps are (and will be) basically neutral for the bottom line profit of the Group, but can cause significant volatility in net interest earnings.

As a result of higher interest income (+5.5% q-o-q) and higher interest expenditures (+17.8% q-o-q), net interest income decreased to HUF 6.9 billion (-0.7% q-o-q). However, without swaps the growth of net interest income would be positive: +1.7%. Net interest margin without swaps improved by 22 bps to 5.38% (-78 bps y-o-y).

Non-interest revenues decreased significantly and became negative comparing either to 4Q or 1Q 2006 (after the adjustment of the dividends). Non-interest expenses also shrank by 29.1% related to the last quarter of the previous year, but grew by 11.7% compared to 1Q 2006. Non-interest revenues and expenses decreased because in this quarter there were no intra-group transfers of financial assets unlike in 4Q 2006.

Main IFRS financial data of Merkantil Group members on March 31, 2007 and 1Q 2007⁹:

Balance sheet:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries*	Aggregated
Cash and bank	634	1,459	773	1,014	3,880
Placements with other banks	2,342	0	0	0	2,342
Financial assets at fair value	6,563	0	0	0	6,563
Trading securities	0	0	0	0	0
Gross loans	198,811	58,056	0	7	256,875
Provisions	-9,263	-8,529	0	0	-17,792
Net loans	189,548	49,528	0	7	239,083
Investments	1,631	718	21	56	2,426
Securities held-to-maturity	1,403	0	0	0	1,403
Intangible assets	507	12	2,336	5,457	8,312
Other assets	8,603	18,107	33,720	12,777	73,208
ASSETS	211,231	69,825	36,849	19,311	337,215
Liabilities to credit institutions	141,611	60,216	34,579	15,287	251,693
Deposits from customers	8,227	678	0	0	8,904
Issued securities	31,292	0	0	0	31,292
Other liabilities	4,991	4,426	815	2,145	12,376
Subordinated loans	1,700	0	0	0	1,700
LIABILITIES	187,820	65,319	35,394	17,433	305,966
TOTAL SHAREHOLDERS' EQUITY	23,411	4,506	1,455	1,878	31,250
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	211,231	69,825	36,849	19,311	337,215

P&L:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries*	Aggregated
Interest income	7,866	2,216	774	224	11,080
Interest expense	2,630	501	857	197	4,185
Net interest income	5,236	1,715	-83	27	6,895

⁹ Non-adjusted data

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries*	Aggregated
Provision for possible loan losses	857	152	0	0	1,010
Net interest income after provision	4,378	1,563	-83	27	5,885
Fees and commissions income	220	238	0	0	458
Foreign exchange gains, net	-1,469	16	4	-2	-1,451
Gain on securities, net	0	0	0	0	0
Other non-interest income	3,034	59	412	205	3,711
Total non-interest income	1,785	313	416	203	2,718
Fees and commissions expense	985	209	20	1	1,214
Personnel expenses	443	138	21	46	647
Depreciation	21	1	96	38	156
Other non-interest expenses	670	320	52	125	1,168
Total non-interest expense	2,119	668	189	210	3,185
Income before income taxes	4,045	1,209	143	20	5,418
Income taxes	272	279	-1	2	551
Deferred taxes	0	0	-6	-2	-7
After tax profit	3,774	929	145	19	4,866

On March 31, 2007 **Merkantil Bank** had total assets of HUF 211.2 billion (+6.2% q-o-q, +33.4% y-o-y), and IFRS after-tax profits of HUF 3.8 billion with paid-off dividends, but only of HUF 923.6 million without the dividends (-34.4% q-o-q, -26.2% y-o-y). This result without dividends is much smaller than in the previous quarters; however comparison is very difficult because of the transfers of financial assets in the previous periods.

Within total assets outstanding balance of car loans reached HUF 167.8 billion, an increase of 9.1% q-o-q (+53.5% y-o-y). Number of FX-linked contracts grew by more than 41 thousands, while HUF-based contracts lagged behind 1Q 2006 figures by 11.5 thousands. The volume of HUF-based loans originated amounted to HUF 13.9 billion representing a mere 8.3% of total car loans.

Within the loan portfolio the NPL portion remained 4.9%; at the same time in line with the Bank's prudent monitoring policy, due to the growing volume of FX-linked loans, qualified loan volume increased slightly from 88.1% to 89.2%. Coverage ratio for NPL rose to 80.6% (4Q 2006: 79.9%, 1Q 2006: 73.6%).

On the liability side 'Stabil' and 'Mobil' deposits represented HUF 31.3 billion and c/a deposits HUF 5.5 billion, respectively. The rest of the asset side financing needs was covered by interbank liabilities (HUF 141.6 billion), bulk of which has been provided by OTP Bank. Compared to 4Q 2006 Merkantil Bank's shareholders' equity grew by 16.8% to HUF 23.4 billion because of the paid-off dividends.

Net interest income before provision and without swaps exceeded HUF 2.9 billion (+18.3% q-o-q, 36.8% y-o-y). This is not surprising because of the lending volume growth. Net interest margin without swaps improved by 72 bps to 5.57% (-9 bps y-o-y). The cost to income ratio – without the paid-off dividends – improved significantly to 35.6% from 40.8% one quarter earlier. ROA was 1.80% and ROE 17.0% in 2007 (versus 3.39 and 32.5% in 1Q 2006).

IFRS total assets of **Merkantil Car** dropped from HUF 107.0 billion (1Q 2006) to HUF 69.9 billion at the end of December 2006, after-tax profit of the period reached HUF 929.4 million (+129.5% y-o-y). The latter was caused by reduction of provisioning cost on the one hand, and by the fact, that there was no transfer of financial assets in this quarter to Merkantil Bank, on the other. The Company had 70,375 car-financing contracts compared to 92.5 thousands on March 31, 2006. This tendency is in line with prior business plans, according to which Merkantil Bank became responsible for all new FX car-loans, whereas Merkantil Car merely continues to manage its previous FX deals.

The net volume of car-leasing and loans declined by 13.7% and reached HUF 58.0 billion over the previous quarter. The company's shareholders' equity dropped by 24.8% to HUF 4.5 billion since March 31, 2006.

Cost to income ratio grew to 25.2% (-23.2%-points y-o-y), while the ROA stood at 5.00%; and ROE at 67.1% in 2007.

Total assets of **Merkantil Bérlet** remained unchanged (HUF 36.9 billion -0.9% q-o-q). After tax profit was HUF 144.8 billion (-35.9% q-o-q).

