OTP Bank Plc.

2008 First Half
Stock Exchange Report

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

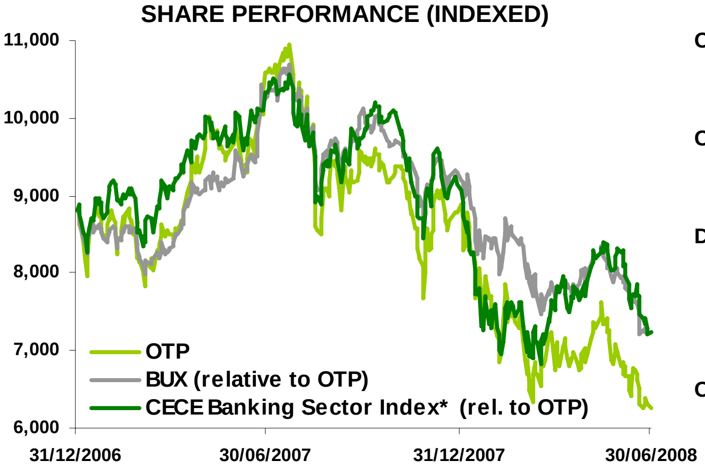
Budapest, August 14, 2008

CONSOLIDATED FINANCIAL[1] HIGHLIGHTS AND SHARE DATA

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profits	101,198	129,618	28.1%	50,677	55,335	74,283	34.2%	46.6%
After tax profit (without dividends, net cash transfers and the result of strategic open FX position) (adj)	**97,723**	**120,255**	23.1%	**49,360**	**56,322**	**63,933**	**13.5%**	**29.5%**
Pre-tax profit	118,749	139,933	17.8%	60,556	67,790	72,143	6.4%	19.1%
Total income	297,330	347,194	16.8%	149,567	167,285	179,909	7.5%	20.3%
Net interest income (adj.)	211,941	241,866	14.1%	107,237	117,873	123,994	5.2%	15.6%
Net fees and commissions	60,936	68,764	12.8%	30,489	34,202	34,562	1.1%	13.4%
Total other non-interest income (adj.)	24,453	36,564	49.5%	11,841	15,210	21,353	40.4%	80.3%
Provision for possible loan losses (adj.)	-17,290	-28,114	62.6%	-6,285	-12,279	-15,836	29.0%	152.0%
Other cost of risk	-4,445	-711	-84.0%	-2,667	143	-855	-696.5%	-67.9%
Operating expenses (adj.)	-156,847	-178,435	13.8%	-80,059	-87,359	-91,075	4.3%	13.8%
Main components of balance sheet in HUF mn	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Total assets	7,592,110	8,853,246	16.6%	7,592,110	9,050,971	8,853,246	-2.2%	16.6%
Placements with other banks and securities	654,212	685,007	4.7%	654,212	640,212	685,007	7.0%	4.7%
Total customer loans and advances (gross)	**4,986,599**	**6,163,526**	**23.6%**	**4,986,599**	**6,193,767**	**6,163,526**	**-0.5%**	**23.6%**
Liabilities to credit institutions	684,414	671,151	-1.9%	684,414	699,482	671,151	-4.1%	-1.9%
Total customer deposits	**4,364,756**	**5,069,415**	**16.1%**	**4,364,756**	**5,331,152**	**5,069,415**	**-4.9%**	**16.1%**
Issued securities	940,008	1,340,561	42.6%	940,008	1,300,244	1,340,561	3.1%	42.6%
Subordinated loans	293,481	292,079	-0.5%	293,481	307,708	292,079	-5.1%	-0.5%
Total shareholders' equity	842,378	945,575	12.3%	842,378	918,543	945,575	2.9%	12.3%
INDICATORS %	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Gross loan/deposit ratio (%)	114.25%	121.58%	7.34%	114.25%	116.18%	121.58%	5.40%	7.34%
Net interest margin (adj.)	5.82%	5.62%	-0.20%	5.71%	5.41%	5.57%	0.16%	-0.14%
Cost/income ratio (adj.)	52.75%	51.39%	-1.36%	53.53%	52.22%	50.62%	-1.6%	-2.9%
ROA (adj.)	2.68%	2.79%	0.11%	2.63%	2.59%	2.87%	0.3%	0.2%
ROE (adj.)	24.17%	26.27%	2.10%	24.23%	24.97%	27.59%	2.6%	3.4%
SHARE DATA	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
EPS base (HUF)	385	506	31.5%	193	214	292	36.4%	51.5%
EPS diluted (HUF)	364	504	38.7%	182	213	292	36.7%	60.3%
Closing price (HUF)	10,600	6,259	-41.0%	10,600	6,750	6,259	-7.3%	-41.0%
High (HUF)	10,600	8,874	-16.3%	10,600	8,874	7,615	-14.2%	-28.2%
Low (HUF)	7,840	6,250	-20.3%	8,449	6,329	6,250	-1.2%	-26.0%
Market Capitalization (HUF billion)	2,968	1,753	-41.0%	2,968	1,890	1,753	-7.3%	-41.0%

- ***HUF 129.6 billion all time high record earning in 1H, growth rate around 30% y-o-y***
- ***Dynamic lending growth at foreign subsidiaries, loan volumes basically stagnated as a consequence of strong HUF***
- ***Improving efficiency and profitability on Group level***
- ***Stronger market positions, retail focus in Hungary***

SHARE PERFORMANCE (INDEXED)



MOODY'S RATINGS

OTP Bank	
Foreign currency long term deposits	A2
Local currency long term deposits	Aa3
Financial strength	C+
OTP Mortgage Bank	
Covered mortgage bond	Aa1
Foreign currency long term deposits	A2
Financial strength	C+
DSK Bank	
Long term deposits	Baa3
Local currency long term deposits	Baa1
Financial strength	D+

STANDARD & POOR'S RATINGS

OTP Bank and OTP Mortgage Bank	
Long term credit rating	BBB+

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

OTP BANK PLC.'S STOCK EXCHANGE REPORT FOR 1H 2008

OTP Bank Plc. has prepared its consolidated and non-consolidated, non-audited IFRS report for 30 June, 2008. Below we present our analysis derived from the consolidated and the unconsolidated condensed IFRS financial statements adopted by the European Union.

SUMMARY OF THE FIRST HALF 2008

One of the key aspects of the previous 3 months was the significant appreciation of the local currency. It also had a meaningful effect on the P&L and BS of OTP Group. After hiking the base rate by 50 bps in March, and by 25 bps in April and May respectively, the tightening cycle may be at end suggesting that the Central Bank can achieve its inflation targets without further rate hikes given the strength of the HUF. The level of headline inflation in June (6.7%) was also below expectations.

Significant HUF appreciation

Since end-March HUF strengthened more than 20 HUF against EUR (closing at EUR/HUF 237.03) supported both by external and internal developments. Regional currencies in general had a great rally against major currencies in previous 3 months. The fact that SKK was fixed against EUR at better than expected level had a positive impact on local currencies, as well. While the split of the Hungarian government coalition was a negative headline news, the minority government remained in place and it has not got a constitutional alternative. In the meantime the external and internal balances continued improving, both the budget and trade balance performed better than expected. Finally, announcements about some major FDI projects had an upward pressure on HUF, too.