Other Merkantil Group members (NIMO 2002 Ltd and SPLC project companies) operating primarily in real estate leasing – hold total assets of HUF 19.3 billion on March 31, 2007. Contribution of these companies to the Group's earnings remained negative: their aggregated loss before tax accounted for HUF 18.5 million in 2006.

OTP GARANCIA INSURANCE

OTP Garancia Insurance pre-tax profit for 1Q 2007 reached HUF 2 billion, which was more than twice as big as in 4Q 2006. Premium income was 16.7% higher than in previous quarter and accounted for HUF 18.2 billion (4Q 2006: HUF 15.6 billion).

OTP Garancia Insurance market position weakened somewhat in 1Q: it slipped to the fifth biggest company in terms of total premium income with 8.3% market share, while in the life business now it is ranked as No.5 with 8.9% of total market. In non-life business the company gained No.3 position with 7.8% of markets.

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

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	32	4,013	5,933	47.8%	18675.6%
Trading securities	146,302	164,883	139,936	-15.1%	-4.4%
Investments	8,646	11,504	11,619	1.0%	34.4%
Intangible assets	3,533	3,711	3,754	1.2%	6.3%
Other assets	5,932	5,144	6,248	21.5%	5.3%
ASSETS	164,444	189,323	195,687	3.4%	19.0%
Insurance reserves	139,090	161,671	165,416	2.3%	18.9%
Other liabilities	6,509	4,817	10,880	125.9%	67.2%
LIABILITIES	145,599	166,489	176,296	5.9%	21.1%
TOTAL SHAREHOLDERS' EQUITY	18,845	22,834	19,390	-15.1%	2.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	164,444	189,323	195,687	3.4%	19.0%

Total assets grew by 3.4% y-o-y reaching HUF 195.7 billion at the end of March 2007 versus HUF 189.3 billion in 4Q 2006.

Insurance technical reserves were at HUF 165.4 billion, of which increase in 1Q 2007 exceeded HUF 3.7 billion. Reserves of unit linked policies grew by HUF 1.8 billion (+1.4% q-o-q) and reached HUF 123.1 billion (a yearly growth of HUF 19 billion, +18.2%).

Shareholders' equity reached HUF 19.4 billion, a level being by 15.1% lower q-o-q, but higher by 2.9% y-o-y. The company meets excess solvency requirements of the Hungarian regulations.

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

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Interest income	1,773.7	3,443.0	3,026.8	-12.1%	70.6%
Interest expense	0.1	0.3	0.2	-30.9%	44.1%
Net interest income	1,773.6	3,442.7	3,026.6	-12.1%	70.6%
Fees and commissions income	460.4	786.2	484.1	-38.4%	5.1%
Foreign exchange gains, net	-1.2	35.2	-4.8	-113.5%	297.2%
Gain on securities, net	1,816.7	195.9	162.5	-17.0%	-91.1%
Insurance premiums	19,296.0	15,588.4	18,197.3	16.7%	-5.7%
Life	11,506.7	9,131.8	9,737.8	6.6%	-15.4%
Non-life	7,789.3	6,456.6	8,459.5	31.0%	8.6%
Other non-interest income	248.3	29.8	527.6	1668.6%	112.5%
Total non-interest income	21,820.2	16,635.5	19,366.8	16.4%	-11.2%
Fees and commissions expense	1,353.7	1,445.5	1,050.1	-27.4%	-22.4%
Personnel expenses	2,013.9	2,556.2	2,214.7	-13.4%	10.0%
Depreciation	140.6	157.8	169.6	7.5%	20.7%
Insurance expenses	15,423.5	13,448.9	14,771.4	9.8%	-4.2%
Life	11,738.7	9,659.5	9,929.9	2.8%	-15.4%
Non-life	3,684.8	3,789.4	4,841.5	27.8%	31.4%
Other non-interest expenses	1,944.0	1,470.9	1,734.3	17.9%	-10.8%
Total non-interest expense	20,875.7	19,079.4	19,940.1	4.5%	-4.5%
Income before income taxes	2,718.1	998.9	2,453.3	145.6%	-9.7%
Income taxes	412.8	141.9	490.7	245.7%	18.8%
Deferred taxes	0.0	-80.0	0.0		
After tax profit	2,305.3	936.9	1,962.7	109.5%	-14.9%

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Net insurance result	3,872	2,140	3,426	60.1%	-11.5%
				%-point	%-point
ROA	5.73%	2.02%	4.08%	2.06%	-1.66%
ROE	45.9%	17.6%	37.2%	19.6%	-8.7%

During 1Q 2007 insurance premium reached HUF 18.2 billion, a quarterly improvement of 16.7%, but a yearly decline of 5.7%. Insurance expenses amounted to HUF 14.8 billion, growing by 9.8% q-o-q, but being lower by 4.2% y-o-y. The net insurance result (reserves) was HUF 3.4 billion, by 60.1% higher q-o-q. Net premiums in life and banking insurance reached HUF 9.7 billion; insurance premiums in non-life segment amounted to HUF 8.5 billion. Insurance damages in the non-life business grew by 20.2%, and by 41.8% in the life-business, respectively, thus their total amount reached HUF 11 billion in 1Q.

The combined ratio in 1Q 2007 was 93.66%, with 93.95% in life insurance and 93.32% in non-life business.

In 1Q the Company accumulated HUF 1,963 million earnings after tax, by 14.9% less than a year ago, but by 109.5% higher q-o-q. The reason for the yearly decline is that in 1Q 2006 earnings also included revenues from securities transactions, whereas the q-o-q improvement was the result of lower payment after damages and better than expected insurance expenses.

Combined ratio of OTP Garancia (life&non-life total):

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Damages	-7,320	-7,781	-10,864	39.6%	48.4%
Expenses	-4,484	-5,079	-4,208	-17.1%	-6.2%
Changes in insurance reserves	-7,974	-5,158	-3,745	-27.4%	-53.0%
Gross premium income	19,296	15,588	18,197	16.7%	-5.7%
Result of investments	1,482	2,538	1,774	-30.1%	19.7%
				%-point	%-point
Combined ratio (%)	94.82%	99.30%	93.66%	-5.64%	-1.16%

The Company had a network of 170 branches and – together with OTP Bank's own network – through its agents (3,833 people) distributes its products. By the end of 1Q the Company had a total staff of 2,537 people, by 73 less than in 4Q 2006.

Foreign insurance companies belonging to OTP Garancia Insurance (OTP Garancia zivotna poistovna, a.s. and OTP Garancia poistovna, a.s. in Slovakia, DSK Garancia Life Insurance Co. AD and DSK Garancia Insurance Co. AD in Bulgaria, and OTP Garancia Asigurari S.A, in Romania) had a total loss of HUF 273 million in 1Q 2007.