Mixed sentiment about the region

While the general market sentiment about the region is fairly mixed, there were some shifts of accent. Apparently less so the high inflation and C/A deficit in Bulgaria and Romania are in the focus of attention, but rather the Russian and more so the Ukrainian CPI and political tension. No doubt, they represent real problems, but often seem to be overreacted by markets, hence fuelling the gloomy sentiments. Local central banks are using different tools to halt high headline CPI stemming from energy and foodstuff price pressure: in Romania and Russia they increased base rates, in Ukraine they let the UAH appreciate.

In order to support the robust lending activity several group members banks launched deposit campaigns, but capital market sources also played important role. In April DSK raised EUR 140 million in form of a syndicated loan, in May OTP Bank issued EUR 500 million unsecured bonds bringing 1H total borrowing to EUR 1.64 billion.

All time high record earnings in 1H

In the first 6 months the Group reached HUF 120.3 billion profit after tax adjusted by dividends, one-off cash transfers and the effect of open FX-position o/w the 2Q result was HUF 63.9 billion (+13.5% q-o-q, +29.5% y-o-y).

The bottom line profit after tax was HUF 129.6 billion, (+28.1% y-o-y) o/w 2Q represented HUF 74.3 billion (+34.2% q-o-q, 46.6% y-o-y). Net interest income in the first 6 months grew by 14.1% , 2Q NII grew by 5.2%, while net F&C income increased by 12.8% y-o-y (+1.1% q-o-q). Given the modest growth of operating expenses cost-to-income ratio improved (51.4%).

Strong HUF had a negative impact on volumes

Looking at the volumes dynamism one has to consider that bulk of lending in Hungary was FX-linked and the HUF strengthened 9% against EUR and 10.5% against CHF. Consolidated gross loan book grew by 23.6% y-o-y, deposits by 16.1% and own equity by 12.3%, respectively. In 2Q volumes basically stagnated and deposits dropped by 4.9% q-o-q. The loan-to-deposit ratio went up by 7.4% y-o-y reaching 121.6%. In line with loan growth the quality of the book slightly deteriorated, NPLs were 4.4%, but the coverage also increased (64.3%). The consolidated NIM in 1H was 5.62%.

Good performance in Hungary, improving market positions

The Hungarian core banking operation showed fairly strong performance, lending grew by 9.3% y-o-y with the household sector achieving much higher rates (+17.5% y-o-y). Mortgage lending performed above the plan. Within new origination FX-linked lending represented approximately 90%, its share in outstanding volumes climbed to 45%.

As for other Hungarian group members, Garancia Insurance captured a 8.4% q-o-q earning growth, its 1H results (HUF 4.8 billion) exceeded last year performance by 52.2.%. OTP Fund Management's 2Q results somewhat lagged behind 1Q, however its 1H earnings were by 9.7% better than a year ago. Given the unfavourable yield environment, as well as a 4% drop in the volume of managed assets in Hungary, the results are fairly good.

Merkantil Group increased its adjusted profit by 6.3% y-o-y, loan volumes grew by 8% in previous 12 months.

Market positions showed improving tendencies in 2Q: housing loans gained 0.4% reaching 31%, consumer loans grew by 0.7% q-o-q (27.9%) and housing loans also increased (+0.1%). FX-mortgages captured a nice 0.5% q-o-q growth (21.5%). As for deposits, the retail segment improved by 0.1%, while corporates increased by 0.4%.

Dynamic lending growth at the subsidiaries

Within foreign subsidiaries DSK had a stellar performance contributing the most to the Group results. Its loan book expanded by 37.1% y-o-y, deposits grew by 18.4%, 1H profit after tax (HUF 15.2 billion) increased by 22.7% y-o-y. In 2Q the Bank managed to improve its NIM by 40 bps despite of fierce competition. In case of Ukraine the strong lending activity, the descent NII and net F&C growth are to be mentioned. While HUF 3 billion net earnings may seem low, it is the reflection of self-imposed higher provisioning, deferred tax payments, higher operating costs fuelled by CPI and intensive network expansion and also the strengthening UAH against USD. In Russia lending had a strong momentum with 38.2% y-o-y growth, mortgage lending started picking up supported also by the first few tranches of portfolio purchase (USD 85 million). Risk provisioning and operating costs remained flat, NIM was close to 15%. NPL-ratio decreased to 10.1% as a result of improving collection and some non-performing portfolio sale.

Out of smaller group members one should mention first of all CKB Montenegro. Its net earnings grew by 36.2% y-o-y, whereas growth in all major loan segments exceeded 50%. OBH and OBS performed nicely, too. In Croatia 1H profit increased by 44%, loan book grew by 20,4%, in Slovakia lending was robust in past 12 months (+41%) and after tax profit grew by 87.2%. On the negative side, Romania underperformed the targets. OBR had a loss of HUF 1.1 billion in 2Q, hence in the first 6 months losses reached HUF 1.2 billion mainly as a result of one-off provisioning costs and increasing operating expenses. OTP banka Srbija reached a tiny HUF 58 million in 2Q, thus reaching HUF 2.3 billion in 1H. For the rest of the year local managements in both countries have to make definite measures in terms of pricing and operational control.

Out of the total earnings contribution of foreign subsidiaries dropped from 30.4% to 21.3%.Their share in gross loans increased to 46.2% and 37.8% in deposits, respectively.

Network expansion continued in 2Q: in Ukraine 8 new branches were opened, in Russia they added 9 more.

The financial settlement of the DNB, Rostov deal was concluded, as a first step only their balance sheet was consolidated. DNB brought in 46 new branches to the existing Russian network.

Stable capital position, 2008 earning targets reconfirmed

The management confirms that it has not got any structured products in its portfolio that could generate losses in the future. Its capital position is stable, IFRS-based CAR stood at 12.55% with 8.76% Tier1.

Based on the 1H reported HUF 129.6 billion after tax profit and the HUF 120.3 billion adjusted earnings, the management reiterates that its 2008 profit targets of minimum 10% increase are realistic and well-founded.

There was a change in the ownership structure of the Bank: on 6 June 2008 voting rights of Bank of New York as depository dropped below 10%.

POST BALANCE SHEET EVENTS

- Effective from 9 July 2008 the original ratio of 1 GDR (issued by BoNY) representing 2 Deposited Shares was changed into 2 GDRs represented 1 Deposited Shares.
- On 30 July Standard & Poor's Credit Rating Agency assigned BBB+ rating to OTP Bank's and OTP Mortgage Bank's long term FX and local currency debts. The rating scale is equal to that of the sovereign. At the same time S&P withdrew its BBBpi unsolicited public information rating on OTP.

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

in HUF million	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Consolidated after tax profit	**101,198**	**129,618**	**28.1%**	**50,677**	**55,335**	**74,282**	**34.2%**	**46.6%**
Strategic short position[1] (after tax)	2,918	8,315	184.9%	880	-1,785	10,100	-665.7%	
Consolidated after tax profit without the result of strategic open FX position	98,280	121,303	23.4%	49,797	57,120	64,183	12.4%	28.9%
Dividend and total net cash transfers (consolidated)	556	1,048	88.5%	436	798	250	-68.7%	-42.7%
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers	**97,724**	**120,255**	**23.1%**	**49,360**	**56,323**	**63,933**	**13.5%**	**29.5%**
Banks total without one-off items[2]	86,491	105,079	21.5%	44,394	47,809	57,271	19.8%	29.0%
OTP CORE[3]	66,483	77,229	16.2%	34,363	34,085	43,144	26.6%	25.6%
Corporate Centre[4] (after taxes, without strategic short EUR position)	-4,510	-1,616	-64.2%	-2,228	-1,972	356	-118.0%	-116.0%
After tax result of subsidiary financing[5]	1,656	5,067	206.1%	1,012	1,446	3,620	150.3%	257.9%
Interest expense of Tier2 Capital (after-tax)	-6,165	-6,683	8.4%	-3,239	-3,418	-3,265	-4.5%	0.8%
OAO OTP Bank (Russia)	2,900	3,229	11.3%	892	1,691	1,538	-9.1%	72.4%
OAO OTP Bank (adjusted)	2,398	3,229	34.7%	892	1,691	1,538	-9.1%	72.4%
OAO OTP Bank one-off items (after-tax)[6]	502	-	-100.0%	-	-	-		
CJSC OTP Bank	7,309	6,878	-5.9%	3,344	3,894	2,984	-23.4%	-10.7%
DSK+SPV	12,354	15,159	22.7%	7,066	7,641	7,518	-1.6%	6.4%
OBR (adjusted) [7]	-1,952	-1,204	-38.3%	-1,462	-109	-1,095	908.4%	-25.1%
OTP banka Srbija	830	2,334	181.1%	459	2,276	58	-97.4%	-87.3%
OBH	1,639	2,361	44.0%	855	1,068	1,293	21.0%	51.2%
OBS	700	1,310	87.2%	211	686	624	-9.1%	195.2%
CKB	1,135	1,546	36.2%	637	636	910	43.2%	42.9%
Leasing	3,628	4,190	15.5%	1,931	1,887	2,303	22.0%	19.2%
Merkantil Bank + Car[9]	3,861	4,106	6.3%	2,027	1,861	2,246	20.7%	10.8%
Foreign leasing companies[10]	-233	84	-136.2%	-96	27	57	113.4%	-160.0%
Insurance companies	2,453	3,639	48.4%	1,186	1,507	2,132	41.5%	79.8%
OTP Garancia Insurance	2,839	4,640	63.4%	1,300	2,225	2,415	8.6%	85.8%
OTP Garancia Insurance (adjusted)	3,141	4,781	52.2%	1,471	2,295	2,487	8.4%	69.0%
OTP Garancia one-off items (adjusted)[11]	-302	-141	-53.1%	-171	-70	-71	1.9%	-58.4%
Foreign insurance companies[12]	-387	-1,001	158.9%	-114	-717	-283	-60.5%	148.8%
OTP Asset Management	2,846	3,123	9.7%	1,496	1,621	1,503	-7.3%	0.5%
Value creation of OTP Asset Management (after-tax)[13]	4,746	5,828	22.8%	2,485	2,975	2,853	-4.1%	14.8%
Other Hungarian subsidiaries	1,151	1,307	13.5%	162	301	1,006	234.8%	519.2%
Other foreign subsidiaries[14]	31	82	168.0%	25	51	31	-37.8%	23.8%
Eliminations	725	688	-5.1%	423	1,060	-373	-135.1%	-188.1%
Total HUNGARIAN subsidiaries (w/o result of strategic open FX position, dividend and net cash transfer)[15]	73,397	89,476	21.9%	37,543	39,179	50,297	28.4%	34.0%
Total FOREIGN subsidiaries (w/o result of open FX position, dividend and net cash transfer)[16]	24,327	30,779	26.5%	11,817	17,144	13,636	-20.5%	15.4%

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

CONSOLIDATED AND NON CONSOLIDATED, NON AUDITED IFRS REPORTS OF OTP BANK PLC. FOR THE PERIOD ENDED 30 JUNE, 2008

CONSOLIDATE PROFIT & LOSS ACCOUNT

Main components of P&L account[1] in HUF million	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit	**101,198**	**129,618**	**28.1%**	**50,677**	**55,335**	**74,283**	**34.2%**	**46.6%**
After tax dividends and net cash transfers	**556**	**1,048**	**88.5%**	**437**	**798**	**250**	**-68.7%**	**-42.7%**
After tax result of strategic open FX position	**2,918**	**8,315**	**184.9%**	**880**	**-1,785**	**10,100**	**-665.7%**	
Pre tax result of strategic open FX position	3,648	10,393	184.9%	1,100	-2,232	12,625	-665.7%	
Income taxes	-730	-2,079	184.9%	-220	446	-2,525	-665.7%	
After tax profit (without dividends, net cash transfers and the result of strategic open FX position)	**97,723**	**120,255**	**23.1%**	**49,360**	**56,322**	**63,933**	**13.5%**	**29.5%**
Before tax profit	**118,749**	**139,933**	**17.8%**	**60,556**	**67,790**	**72,143**	**6.4%**	**19.1%**
Total income	**297,330**	**347,194**	**16.8%**	**149,567**	**167,285**	**179,909**	**7.5%**	**20.3%**
Net interest income (adj.)	**211,941**	**241,866**	**14.1%**	**107,237**	**117,873**	**123,994**	**5.2%**	**15.6%**
Net fees and commissions	**60,936**	**68,764**	**12.8%**	**30,489**	**34,202**	**34,562**	**1.1%**	**13.4%**
Other net non-interest income (with net insurance result and net other, other non-interest result) (adj.)	**24,453**	**36,564**	**49.5%**	**11,841**	**15,210**	**21,353**	**40.4%**	**80.3%**
Foreign exchange result, net (adj.)	7,432	15,318	106.1%	3,881	7,560	7,758	2.6%	99.9%
Gain/loss on securities, net (adj.)	2,409	-418	-117.4%	1,558	-3,348	2,929	-187.5%	88.0%
Net insurance result	5,713	11,808	106.7%	2,391	6,361	5,447	-14.4%	127.8%
Insurance premiums	37,807	43,459	14.9%	19,456	24,749	18,710	-24.4%	-3.8%
Insurance expenses	-32,094	-31,651	-1.4%	-17,065	-18,389	-13,263	-27.9%	-22.3%
Net other non-interest result (adj.)	8,898	9,856	10.8%	4,011	4,638	5,218	12.5%	30.1%
Provision for possible loan losses (adj.)	**-17,290**	**-28,114**	**62.6%**	**-6,285**	**-12,279**	**-15,836**	**29.0%**	**152.0%**
Other provisions	**-4,445**	**-711**	**-84.0%**	**-2,667**	**143**	**-855**	**-696.5%**	**-67.9%**
Operating cost	**-156,847**	**-178,435**	**13.8%**	**-80,059**	**-87,359**	**-91,075**	**4.3%**	**13.8%**
Personnel expenses	-71,315	-81,189	13.8%	-36,001	-39,676	-41,513	4.6%	15.3%
Depreciation	-17,531	-19,650	12.1%	-9,188	-9,406	-10,244	8.9%	11.5%
Other expenses (adj.)	-68,001	-77,595	14.1%	-34,870	-38,278	-39,318	2.7%	12.8%
from this: contribution tax/special banking tax	-3,323	-2,898	-12.8%	-1,691	-1,473	-1,426	-3.2%	-15.7%
Income taxes	-21,026	-19,678	-6.4%	-11,196	-11,468	-8,210	-28.4%	-26.7%
from this: contribution tax/special banking tax	-187	-219	17.3%	-92	-111	-108	-3.0%	17.1%
INDICATORS (%)	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Net interest margin (adj.)	5.82%	5.62%	-0.20%	5.71%	5.41%	5.57%	0.16%	-0.14%
Cost/income ratio (adj.)	52.75%	51.39%	-1.4%	53.5%	52.2%	50.6%	-1.6%	-2.9%
Risk cost to average gross loans (adj.)	0.74%	0.95%	0.21%	0.52%	0.83%	1.03%	0.20%	0.51%
ROA (adj.)	2.68%	2.79%	0.1%	2.6%	2.6%	2.9%	0.3%	0.2%
ROE (adj.)	24.17%	26.27%	2.1%	24.2%	25.0%	27.6%	2.6%	3.4%