Main components of foreign insurance companies' balance sheets and P&L accounts (IFRS)

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	1,260	1,505	265	-82.4%	-78.9%
Trading securities	573	1,400	2,963	111.7%	417.6%
Investments	2	2	2	1.0%	1.2%
Intangible assets	381	470	452	-3.8%	18.7%
Other assets	616	1,095	1,890	72.7%	206.8%
ASSETS	4,627	8,506	9,669	13.7%	109.0%
Insurance reserves	1,033	1,325	1,673	26.2%	62.0%
Other liabilities	436	1,141	972	-14.8%	122.9%
LIABILITIES	1,469	2,466	2,645	7.2%	80.0%
TOTAL SHAREHOLDERS' EQUITY	3,158	6,040	7,024	16.3%	122.4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,627	8,506	9,669	13.7%	109.0%

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Net interest income	33.6	42.8	66.9	56.4%	98.8%
Fees and commissions income	9.5	37.7	10.9	-71.1%	15.1%
Foreign exchange gains, net	-0.5	-4.5	-0.9	-80.5%	72.7%
Gain on securities, net	0.0	40.7	51.4	26.3%	
Insurance premiums	718.7	782.7	762.4	-2.6%	6.1%
Other non-interest income	12.6	99.1	12.2	-87.7%	-3.3%
Total non-interest income	740.2	955.7	835.9	-12.5%	12.9%
Fees and commissions expense	97.6	203.4	146.3	-28.1%	49.8%
Personnel expenses	148.6	204.1	240.1	17.6%	61.5%
Depreciation	24.5	33.7	34.4	2.2%	40.2%
Insurance expenses	472.1	449.8	551.9	22.7%	16.9%
Other non-interest expenses	143.2	428.7	202.8	-52.7%	41.7%

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Total non-interest expense	886.2	1,319.7	1,175.5	-10.9%	32.7%
Income before income taxes	-112.3	-321.2	-272.7	-15.1%	142.8%
After tax profit	-116.2	-321.5	-272.7	-15.2%	134.8%

OTP Garancia poist'ovna, a.s. had a gross fee revenue of HUF 240 million in 2007. The company posted negative result of HUF 6.3 million.

OTP Garancia zivotna poist'ovna, a.s., in 2007 the life insurance company posted a negative result of HUF 19.7 million, after having a fee revenue of HUF 48.6 million.

DSK Garancia Life The company's insurance revenue amounted to HUF 120 million and posted a result of HUF 34.5 million after tax in 1Q 2007.

DSK Garancia Insurance The company's fee income reached HUF 81 million in 1Q 2007 and posted result of HUF 3.2 million.

OTP Garancia Asigurari Insurance revenues reached HUF 272 million and the Company posted a negative result HUF 284 million in 2007.

OTP FUND MANAGEMENT

IFRS pre-tax profit of OTP Fund Management for 1Q 2007 was HUF 1.7 billion. After tax profit reached HUF 1.3 billion, an increase of 25.9% over the base period 2006. Total assets exceeded HUF 9.8 billion and shareholders' equity was close to HUF 5 billion.

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

Balance sheet:

HUF mn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Cash and bank	8	1	38	3117.0%	403.9%
Trading securities	2,303	11,512	6,620	-42.5%	187.5%
Investments	6,078	763	763	0.0%	-87.5%
Intangible assets	33	32	30	-5.0%	-8.8%
Other assets	1,386	2,485	2,378	-4.3%	71.6%
ASSETS	9,807	14,792	9,829	-33.6%	0.2%
LIABILITIES	1,987	2,979	4,879	63.8%	145.6%
TOTAL SHAREHOLDERS' EQUITY	7,820	11,813	4,950	-58.1%	-36.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,807	14,792	9,829	-33.6%	0.2%

P&L:

HUF mn	1Q 2006	4Q 2006	1Q 2007	Q-o-Q	Y-o-Y
Net interest income	0	18	0	-98.8%	
Fees and commissions income	2,863	3,114	2,938	-5.7%	2.6%
Foreign exchange gains, net	0	-2	1	-154.1%	-864.5%
Gain on securities, net	45	26,691	196	-99.3%	330.2%
Other non-interest income	3	1	5	759.0%	65.1%
Total non-interest income	2,911	29,803	3,139	-89.5%	7.8%
Fees and commissions expense	1,371	1,326	1,143	-13.8%	-16.6%
Personnel expenses	87	82	104	27.0%	20.0%
Depreciation	4	6	4	-22.4%	0.1%
Other non-interest expenses	196	22,388	225	-99.0%	14.3%
Total non-interest expense	1,659	23,802	1,476	-93.8%	-11.0%
Income before income taxes	1,253	6,019	1,663	-72.4%	32.8%
Income taxes	196	4,113	333	-91.9%	70.1%
After tax profit	1,057	1,906	1,331	-30.2%	25.9%
				%-point	%-point
Total income (with net fees)	1,540	28,495	1,997	-93.0%	29.6%
Operating cost	288	22,476	333	-98.5%	15.8%
Cost/income ratio	18.7%	78.9%	16.7%	-62.2%	-2.0%
ROA	39.6%	56.2%	43.2%	-13.0%	3.6%
ROE	46.8%	70.3%	63.5%	-6.8%	16.7%

In the first quarter of 2007 total assets of OTP Fund Management (HUF 9.8 billion) declined by 33.6% q-o-q, but remained unchanged y-o-y. Within total assets the weight of securities changed significantly for two reasons: in the last fall 2006 Fund Management sold 4.5 million own shares through the ICES (Income Certificates Exchangeable for Shares) transaction. Big portion of the gain stemming from the sale has been transferred to OTP Bank, whereas the remaining app. HUF 4.6 billion has been invested into securities. Thus the volume of trading securities grew somewhat and reached HUF 11.5 billion at the end of 1Q 2007.

After the 2006 profit the Company paid HUF 6.6 billion dividend to OTP Bank and HUF 0.3 billion to Concordia Ltd. There were two sources of dividend payment: the release of earning reserves and the above mentioned sale of securities. The remaining portion of dividend (HUF 1.2 billion) is going to be paid in 2Q, until then it will be booked as other obligations within the balance sheet.

In 1Q Fund Management realized a pre-tax profit of HUF 1.7 billion (-72.4% q-o-q, +32.8% y-o-y), after tax earnings increased by 25.9% y-o-y. Disregarding the one-off earning effect of the ICES transaction, the Company would have a pre-tax profit of HUF 1.4 billion over which the 1Q earning growth would be 17.4%.