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

- ***Adjusted NII in 1H grew by 14% y-o-y, NIMs declined by 20 bps (but grew by 16 bps q-o-q)***
- ***Double digit net F&C income (+12.8%)***
- ***Excellent efficiency and profitability ratio (CIR: 51.39%, ROE:26.3%)***

Note: effective from 2Q 2008 certain fee income elements are going to be booked within interest income. In order to have identical time series, we made the necessary adjustments retrospectively. As a result the corrected figures in net interest income and fee income will differ from the previously published ones.

In 1H 2008 OTP Group realized an adjusted HUF 120.3 billion profit after tax, an increase of 23.1% y-o-y. This result neither included a HUF 8.3 billion gain on open-FX position, nor the HUF 1 billion positive effect of dividends and net cash transfers.

IFRS consolidated reported profit after tax was HUF 129.6 billion, an increase of 28.1% y-o-y. Consolidated pre-tax earnings represented HUF 139.9 billion (+17.8% y-o-y).

The consolidated adjusted net interest income of the Group reached HUF 241.8 billion, an increase of 14.1% y-o-y.

The adjusted 1H provisioning volume grew to HUF 28.1 billion (+62.6% y-o-y). A Group level adjusted cost of risk was 0.95%.

Within non-interest revenue income net fee & commission income grew by 12.8%, while net securities gain amounted to HUF 2.4 billion vs. HUF 0.4 billion loss a year ago. Net FX gain grew to HUF

15.3 billion, excluding a gain of HUF 8.3 billion on open FX-position.

Net insurance income showed an outstanding growth of over 106.7% reaching HUF 11.8 billion, whereas the adjusted other net non-interest income increased by 10.8% y-o-y.

Within total income non-interest income represented 30.3%, by 1.6% higher y-o-y.

Operating expenses grew by 14.1% y-o-y, within that personal costs increased by 13.8% respectively, reflecting the effect of network expansion.

Consolidated cost-to-income ratio was 51.39% showing a decline on a yearly base of 1.4%. The consolidated ROA was 2.79% (+11 bps y-o-y), ROE reached 26.3% (+2.1% y-o-y). Earnings per share (EPS) reached HUF 506 (+HUF 121), diluted EPS equalled to HUF 504 (+HUF 140).

Summary of the second quarter

OTP Group reached HUF 74.3 billion profit after tax which exceeded 1Q figures by 34.1%. The gain on open FX-position was HUF 10.1 billion vs. HUF 1.8 billion loss by end-March 2008. In the last quarter HUF appreciated by 8.6% against EUR.

In 2Q the adjusted NII (HUF 124 billion) was by HUF 6.1 billion higher than in 1Q (+5.2% q-o-q). Net interest margin increased to 5.57% (+16 bp). Net F&C income improved by 1.1%.

Adjusted other net non-interest income grew by 40.4% mainly due to the HUF 3 billion gain on securities; in 1Q the Bank had HUF 3.3 billion loss on that line Net insurance premium lagged behind 1Q by 14.4%.

Within non-interest expenditures operating expenses grew moderately by +4.3%, personal costs increased by 4.6%. The consolidated cost-to-income ratio dropped close to 50%, after a 1.6% improvement q-o-q..

Profitability indicators improved: the consolidated ROA was 2.9%, an increase of 30 bps, while ROE was 27.6% (+2.6% q-o-q).

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
TOTAL ASSETS	**7,592,110**	**9,050,971**	**8,853,246**	**-2.2%**	**16.6%**
Cash and bank	292,495	315,760	324,528	2.8%	11.0%
Placements with other banks	654,212	640,212	685,007	7.0%	4.7%
Financial assets at fair value	201,112	284,751	321,561	12.9%	59.9%
Securities available-for-sale	462,459	480,071	461,797	-3.8%	-0.1%
Gross customer loans	**4,986,599**	**6,193,767**	**6,163,526**	**-0.5%**	**23.6%**
o/w Retail loans	2,761,982	3,514,363	3,585,515	2.0%	29.8%
Corporate loans	1,914,163	2,311,801	2,223,840	-3.8%	16.2%
Car financing loans	305,833	364,262	348,400	-4.4%	13.9%
Provisions on loans	-151,767	-191,063	-198,683	4.0%	30.9%
Equity investments	8,659	13,071	14,522	11.1%	67.7%
Securities held-to-maturity	399,989	513,131	286,311	-44.2%	-28.4%
Premises, equipment and intangible assets, net	509,606	546,361	526,465	-3.6%	3.3%
Other assets	228,746	254,910	268,212	5.2%	17.3%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,592,110**	**9,050,971**	**8,853,246**	**-2.2%**	**16.6%**
Liabilities to credit institutions	684,414	699,482	671,151	-4.1%	-1.9%
Customer deposits	**4,364,756**	**5,331,152**	**5,069,415**	**-4.9%**	**16.1%**
o/w Retail	3,245,042	3,533,882	3,490,183	-1.2%	7.6%
Corporate	1,119,712	1,797,270	1,579,232	-12.1%	41.0%
Issued securities	940,008	1,300,244	1,340,561	3.1%	42.6%
Other liabilities	388,283	417,722	443,004	6.1%	14.1%
Subordinated bonds and loans	293,481	307,708	292,079	-5.1%	-0.5%
Total Shareholders' Equity	**842,378**	**918,543**	**945,575**	**2.9%**	**12.3%**
	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Loan/deposit ratio	114.2%	116.2%	121.6%	5.4%	7.3%
Share of NPLs	4.3%	4.2%	4.4%	0.2%	0.0%

- ***Strong yearly loan and deposit volume growth (23.6% and 16.1%)***
- ***In total EUR 1.64 billion external funds were raised (mortgage and plain vanilla bonds, syndicated loan)***
- ***Asset quality slightly deteriorated (NPL-ratio at 4.4%), improving coverage (64.3%)***

IFRS consolidated total assets reached HUF 8,853 billion (+16.6% y-o-y). The Group's consolidated shareholders equity was HUF 945.6 billion (+12.3%), representing 10.7% of total assets.

Volume of gross consolidated loans grew by 23.6%, reaching HUF 6,164 billion (-0.5% q-o-q). The share of gross loans within total assets represented 69.6%.

Out of gross loans retail loans (including loans to micro- and small enterprises) represented the biggest portion (HUF 3,586 billion, 58%). The corporate loan book with municipality (HUF 2,224 billion) meant 36%, while car financing (HUF 348 billion) represented the smallest portion (6%). Within retail loans mortgages (including home equities) stood at HUF 2,276 billion and consumer loans at HUF 995.6 billion, respectively.

The expansion of the gross loan portfolio in past 12 months was the most remarkable at OTP banka Srbija (70.7%), CKB, Montenegro (59.2%), CJSC, Ukraine (51.5%) and OBS (41%), but at OAO OTP Bank, Russia and DSK was strong, as well (38.2% and 37.1% respectively). In the previous quarter loans grew the most in Slovakia (12.1%), Ukraine (9.4%) and Serbia (13.0%).

Parallel with the dynamic lending activity the portfolio slightly worsened: NPL-ratio stood at 4.4%. This was mainly the result of higher NPLs in the corporate book at OTP Core, reflecting more conservative classification standards and less so any effective delinquency issue.

Consolidated loan loss provisions were HUF 198.7 billion (+31% y-o-y and +4% q-o-q). The total volume of NPLs represented HUF 269.8 billion (+HUF 53.8 billion y-o-y and +HUF 10.7 billion q-o-q). Thus their coverage increased to 64.3%.

Consolidated deposits grew dynamically, too, by 16.1% on a yearly base, but dropped by 4.9% q-o-q due to the strong HUF. As a result the loan-to-deposit ratio increased by 5.4% reaching 121.6%. Within the past 12 months deposit growth was above average in Romania (+47.8%), Montenegro (+36.9%), Ukraine (+24.3%) and Slovakia (+19.9%).

In Hungary OTP Bank continued its strategy, it focused on capturing savings in forms of deposits often combined with mutual fund products. OTP Core managed to increase its deposits by 17.1% y-o-y, but in 2Q they dropped by 5.3%. OTP Fund Management increased its managed assets by 10.7% y-o-y, however in 2Q it suffered an 1.3% decline – much less than the market average – due to unfavourable global capital markets development.

Issued securities grew by 42.6% y-o-y and 3.1% q-o-q respectively. In May OTP Bank issued EUR 500 million unsecured bonds and DSK Bank arranged an EUR 140 million syndicated loan. In total, OTP Group raised EUR 1.64 billion external funds in 1H 2008 and similar amount is expected to be raised in 2H.

The financial settlement of the sale of Garancia Insurance is expected at the end of 3Q due to the slower local regulatory approvals in Romania and Slovakia.

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

CONSOLIDATED CAPITAL ADEQUACY RATIO (IN ACCORDANCE WITH BASEL II)

At the end of 2Q 2008 regulatory capital represented HUF 877.5 billion, while the preliminary estimated adjusted RWA stood at HUF 5,603.8 billion. Taking into account the capital needs for market risk and operational risk CAR stood at 12.55% with Tier1 (after deducting goodwill and intangible assets) at 8.76% respectively. The q-o-q decline in CAR (-68 bps) is the result of the decline in Tier2 through the appreciation of HUF.

OTP BANK HUNGARIAN CORE BUSINESS[3]

OTP Core P&L account

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
OTP CORE after-tax profit w/o dividends and net cash transfer	66,483	77,229	16.2%	34,363	34,085	43,144	26.6%	25.6%
OTP CORE pre-tax profit	79,815	88,074	10.3%	41,667	41,883	46,191	10.3%	10.9%
Total income	171,015	182,287	6.6%	86,566	88,037	94,250	7.1%	8.9%
Net interest income	130,190	130,087	-0.1%	67,021	65,612	64,475	-1.7%	-3.8%
Net fees and commissions	39,105	43,643	11.6%	19,669	22,081	21,563	-2.3%	9.6%
Other net non-interest income	1,721	8,556	397.1%	-123	344	8,212		
Provisions for possible loan losses	-4,791	-5,353	11.7%	-338	-1,787	-3,566	99.5%	954.9%
Other provisions	-2,603	588	-122.6%	-1,445	462	126	-72.6%	-108.7%
Operating expenses	-83,806	-89,448	6.7%	-43,116	-44,829	-44,619	-0.5%	3.5%
Business lines[1]								
RETAIL								
Total income	147,717	155,514	5.3%	74,906	77,026	78,487	1.9%	4.8%
Net interest income	109,316	111,924	2.4%	55,737	56,102	55,822	-0.5%	0.2%
Net fees and commissions	35,844	42,073	17.4%	17,810	20,225	21,848	8.0%	22.7%
Other net non-interest income	2,557	1,517	-40.7%	1,358	700	817	16.8%	-39.8%
Provisions for possible loan losses	-4,490	-2,680	-40.3%	-2,260	-985	-1,696	72.2%	-25.0%
CORPORATE								
Total income	18,030	17,938	-0.5%	9,562	9,652	8,285	-14.2%	-13.3%
Net interest income	4,312	4,194	-2.7%	2,201	2,134	2,060	-3.5%	-6.4%
Net fees and commissions	4,312	4,194	-2.7%	2,201	2,134	2,060	-3.5%	-6.4%
Other net non-interest income	747	443	-40.7%	419	205	239	16.8%	-43.0%
Provisions for possible loan losses	93	-2,645		1,914	-737	-1,907	158.6%	-199.6%
Treasury ALM								
Total income	5,281	9,914	87.7%	2,478	1,020	8,894	771.8%	258.9%
Net interest income	7,903	4,863	-38.5%	4,342	2,196	2,667	21.5%	-38.6%
Net fees and commissions	284	146	-48.6%	388	173	-27	-115.6%	-107.0%
Other net non-interest income	-2,906	4,905	-268.8%	-2,252	-1,349	6,254	-563.7%	-377.7%
Provisions for possible loan losses	9	-103		9	0	-103		
Indicators (%)	2007 1H	2008 1H	Y-o-Y	2007 2Q	2008 1Q	2008 2Q	Q-o-Q	Y-o-Y
Cost/income ratio	49.0%	49.1%	0.1%	49.8%	50.9%	47.3%	-3.6%	-2.5%
Net interest margin	5.92%	5.61%	-0.31%	5.97%	5.56%	5.41%	-0.15%	-0.56%
ROA	3.0%	3.3%	0.3%	3.1%	2.9%	3.6%	0.7%	0.6%
ROE	18.9%	20.1%	1.2%	19.3%	18.4%	22.4%	4.0%	3.1%

1 Due to changes in cost allocation methodology from the beginning of 2008, we are unable to provide comparable time series for operating expenses of the business lines. Therefore only selected P&L lines are disclosed for OTP Core's business lines.