Fees and commission income accounted for HUF 2.8 billion (-5.7% q-o-q; + HUF 75 million y-o-y). In 1Q fund management fees reached HUF 2 billion against HUF 2.2 billion in 4Q 2006; it represents an average 1.39% fee on assets under management (2006 4Q: 1.47%). Non-interest revenues were significantly influenced by the price gain stemming from the ICES transaction. Disregarding this effect, non-interest revenues decreased by 3.8% q-o-q (in 4Q 2006 they comprised HUF 3,263 million), but grew by 7.8% y-o-y. Non-interest expenditures amounted to HUF 1.5 billion, without the distortion effect of the ICES transaction they declined by 20.8% q-o-q and 11% y-o-y, respectively. The cost to income ratio of the company dropped to 16.7%, by 200 bps lower than in the base period.

In 1Q OTP Fund Management realised 43.2% return on assets, while return on equity was 63.5%.

Net asset value of OTP Funds according to main categories:

HUF bn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Money Market Funds	88.3	196.3	220.3	12.2%	149.4%
Bond Funds	399.0	145.2	139.8	-3.7%	-65.0%
Equity Funds	104.2	140.7	143.7	2.1%	37.9%
Mixed Funds	11.4	14.2	26.2	84.4%	130.3%
Guaranteed Funds	11.5	36.8	37.0	0.4%	220.7%
Other Funds	0.0	10.1	11.9	18.1%	
Total	614.5	543.3	578.9	6.5%	-5.8%

In 1Q 2007 the total wealth under management in Hungary reached HUF 2,618,5 billion (+3.2% q-o-q; +26% y-o-y) of which the managed securities portfolio grew to HUF 2,060,7 billion (+5.1% q-o-q; +23% y-o-y). As for the net flows, money market funds, equity funds and guaranteed funds enjoyed growing popularity amongst clients, while bond funds continued suffering.

The net asset value of the funds managed by OTP Fund Management stood at HUF 543.3 billion at the end of March 2007; the quarterly growth of 6.5% exceeded the dynamism of the market. In line with market trends the most significant volume was managed under money market funds, they grew by 12.2% q-o-q over HUF 196.3 billion in 4Q 2006, but mixed funds and equity fund also gained floor. The position of the bond funds remained unfavourable, their volume decreased by HUF 5.4 billion (-3.7% q-o-q) over the last period, while the domestic bond funds pocketed a net inflow of HUF 2 billion. Net asset value of OPTIMA Fund comprised 22.6% of total value under management versus 25.1% a year ago. At the same time a significant volume of assets were repositioned into the Money Market Fund, as a result its net asset value reached HUF 207 billion, which was 10.5% higher than a quarter earlier. The company's market share grew by 0.4% q-o-q and reached 28.1%.

Evolution of Assets under Management:

HUF bn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
OTP Investment Funds	614.5	543.3	578.9	6.5%	-5.8%
Pension Funds	436.8	518.6	544.5	5.0%	24.7%
o/w OTP Funds	426.3	507.6	533.3	5.1%	25.1%
OTP Private Pension Fund	341.8	412.4	435.3	5.5%	27.3%
OTP Voluntary Pension Fund	81.0	90.6	93.1	2.7%	14.8%
OTP Quantum Pension Fund	0.4	0.6	0.7	4.9%	48.1%
OTP Health Care Fund	3.0	3.9	4.3	12.2%	43.9%
Other pension funds	10.5	11.1	11.2	1.5%	7.1%

HUF bn	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
Other Institutional Investors	115.6	134.3	158.8	18.2%	37.4%
Assets under management, total	1,166.9	1,196.3	1,282.3	7.2%	9.9%

Pension fund assets grew from HUF 518.6 billion to HUF 544.5 billion. Other institutional funds under management increased to HUF 158.8 billion, an increase of 37.4% y-o-y and 18.2% q-o-q, respectively. Total assets under management (incl. pension funds, mutual funds and other type of institutional funds) amounted to HUF 1,282.3 billion (+9.9% y-o-y).

STAFF LEVEL AT OTP GROUP

The closing staff number of the whole group was 28,535 persons as of March 31, 2007, during the first quarter the staff increased by 1,669 persons. Year-on-year growth was 10,246 persons due to the consolidation of CJSC OTP Bank, Investsberbank, CKB, Zepter banka and Kulska banka.

The closing number of OTP Bank staff was 8,204 on March 31, 2007, 35 more than at the end of March, 2006 and 266 persons more than at the end of December 2006. In the first quarter of 2007 the staff in the branch network decreased by 13 people, in the headquarters the number of staff increased by 43 persons.

	31/03/2006	31/12/2006	31/03/2007	Q-o-Q	Y-o-Y
OTP BANK					
Closing staff (persons)	7,938	8,169	8,204	0.4%	3.4%
Average staff (persons)	7,912	8,017	8,171	1.9%	3.3%
Per capita total assets (HUF mn)	473.7	551.7	574.2	4.1%	21.2%
Per capita profit after tax quarterly (HUF mn)	5.5	6.3	6.3	-1.1%	14.0%
OTP GROUP					
Closing staff (persons)	18,289	26,866	28,535	6.2%	56.0%
Average staff (persons)	18,065	24,535	28,098	14.5%	55.5%
Per capita consolidated total assets (HUF mn)	297.7	264.2	262.2	-0.8%	-11.9%
Per capita consolidated profit after tax quarterly (HUF mn)	2.6	1.7	1.8	8.7%	-29.7%

PERSONAL AND ORGANIZATIONAL CHANGES DURING THE FIRST QUARTER OF 2007 AT OTP BANK PLC.

In the first quarter of 2007 Dr. Zoltán Spéder, member of the Board of Directors, Deputy Chairman and Deputy CEO resigned from all of his position within the bank effective from 8 January 2007. The Chairman and CEO appointed Dr. László Urbán as Deputy CEO in charge of the Strategic and Financial Division effective from 15 January.

The appointment of Péter Holtzer as Chairman of the Board of Directors at OTP Fund Management expired on 18 February 2007. The Company's Supervisory Board elected Mr. István Hamecz, former director and chief economist of the National Bank of Hungary, Mr. Péter Simon in charge of regional strategy and business development at OTP Fund Management and Mr. László Gáti in charge of distribution at OTP Fund Management into its members. The appointment of Mr. Hamecz is valid from 1 March 2007, and from 19 February 2007 in case of Mr. Simon and Mr. Gáti, respectively.

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

Budapest, May 14, 2007

OTP Bank Plc.