- ***Significant over performance in 6 months PAT (+16.2% y-o-y))***
- ***Strengthening retail focus, nicely improving household market positions***
- ***Decline in corporate lending in a planned manner***
- ***Further eroding NIM (-53 bps y-o-y, -13 bps q-o-q)***
- ***Stable retail portfolio, slightly deteriorating corporate quality***

P&L developments

Consolidated 2Q profit after tax of OTP Core business reached HUF 43.1 billion and grew by 27% q-o-q. The first 6 months net result increased by 16.2% y-o-y and stood at HUF 77.2 billion.

As for the net earnings development, the significant HUF appreciation in 2Q had a strong impact on it.

According to HAR OTP Bank realized a loss of HUF 17 billion on the revaluation of invested assets with its foreign subsidiaries, hence deducting its tax base. Under IFRS this item is not earning dilutive (assets are not revaluated), however it provided a tax shield of HUF 3.4 billion

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

under IFRS (hence the 2Q effective tax rate was only 7% vs. 19% in 1Q).

Even with that one-off element OTP Core had a spectacular performance in past 3 months marked by 10.3% quarterly pre-tax profit growth. Also, the stable interest rate environment helped the Treasury to realize a slight gain on the securities portfolio vs. a loss of HUF 3.1 billion in 1Q. On the FX gain and loss line the Bank realized an impressive 24% q-o-q increase (HUF 4.2 billion) as a result of client induced conversion deals. Non-interest income increased several folds reaching HUF 8.2 billion vs. a mere HUF 344 million in 1Q.

Given the erosion of NIM (56 bps y-o-y and 15 bps q-o-q), net interest income declined by 2% in 2Q (HUF 64.5 billion) whereas 6 months NII (HUF 130.1 billion) basically remained flat y-o-y. Future growth in NII is hindered by several factors, the single most important being the re-pricing effect of the subsidized mortgage portfolio started in 2007. Decline in subsidies occurred as forecasted: in 1H 2008 the net effect was HUF 5.8 billion, hence the HUF 13 billion guideline given by the management remains in force.

1H net F&C grew by 12% y-o-y, o/w deposit related fee increased by 9%, cards by 7% and securities fees by 12% respectively.

Credit quality slightly deteriorated and NPL grew from 3.7% in 1Q to 4.2% (y-o-y change was smaller, only 0.3%) As a reflection, provisions doubled q-o-q, whereas their 1H increase (11.7%) was practically in line with the loan growth. The worsening loan quality is mainly related to the corporate book, the retail portfolio remained stable both for housing and consumer loans. Even in the corporate sector the NPL-increase is rather the reflection of a more conservative classification practice than that of delinquency issues.

Operating expenses grew by 7% y-o-y in line with revenues, thus efficiency ratio remained around 49%. As a reflection of a stringent cost control, operating expenses basically remained flat.

Main components of OTP Core balance sheet:

Main components of balance sheet	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Total Assets	5,299,921	6,261,395	6,133,077	-2.0%	15.7%
Gross customer loans[1]	2,801,913	3,199,165	3,058,424	-4.4%	9.2%
Retail loans	1,603,508	1,858,612	1,882,630	1.3%	17.4%
Corporate loans	1,198,405	1,340,549	1,175,787	-12.3%	-1.9%
Provisions	-86,952	-96,615	-99,838	3.3%	14.8%
Deposits from customers	2,703,819	3,343,261	3,166,806	-5.3%	17.1%
Retail deposits	2,111,115	2,204,038	2,202,612	-0.1%	4.3%
Corporate deposits	592,704	1,139,223	964,194	-15.4%	62.7%
Liabilities to credit institutions	500,906	457,299	389,615	-14.8%	-22.2%
Issued securities	849,229	1,202,539	1,245,518	3.6%	46.7%
Subordinated bonds and loans	290,697	305,520	279,628	-8.5%	-3.8%
Total shareholders' equity	730,273	744,851	801,602	7.6%	9.8%
Loan Quality (%)	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Share of NPLs[1]	3.9%	3.7%	4.2%	0.5%	0.3%
Market Share (%)[3]	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Loans	20.2%	18.6%	18.6%	-0.1%	-1.6%
Deposits	23.4%	25.5%	25.4%	-0.1%	1.9%
Total Assets	25.0%	25.4%	24.7%	-0.7%	-0.3%
Indicators (%)	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Gross loans to deposits	103.6%	95.7%	96.6%	0.9%	-7.1%

Balance sheet trends

As a result of product innovation introduced from 2H 2007, retail lending captured impressive results.

Loan growth not only exceeded the 2008 budget, but was much more dynamic than a year ago. Hence OTP Bank's market share grew steadily within new underwriting of FX housing and mortgage backed consumer loans. Its share within new flows of FX housing loans increased from 16% in 1H 2007 to 23% in 1H 2008, whereas in home equities the flow-share improved from 16% to 26% respectively. Of course, the significant q-o-q strengthening of HUF against CHF (close to 11%) has a negative impact on volumes, the retail loan book grew by a tiny 1% in 2Q. In that segment unsecured personal loans increased by 4% q-o-q, and SME lending by 10% respectively. If the CHF/HUF and JPY/HUF exchange rate has remained unchanged q-o-q, the assumed retail loan growth in 2Q would have been 7% vs. 1%.

The significant drop in corporate lending (-12% q-o-q) was only partly related to the HUF strengthening. The main reason of the decline was that OTP deliberately started cutting back its low margin corporate lending from 2Q.

Customer deposits declined by 5% q-o-q as a result of a weaker performance of the corporate sector (-15% q-o-q). Retail deposits base, both the household and MSE ones remained stable in 2Q. The decline of corporate deposits was partly related to the decrease of deposit making by OTP Fund Management (-HUF 46 billion q-o-q), but also reflected the seasonal volatility of the municipality deposits: their volume dropped by HUF 85 billion q-o-q.

Within the liability structure of OTP Core there was a significant increase in the volumes of issued securities: after the issuance EUR 1 billion covered bond by OTP Mortgage Bank in 1Q, OTP Bank also issued EUR 500 million plain vanilla bonds with 3 year maturity. With such a step the weight of capital market sources increased as planned.

Market share developments

The appreciation of HUF had a great impact on the dynamism of the banking sector. Household loan demand remained strong: with the 11% HUF strengthening against CHF outstanding volumes declined by 1% q-o-q, but the y-o-y growth was still remarkable with 23%.