FINANCIAL DATA

NON-CONSOLIDATED AND CONSOLIDATED IFRS BALANCE SHEET

in HUF million	OTP Bank			Consolidated		
	31/03/2007	31/03/2006	change	31/03/2007	31/03/2006	change
Cash, due from banks and balances with the National Bank of Hungary	201,676	515,325	-60.9%	282,271	551,253	-48.8%
Placements with other banks, net of allowance for possible placement losses	807,125	382,697	110.9%	760,127	395,073	92.4%
Financial assets at fair value through profit and loss	55,296	38,209	44.7%	152,755	54,150	182.1%
Securities held-for-trading	25,687	30,726	-16.4%	122,283	46,640	162.2%
Fair value adjustment of derivative financial instruments	29,609	7,483	295.7%	30,472	7,510	305.8%
Securities available-for-sale	348,715	372,212	-6.3%	469,185	409,117	14.7%
Loans, net of allowance for possible loan losses	1,740,036	1,522,240	14.3%	4,568,414	3,306,367	38.2%
Accrued interest receivable	49,894	39,667	25.8%	60,415	37,988	59.0%
Investments in subsidiaries	594,980	227,099	162.0%	5,975	13,264	-55.0%
Securities held-to-maturity	759,850	508,793	49.3%	522,902	269,054	94.3%
Premises, equipment and intangible assets, net	101,602	105,172	-3.4%	507,108	249,921	102.9%
Other assets	51,367	49,058	4.7%	151,471	158,627	-4.5%
TOTAL ASSETS	4,710,541	3,760,472	25.3%	7,480,623	5,444,814	37.4%
Due to banks and deposits from the National Bank of Hungary and other banks	533,280	323,916	64.6%	635,637	412,107	54.2%
Deposits from customers	2,637,547	2,547,577	3.5%	4,344,431	3,518,178	23.5%
Liabilities from issued securities	384,354	212,521	80.9%	957,119	555,853	72.2%
Accrued interest payable	24,846	7,520	230.4%	60,204	26,519	127.0%
Other liabilities	153,695	168,854	-9.0%	395,457	344,111	14.9%
Subordinated bonds and loans	293,068	48,996	498.1%	295,832	48,996	503.8%
TOTAL LIABILITIES	4,026,790	3,309,384	21.7%	6,688,680	4,905,764	36.3%
SHARE CAPITAL	28,000	28,000	0.0%	28,000	28,000	0.0%
RETAINED EARNINGS AND RESERVES	656,767	473,707	38.6%	821,946	570,617	44.0%
Retained earnings and reserves without earnings	605,637	430,265	40.8%	771,562	524,421	47.1%
Reserves	583,521	410,271	42.2%	618,917	509,615	21.4%
Fair value adjustment of securities available-for-sale and of derivative financial instruments recognised directly through equity	6,805	10,693	-36.4%	1,823	5,505	-66.9%
Fair value adjustment of share based payments	15,311	9,301	64.6%	15,311	9,301	64.6%
Additional reserve (issued capital element)				0	135,511	
Retained earnings	51,130	43,442	17.7%	50,384	46,196	9.1%
TREASURY SHARES	-1,016	-50,619	-98.0%	-63,263	-60,131	5.2%
MINORITY INTEREST				5,260	564	
TOTAL SHAREHOLDERS' EQUITY	683,751	451,088	51.6%	791,943	539,050	46.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,710,541	3,760,472	25.3%	7,480,623	5,444,814	37.4%

NON-CONSOLIDATED AND CONSOLIDATED IFRS PROFIT AND LOSS ACCOUNT

in HUF million	OTP Bank			Consolidated		
	1Q 2007	1Q 2006	change	1Q 2007	1Q 2006	change
Loans	47,858	36,846	29.9%	134,392	85,948	56.4%
Interest income without swap	46,242	36,759	25.8%	132,775	85,861	54.6%
Results of swaps	1,616	87		1,617	87	
Placements with other banks	24,651	15,828	55.7%	23,687	16,995	39.4%
Interest income without swap	8,938	3,308	170.2%	5,648	3,473	62.6%
Results of swaps	15,713	12,520	25.5%	18,039	13,522	33.4%
Due from banks and balances with the National Bank of Hungary	3,196	5,832	-45.2%	3,473	6,208	-44.1%
Securities held-for-trading	671	316	112.3%	2,013	457	340.5%
Securities available-for-sale	6,029	6,686	-9.8%	7,983	5,328	49.8%
Securities held-to-maturity	12,597	9,751	29.2%	7,312	4,318	69.3%
Total Interest Income	95,002	75,259	26.2%	178,860	119,254	50.0%
Due to banks and deposits from the National Bank of Hungary and other banks	15,781	18,821	-16.2%	18,112	18,142	-0.2%
Interest expenses without swap	4,772	1,709	179.2%	6,457	2,557	152.5%
Losses of swaps	11,009	17,112	-35.7%	11,655	15,585	-25.2%
Deposits from customers	26,514	17,005	55.9%	42,770	22,489	90.2%
Interest expenses without swap	25,789	16,169	59.5%	42,031	21,168	98.6%
Losses of swaps	725	836	-13.3%	739	1,321	
Liabilities from issued securities	2,723	1,346	102.3%	11,292	6,797	66.1%
Subordinated bonds and loans	3,658	458	698.7%	3,712	462	703.5%
Other entrepreneurs				37	19	94.7%
Total Interest Expense	48,676	37,630	29.4%	75,923	47,909	58.5%
NET INTEREST INCOME	46,326	37,629	23.1%	102,937	71,345	44.3%
Provision for possible loan losses	3,457	5,478	-36.9%	21,233	5,875	261.4%
Provision for possible placement losses				39	0	
Provision for possible loan and placement losses	3,457	5,478	-36.9%	21,272	5,875	262.1%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	42,869	32,151	33.3%	81,665	65,470	24.7%
Fees and commissions	36,980	34,504	7.2%	43,869	33,486	31.0%
Foreign exchange gains and losses, net	1,468	6,737	-78.2%	2,286	5,481	
Gains and losses on securities, net	-208	-989	-79.0%	1,609	2,165	-25.7%
Gains and losses on real estate transactions, net	-6	-4	50.0%	239	126	
Dividend income and gains and losses of associated companies	18,500	15,015	23.2%	130	156	-16.7%
Insurance premiums				18,351	19,393	-5.4%
Other	700	1,059	-33.9%	15,555	3,672	323.6%
Total Non-Interest Income	57,434	56,322	2.0%	82,039	64,479	27.2%
Fees and commissions	4,560	3,808	19.7%	8,599	6,257	37.4%
Personnel expenses	17,205	14,536	18.4%	35,315	22,701	55.6%
Depreciation and amortization	4,392	4,399	-0.2%	8,343	6,585	26.7%
Insurance expenses				15,029	15,688	-4.2%
Other	17,407	16,458	5.8%	35,559	24,407	45.7%
Total Non-Interest Expense	43,564	39,201	11.1%	102,845	75,638	36.0%
INCOME BEFORE INCOME TAXES	56,739	49,272	15.2%	60,859	54,311	12.1%
Income taxes	5,609	5,830	-3.8%	10,338	8,124	27.3%
INCOME AFTER INCOME TAXES	51,130	43,442	17.7%	50,521	46,187	9.4%
Minority interest				-137	9	
NET INCOME	51,130	43,442	17.7%	50,384	46,196	9.1%

Number of treasury shares held in the year under review

	January 1	March 31	June 30	September 30	December 31
Company	22,000	120,310			
Subsidiaries	2,098,560	2,098,560			
TOTAL	2,120,560	2,218,870			

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	7,938	8,169	8,204
Consolidated	18,289	26,866	28,535

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	Mr. Mihály Baumstark	member	50,000
IT	Dr. Tibor Bíró	member	46,000
IT	Mr. Péter Braun	member	651,905
IT	Dr. István Kocsis	Member	83,500
IT	Mr. Csaba Lantos	Member, Deputy CEO	80,116
IT	Dr. Sándor Pintér	Member	25,350
IT	Dr. Antal Pongrácz	Member, Deputy CEO	260,000
IT	Dr. László Utassy	Member	70,000
IT	Dr. József Vörös	Member	115,000
FB	Mr. Tibor Tolnay	Chairman	80,580
FB	Dr. Gábor Horváth	Member	30,000
FB	Mr. Antal Kovács	Member	40,000
FB	Dr. Gábor Nagy	Member	130,000
FB	Ms. Klára Vécsei	Member	3,000
SP	Dr. István Gresá	Deputy CEO	63,758
SP	Mr. Géza Lenk	Deputy CEO	100,000
SP	Mr. László Urbán	Deputy CEO	0
SP	Mr. Ákos Takáts	Deputy CEO	143,347
SP	Mr. László Wolf	Deputy CEO	829,640
TOTAL No. of shares held by management:			3,002,196

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

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	%	January 1, 2007 %	Qty	%	March 31, 2007 %	Qty
Domestic institution/company	7.3%	11.9%	20,532,012	5.4%	9.0%	15,061,121
Foreign institution/company	86.1%	79.7%	241,020,631	87.9%	82.3%	246,257,349
Domestic individual	1.0%	1.7%	2,856,043	1.9%	3.3%	5,444,618
Foreign individual	0.0%	0.0%	52,842	0.0%	0.0%	53,756
Employees, senior officers	3.0%	4.9%	8,391,992	2.4%	3.9%	6,582,804
Treasury shares	0.8%	0.0%	2,120,560	0.8%	0.0%	2,218,870
Government held owner ⁴	0.3%	0.5%	825,921	0.1%	0.1%	181,482
International Development Institutions ⁵	1.5%	1.4%	4,200,000	1.5%	1.4%	4,200,000
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	100.0%	100.0%	280,000,001	100.0%	100.0%	280,000,000

¹ If the listed series corresponds to total equity, it shall be indicated and there is no need to fill in that part of the table. If several series are listed on the BSE, please indicate the ownership structure for each.

² Ownership ratio

³ Voting rights regarding the participation in decision making at the issuer's General Meeting.

⁴ E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies etc.

⁵ E.g.: EBRD, EIB, etc

SUPPLEMENTARY DATA

MAIN BALANCE SHEET ITEMS OF OTP GROUP MEMBERS

in HUF billion	March 31, 2006				March 31, 2007				Y-o-Y			
	Gross loans	Assets	Deposits	Equity	Gross loans	Assets	Deposits	Equity	Gross loans	Assets	Deposits	Equity
OTP Bank Plc.	1,546	3,760	2,548	451	1,770	4,711	2,638	684	14.5%	25.3%	3.5%	51.6%
OTP Mortgage Bank Ltd.	875	952	0	38	918	1,083	0	35	4.9%	13.8%	-	-9.7%
Merkantil Bank Ltd.	149	158	6	16	199	211	8	23	33.2%	33.4%	27.6%	45.8%
OTP Building Society Ltd.	6	91	85	4	4	117	109	5	-35.1%	28.8%	29.0%	29.6%
DSK Group + Asset Management AD	390	635	458	78	545	880	531	94	39.8%	38.6%	16.0%	20.0%
CJSC OTP Bank (Ukraine)	-	-	-	-	384	456	142	46	-	-	-	-
Investsberbank	-	-	-	-	216	329	255	40	-	-	-	-
OTP banka Hrvatska Group	173	328	238	29	211	374	268	36	22.3%	14.0%	12.5%	22.7%
OTP Banka Slovensko, a.s.	210	288	166	18	200	334	199	21	0	0	0	0
OTP Bank Romania S.A.	34	67	25	15	113	188	39	24	2	2	1	1
Niska banka a. d.	-	-	-	-	3	13	5	4	-	-	-	-
Zepter banka a.d.	-	-	-	-	13	22	16	4	-	-	-	-
Kulska banka a.d.	-	-	-	-	34	72	23	29	-	-	-	-
CKB a.d.	-	-	-	-	106	161	132	9	-	-	-	-
OTP Garancia Insurance Ltd.	0	164	0	19	0	196	0	19	-	19.0%	-	2.9%
Merkantil Car Ltd.	98	107	0	6	58	70	1	5	-40.8%	-34.7%	-	-24.8%
OTP Fund Management Ltd.	0	10	0	8	0	10	0	5	-	0.2%	-	-36.7%
OTP Leasing a.s.	22	25	0	0	26	28	0	0	16.9%	12.9%	-	83.2%
OTP Real Estate Ltd.	0	20	0	6	0	18	0	6	-	-13.1%	-	4.2%
OTP Factoring Ltd.	14	13	0	3	17	18	0	2	18.4%	39.8%	-	-15.1%
OTP Faktoring Slovensko, a.s.	3	4	0	0	5	6	0	0	46.9%	50.6%	-	-18.7%
HIF Ltd.	15	15	0	2	0	1	0	1	-97.4%	-90.3%	-	-35.5%
Other subsidiaries	0	119	0	33	0	146	0	38	-	22.5%	-	15.3%
Subsidiaries total	1,989	2,996	979	276	3,053	4,733	1,728	446	53.5%	58.0%	76.5%	61.8%
Group total (aggregated)	3,534	6,756	3,527	727	4,823	9,444	4,366	1,130	36.5%	39.8%	23.8%	55.4%
Consolidated	3,418	5,445	3,518	539	4,714	7,481	4,344	792	37.9%	37.4%	23.5%	46.9%
Foreign subsidiaries	846	1,366	888	146	1,858	2,875	1,610	315	119.5%	110.4%	81.3%	116.3%
Share of foreign subsidiaries	24.8%	25.1%	25.2%	27.0%	39.4%	38.4%	37.1%	39.8%	14.6%	13.3%	11.8%	12.8%