OTP Group in Hungary managed to increase its market position within housing loans by 0.1% q-o-q, its share at end-June was 35.3%. The improvement was related to product innovation. Its positions within FX-housing loans grew from 21% to 21.5% q-o-q. On the back of the introduction of *Global Loan* the Bank managed to continue its steady market share gain: FX-linked consumer lending reached 27.3%, growing by 1.3% q-o-q and 3.3% y-o-y respectively. As a result, out of the total consumer loan segment the Group captured 26.2% (+0.7% q-o-q and 1.7% y-o-y).

As for deposit collection OTP Group managed to increase its position in the corporate segment reaching 16.4% (+0.4% q-o-q). Within the retail deposits its market share has remained stable for 3 consecutive quarters (31.3%), which is an excellent achievement.

INSURANCE BUSINESS

In 1H 2008 OTP Garancia Insurance realized an after tax profit of HUF 4.8 billion, a significant 52% y-o-y growth over the corresponding period of 2007 Its HUF 2.5 billion result in 2Q represents 8% growth q-o-q and 69% y-o-y respectively.

1H gross premium income increased by 11% y-o-y, while insurance expenses declined by 4% respectively. Insurance reserves grew by 10% y-o-y and reached HUF 186 billion at the end of June 2008; on a quarterly base it remained flat.

Within total insurance income OTP Garancia with its HUF 44.7 billion gross premium had No.4 position (9.4%). In the life segment the company's market share was 10.2% (No.3), whereas in non-life segment it remained No.4 with 8.6% respectively.

Foreign subsidiaries being majority owned by OTP Garancia (OTP Garancia životná poisťovňa and OTP Garancia poisťovňa in Slovakia; DSK Garancia Life Insurance and DSK Garancia Insurance in Bulgaria, and OTP Garancia Asigurari in Romania) realized a total loss of HUF 1 billion in 1H 2008, by HUF 614 million more than a year ago.

OTP FUND MANAGEMENT

Changes in assets under management:

in HUF billion	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
OTP Investment Funds	634.6	793.7	759.3	-4.3%	19.6%
Pension Funds	592.3	597.1	604.5	1.2%	2.1%
o/w OTP Funds	580.4	585.8	593.2	1.3%	2.2%
Other pension funds	11.9	11.3	11.2	-0.8%	-5.8%
Other Institutional Investors	162.9	168.1	174.5	3.8%	7.1%
Assets under management, total	**1,389.8**	**1,558.9**	**1,538.2**	-1.3%	10.7%

In 1H 2008 OTP Fund Management realized HUF 3.1 billion after tax earnings, an increase of 12% y-o-y, but a decline of 7.6% q-o-q. Fund management fees dropped by 7% q-o-q as a result of a gradual decrease of equity funds mainly due to the negative impact of global credit market developments.

In 2Q 2008 the volume of assets under management of the Hungarian investment funds decreased by 3.9% (approx. HUF 124 billion). Within that property funds representing approximately 20% of managed funds decline by a mere 1%.

Within funds managed by OTP Fund Management the net asset value of bond funds dropped significantly (-15.2% q-o-q); substantial amounts were withdrawn from OPTIMA Fund and OTP MAXIMA. Despite of such adverse developments in general, the net asset value of OTP Fund

Management declined less compared to market average. (-2.1% q-o-q), mainly due to the activity institutional clients. The assets of pension funds increased to HUF 604.5 billion, other institutional funds under management reached HUF 175 billion.

In 2Q the Company managed to charge higher fees thus partially offsetting the negative effect of declining assets. Approximately HUF 3.8 billion management fees were charged, and the average fees on assets were 1.44%. The first 6 months value creation of the Company amounted to HUF 5.8 billion, +23% y-o-y.

At the end-June market position of Fund Management was 32.0%, unchanged q-o-q.

MERKANTIL GROUP

Merkantil Bank's and Merkantil Car's aggregated, non-consolidated total assets amounted to HUF 307 billion on 30 June 2008 (-5% q-o-q and +8% y-o-y). The aggregated gross loan portfolio reached HUF 279 billion, an increase of 8% y-o-y and a decrease of 7% q-o-q. Mainly as a consequence of currency appreciation, Merkantil Bank's and Merkantil Car's car financing business reached HUF 238 billion, a quarterly drop of 7%, but a yearly expansion of 6%.

The Group's aggregated, non-consolidated profit after tax was HUF 2,246 million (without dividend payment and net one-off cash transfer), an increase of 21% q-o-q and 11% y-o-y. Total income was lower than in the previous quarter (-14% q-o-q), which was partly due to the weak adjusted net interest income (-4%), net fee and commission income (-22%) and net other net non-interest income. A moderate rise in operating expenses (unchanged q-o-q and +9% y-o-y) and a drop of more than 70% in case of provisions for possible loan losses (both in quarterly and yearly comparison) were positive elements..

Cost/income ratio showed a slight increase (from 30.7% in 1Q 2008 to 35.5% in 2Q 2008), while net interest margin narrowed to 6.4% (a 0.4%point drop q-o-q). Return on equity reached 26.5% (+4.2%point q-o-q) and return on assets grew by 0.5%point to 2.9%.

Quality of aggregated loan portfolio improved, reflecting a sale of a HUF 3.6 billion portfolio of bad loans to OTP Faktoring (this step resulted in a decline of provisions in the balance sheet). As a result the share of NPLs decreased to 7.1% (-0.3%point q-o-q), and their coverage declined to 82.6%, representing a 2.3%pont fall q-o-q and a 3.1%point drop y-o-y.

Non-car-financing Group Members had an aggregated total assets of HUF 59 billion on 30 June 2008 (-5% q-o-q and -1% y-o-y). The contribution of those members to the Group's total earnings is not meaningful.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

Note: in the following parts in case of subsidiaries where there were other non-interest income revenues from the release of provisions made before the acquisitions, we made adjustments by deducting those revenues from provisions in the income statement. Those revenues were also taken out of the other non-interest income line. Cost/income ratio was calculated with the adjusted total income figures.