MAIN P&L DATA OF OTP GROUP MEMBERS:

in HUF million	1Q 2005						1Q 2007						Y-o-Y					
	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit
OTP Bank Plc.	37,629	5,477	56,323	39,203	49,271	43,441	46,326	3,457	57,434	43,565	56,738	51,130	23.1%	-36.9%	2.0%	11.1%	15.2%	17.7%
OTP Mortgage Bank Ltd.	11,610	-69	-87	8,820	2,772	2,788	9,416	589	1,508	10,314	22	55	-18.9%			16.9%	-99.2%	-98.0%
Merkantil Bank Ltd.	3,509	866	80	1,318	1,405	1,252	5,236	857	1,785	2,119	4,045	3,774	49.2%	-1.0%	-	60.8%	187.9%	201.5%
OTP Building Society Ltd.	855	-2	799	1,101	556	422	1,167	-2	297	826	639	517	36.5%	20.1%	-62.9%	-24.9%	15.1%	22.3%
DSK Group + Asset Management AD	9,183	2,229	3,912	4,518	6,348	5,386	10,179	2,557	4,572	6,273	5,920	5,270	10.8%	14.7%	16.9%	38.8%	-6.7%	-2.2%
CJSC OTP Bank (Ukraine)	-	-	-	-	-	-	6,596	592	2,525	3,180	5,348	3,983	-	-	-	-	-	-
Investsberbank	-	-	-	-	-	-	9,916	8,827	12,471	11,034	2,525	2,017	-	-	-	-	-	-
OTP banka Hrvatska Group	2,633	643	1,633	2,703	919	732	2,775	467	1,570	2,895	982	785	5.4%	-27.4%	-3.9%	7.1%	6.8%	7.2%
OTP Banka Slovensko, a.s.	1,690	188	657	1,922	237	237	1,956	587	1,094	1,974	489	489	15.7%	212.8%	66.5%	2.7%	105.7%	105.7%
OTP Bank Romania S.A.	512	185	532	1,477	-618	-583	1,042	198	1,244	2,570	-482	-489	103.6%	7.2%	133.8%	73.9%	-22.1%	-16.1%
Niska banka a. d.	-	-	-	-	-	-	140	16	210	459	-125	-125	-	-	-	-	-	-
Zepter banka a.d.	-	-	-	-	-	-	323	171	477	540	90	90	-	-	-	-	-	-
Kulska banka a.d.	-	-	-	-	-	-	1,381	1,979	2,381	1,374	409	407	-	-	-	-	-	-
CKB a.d.	-	-	-	-	-	-	683	126	1,075	1,106	525	498	-	-	-	-	-	-
OTP Garancia Insurance Ltd.	1,774	0	21,820	20,876	2,718	2,305	3,027	0	19,367	19,940	2,453	1,963	70.6%	-	-11.2%	-4.5%	-9.7%	-14.9%
Merkantil Car Ltd.	2,179	409	258	1,287	742	405	1,715	152	313	668	1,209	929	-21.3%	-62.7%	21.5%	-48.1%	63.0%	129.5%
OTP Fund Management Ltd.	0	0	2,911	1,659	1,253	1,057	0	0	3,139	1,476	1,663	1,331	-	-	7.8%	-11.0%	32.8%	25.9%
OTP Leasing a.s.	280	82	173	366	4	-14	284	98	140	462	-137	-137	1.3%	19.5%	-19.2%	26.2%	-	909.9%
OTP Real Estate Ltd.	-15	0	662	637	10	9	-5	0	1,106	624	477	448	-65.7%	-	66.9%	-2.1%	-	-
OTP Factoring Ltd.	-103	166	1,264	596	398	306	-187	235	2,517	734	1,360	1,114	81.6%	41.8%	99.2%	23.1%	241.7%	264.3%
OTP Faktoring Slovensko, a.s.	37	5	12	38	7	7	56	0	-10	45	1	1	49.8%	-100.0%	-182.6%	16.3%	-80.8%	-80.8%
HIF Ltd.	129	5	10	79	55	38	15	-1	22	33	5	4	-88.4%	-	109.6%	-58.6%	-90.6%	-89.5%
Other subsidiaries	-174	0	2,674	3,013	-514	-583	1,007	4	9,228	8,708	1,523	1,267	-	-	245.2%	189.0%	-396.6%	-317.3%
Subsidiaries total	34,099	4,707	37,311	50,411	16,293	13,763	56,722	17,454	67,029	77,354	28,943	24,189	66.3%	270.8%	79.6%	53.4%	77.6%	75.7%
Group total (aggregated)	71,728	10,184	93,633	89,614	65,563	57,204	103,048	20,911	124,463	120,918	85,681	75,319	43.7%	105.3%	32.9%	34.9%	30.7%	31.7%
Consolidated	71,345	5,875	64,479	75,638	54,311	46,187	102,937	21,272	82,039	102,845	60,859	50,521	44.3%	262.1%	27.2%	36.0%	12.1%	9.4%
Foreign subsidiaries	14,369	3,331	7,659	11,912	6,785	5,649	35,397	15,618	28,583	33,088	15,273	12,515	146.3%	368.8%	273.2%	177.8%	125.1%	121.5%
Share of foreign subsidiaries	20.1%	56.7%	11.9%	15.7%	12.5%	12.2%	34.4%	73.4%	34.8%	32.2%	25.1%	24.8%	14.2%	16.7%	23.0%	16.4%	12.6%	12.5%

NON-CONSOLIDATED HAR BALANCE SHEETS

in HUF million	OTP Bank		
	31/03/2006	31/03/2007	change
1. Cash in hand, balances with central banks	515,325	201,676	-60.9%
2. Treasury bills	296,933	503,475	69.6%
3. Loans and advances to credit institutions	389,957	804,974	106.4%
4. Loans and advances to customers	1,531,598	1,777,521	16.1%
5. Debt securities including fixed-income securities	594,996	610,050	2.5%
6. Shares and other variable-yield securities	7,995	7,725	-3.4%
7. Shares and participating interest as financial fixed assets	742	737	-0.7%
8. Shares and participating interest in affiliated undertakings	158,903	298,405	87.8%
9. Intangible assets	76,835	262,326	241.4%
10. Tangible assets	75,021	68,398	-8.8%
11. Own shares	50,619	1,016	-98.0%
12. Other assets	17,157	16,943	-1.2%
13. Prepayments and accrued income	66,543	102,826	54.5%
TOTAL ASSETS	3,782,624	4,656,072	23.1%
From this: - CURENT ASSETS	1,573,959	1,624,968	3.2%
- FIXED ASSETS	2,142,122	2,928,278	36.7%
1. Liabilities to credit institutions	323,916	529,280	63.4%
2. Liabilities to customers	2,533,144	2,627,485	3.7%
3. Liabilities from issued debt securities	249,499	408,211	63.6%
4. Other liabilities	110,770	93,881	-15.2%
5. Accruals and deferred income	38,919	52,511	34.9%
6. Provisions	35,356	65,275	84.6%
7. Subordinated liabilities	48,996	293,339	498.7%
8. Subscribed capital	28,000	28,000	0.0%
9. Subscribed but unpaid capital (-)	0	0	
10. Capital reserves	52	52	0.0%
11. General reserves	70,215	88,453	26.0%
12. Retained earnings (accumulated profit reserve) (+)	262,043	438,080	67.2%
13. Legal reserves	51,829	2,670	-94.8%
14. Revaluation reserve	0	0	
15. Profit or loss for the financial year according to the balance sheet (+)	29,885	28,835	-3.5%
16 .Difference from exchange rate (+,-)	0	0	
TOTAL LIABILITIES	3,782,624	4,656,072	23.1%
From this: - SHORT-TERM LIABILITIES	2,821,151	2,986,901	5.9%
- LONG-TERM LIABILITIES	445,174	965,295	116.8%
- EQUITY (CAPITAL AND RESERVES)	442,024	586,090	32.6%

NON-CONSOLIDATED HAR PROFIT AND LOSS ACCOUNT

in HUF million	OTP Bank		change
	1Q 2006	1Q 2007	
1. Interest received and interest-type income	71,844	92,530	28.8%
2. Interest paid and interest-type expenses	26,490	47,624	79.8%
Interest difference	45,354	44,906	-1.0%
3. Incomes from securities	15,015	18,500	23.2%
4. Fees and Commission received	34,285	36,612	6.8%
5. Fees and Commission paid	3,789	4,851	28.0%
6. Profit or loss from financial transactions	1,479	-2,359	-259.5%
7. Other incomes from business	47,701	42,479	-10.9%
8. General administration expenses	23,163	27,676	19.5%
9. Depreciation and amortization	5,887	4,984	-15.3%
10. Other expenses from business	57,682	51,619	-10.5%
11. Write-off of loans and provision for contingent and future liabilities	9,447	10,863	15.0%
12. Reversal of write-off of loans and credit for contingent and future liabilities	8,470	11,459	35.3%
12/A. Difference between the creation and write-off of general risk provision	-1,583	-984	-37.8%
13. Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company	356	2,926	721.9%
14. Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company	7	3	-57.1%
15. Result of ordinary business activities	50,404	47,697	-5.4%
Including: - RESULT OF FINANCIAL AND INVESTMENT SERVICES	50,109	47,341	-5.5%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	295	356	20.7%
16. Extraordinary revenues	763	5	-99.3%
17. Extraordinary expenses	78	123	57.7%
18. Extraordinary profit or loss	685	-118	-117.2%
19. Profit or loss before tax	51,089	47,579	-6.9%
20. Tax liabilities	5,361	5,662	5.6%
21. After-tax profit or loss	45,728	41,917	-8.3%
22. Formation and utilization of general reserves (±)	-4,573	-4,192	-8.3%
23. Use of accumulated profit reserve for dividends and profit-sharings	0	0	
24. Dividends and profit-sharings paid (approved)	11,270	8,890	-21.1%
25. Balance-sheet profit or loss figure	29,885	28,835	-3.5%

SELECTED NON-CONSOLIDATED FINANCIAL DATA¹⁰

in HUF million	OTP Bank		
	1Q 2006	1Q 2007	change
Interest from interbank accounts	15,891	22,397	40.9%
Interest from retail accounts	21,248	24,083	13.3%
Interest from corporate accounts	13,653	20,193	47.9%
Interest from municipal accounts	2,241	4,226	88.6%
Interest from bonds	16,947	18,892	11.5%
Interest from mandatory reserves	1,864	2,739	46.9%
Total interest income	71,844	92,530	28.8%
Interest to interbank accounts	8,468	15,147	78.9%
Interest on retail accounts	11,672	15,996	37.0%
Interest on corporate accounts	3,336	8,377	151.1%
Interest on municipal accounts	1,210	1,785	47.5%
Interest on bonds	1,346	2,662	97.8%
Interest on subordinated loan	458	3,657	698.5%
Total interest expense	26,490	47,624	79.8%
Net interest income	45,354	44,906	-1.0%
Fees & commissions income	34,474	36,744	6.6%
Fees & commissions paid	3,789	4,851	28.0%
Net fees & commissions	30,685	31,893	3.9%
Securities trading	-40	-538	
Forex trading	2,691	-1,299	-148.3%
Losses/Gains on property transactions	-1	-2	100.0%
Other	1,058	1,373	29.8%
Non-interest income	34,393	31,427	-8.6%
<i>Ratio of non-interest income</i>	<i>43.1%</i>	<i>41.2%</i>	<i>-2.0%</i>
Total income	79,747	76,333	-4.3%
Personnel costs	13,339	15,850	18.8%
Depreciation	3,668	2,765	-24.6%
Other costs	14,519	18,078	24.5%
Operating costs	31,526	36,693	16.4%
<i>Cost/income ratio</i>	<i>39.5%</i>	<i>48.1%</i>	<i>8.5%</i>
Operating income	48,221	39,640	-17.8%
Diminution in value, provisions and loan losses	7,442	8,324	11.9%
Dividend received	15,015	18,500	23.2%
Accounting for acquisition goodwill	-2,023	-2,028	0.2%
Special financial institution tax for the year 2005	-2,682	-209	-92.2%
Pre-tax profit	51,089	47,579	-6.9%
Taxes	5,361	5,662	5.6%
Tax rate	10.5%	11.9%	1.4%
After tax profits	45,728	41,917	-8.3%

¹⁰ Financial data stemmed from the Bank's financial reports about the first quarter of 2006 and 2007, in a similar structure to international standards.

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