DSK GROUP[4]

Performance of DSK Group:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	12,354	15,159	22.7%	7,066	7,641	7,518	-1.6%	6.4%
Pre-tax profit	13,758	16,858	22.5%	7,819	8,501	8,357	-1.7%	6.9%
Total income	28,201	33,790	19.8%	14,573	16,204	17,586	8.5%	20.7%
Net interest income	21,149	24,941	17.9%	10,729	12,007	12,934	7.7%	20.6%
Net fees and commissions	6,209	8,235	32.6%	3,355	3,885	4,349	11.9%	29.6%
Other net non-interest income	844	614	-27.2%	488	311	303	-2.7%	-38.0%
Provisions for possible loan losses	-3,483	-4,756	36.5%	-926	-1,676	-3,080	83.7%	232.5%
Other provisions	-127	-19	-84.9%	-127	-16	-3	-79.1%	-97.4%
Operating expenses	-10,833	-12,157	12.2%	-5,701	-6,011	-6,146	2.3%	7.8%
Main components of balance sheet in HUF mn	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Total Assets	809,436	1,014,549	25.3%	809,436	1,019,472	1,014,549	-0.5%	25.3%
Gross customer loans	608,610	834,559	37.1%	608,610	835,512	834,559	-0.1%	37.1%
Retail loans	497,167	671,550	35.1%	497,167	675,810	671,550	-0.6%	35.1%
Corporate loans	111,444	163,009	46.3%	111,444	159,702	163,009	2.1%	46.3%
Provisions	-21,794	-30,586	40.3%	-21,794	-30,256	-30,586	1.1%	40.3%
Deposits from customers	540,994	640,390	18.4%	540,994	685,749	640,390	-6.6%	18.4%
Retail deposits	448,058	529,001	18.1%	448,058	552,688	529,001	-4.3%	18.1%
Corporate deposits	92,936	111,388	19.9%	92,936	133,060	111,388	-16.3%	19.9%
Liabilities to credit institutions	156,935	183,072	16.7%	156,935	127,268	183,072	43.8%	16.7%
Subordinated debt		47,398			51,857	47,398	-8.6%	
Total shareholders' equity	99,565	129,954	30.5%	99,565	134,569	129,954	-3.4%	30.5%
Loan Quality (%)	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Share of NPLs	3.8%	3.5%	-0.3%	3.8%	3.4%	3.5%	0.2%	-0.3%
Market share (%)	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Loans	16.4%	15.4%	-1.1%	16.4%	15.4%	15.4%	0.0%	-1.1%
Deposits	14.9%	12.3%	-2.5%	14.9%	12.3%	12.3%	0.0%	-2.5%
Total Assets	14.3%	12.9%	-1.3%	14.3%	12.8%	12.9%	0.1%	-1.3%
Indicators (%)	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	112.5%	130.3%	17.8%	112.5%	121.8%	130.3%	8.5%	17.8%
Cost/income ratio	38.4%	36.0%	-2.4%	39.1%	37.1%	34.9%	-2.1%	-4.2%
Net interest margin	5.38%	4.91%	-0.47%	5.34%	4.71%	5.12%	0.40%	-0.22%
ROA	3.1%	3.0%	-0.2%	3.5%	3.0%	3.0%	0.0%	-0.5%
ROE	26.3%	24.0%	-2.3%	29.3%	23.8%	22.9%	-0.9%	-6.5%

- ***Robust PAT growth: +23% y-o-y***
- ***Improving NIM (+40 bps q-o-q) as a result of asset reprising***
- ***Strong balance sheet dynamism, growing provisions, but stable portfolio quality***
- ***Stringent cost control remained in place (1H CIR: 36%)***

In 1H 2008, DSK group realized HUF 15.2 billion profit after tax, an increase of 23% y-o-y. The strong HUF had its negative effect, too. Quarterly earnings of HUF 7.5 billion represented a 2% q-o-q decline, however in BGL it would show an increase of 3%.

Strong earnings growth was mainly driven by dynamically growing net F&C income (+33% y-o-y). Almost in all major segments DSK succeeded to collect heavily increasing fees y-o-y: +33% after loans, 28% after deposit transactions and a

[4] As for 2007, financials are based on DSK Bank, POK DSK-Rodina, DSK Trans Security and DSK Tours consolidated figures aggregated with Asset Management (SPV) and adjusted with controlling calculations. In 2008, after SPV stopped its operation figures are reflecting the performance of consolidated DSK Group without SPV. Regarding 2007 year end, data are in line with the disclosure of the preliminary stock exchange report (non-audited).

remarkable 64% after cards. Also encouraging, that NII increased by 8% q-o-q as a result of loan reprising started in April. NIM improved by 40 bps in 2Q despite of higher mandatory reserve requirements introduced by BNB from September 2007.

DSK managed to improve its 1H net earnings by 23% y-o-y despite of a significant growth of provisions (+37% y-o-y) and a 27% y-o-y drop in other net non-interest income reflecting a loss on the securities portfolio. Higher provisions in 2Q didn't have to do much with portfolio quality: NPL ratio was even lower y-o-y. Provisioning basically kept pace with loan growth in past 12 months, though they grew substantially in past 3 months.

As a result of stringent cost control, efficiency indicator at DSK remained spectacular: 1H CIR stood at 36%, the lowest within the Group. Direct y-o-y comparison of CIR is somewhat difficult, since in 1H 2007 certain amounts were accrued for personal and operational expenses, but were released rather than being paid out in 4Q 2007. Hence the adjusted CIR in 1H 2007 would be 35.7%, almost identical to 1H 2008 level.

The strong HUF (gaining 9% against EUR, practically against BGN) took its tool in HUF volumes. Otherwise, volume growth in local currency almost in all major segments was impressive. The driver of the retail growth (+40% y-o-y and 9% q-o-q in BGN) was the mortgage lending. The corporate sector captured an even more impressive expansion, lending grew by 52% y-o-y and 12% q-o-q respectively. As a result of less robust deposit growth (23% y-o-y and 2% q-o-q in BGN) loan-to-deposit ratio grew further and pierced 130%. In order to finance the robust lending in April DSK arranged an EUR 140 million syndicated loan.

OAO OTP BANK[5]

Performance of OAO OTP Bank:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	2,900	3,229	11.3%	892	1,691	1,538	-9.1%	72.4%
One-off items, after-tax[1]	502	0	-100.0%	0	0	0		
After tax profit w/o dividends, net cash transfers and one-offs	2,398	3,229	34.6%	892	1,691	1,538	-9.1%	72.4%
Pre-tax profit	3,600	4,548	26.3%	1,713	2,382	2,166	-9.1%	26.4%
Total income	23,262	36,333	56.2%	12,238	18,286	18,048	-1.3%	47.5%
Net interest income[2]	16,073	30,414	89.2%	8,637	15,449	14,966	-3.1%	73.3%
Net fees and commissions	5,982	5,169	-13.6%	3,197	2,734	2,435	-10.9%	-23.8%
Other net non-interest income	1,206	750	-37.8%	404	103	647	527.8%	60.1%
Provisions for possible loan losses	-4,361	-10,047	130.4%	-3,031	-4,978	-5,069	1.8%	67.2%
Other provisions[2]	75	-936	-1352.3%	65	-508	-428	-15.8%	-759.0%
Operating expenses	-15,376	-20,803	35.3%	-7,559	-10,418	-10,385	-0.3%	37.4%
Main components of balance sheet in HUF mn	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Total Assets	369,673	404,029	9.3%	369,673	402,784	404,029	0.3%	9.3%
Gross customer loans	236,320	326,508	38.2%	236,320	311,192	326,508	4.9%	38.2%
Retail loans	97,512	195,606	100.6%	97,512	192,818	195,606	1.4%	100.6%
Corporate loans	134,563	116,834	-13.2%	134,563	105,855	116,834	10.4%	-13.2%
Car financing	4,250	14,068	231.0%	4,250	12,519	14,068	12.4%	231.0%
Provisions	-10,864	-24,139	122.2%	-10,864	-23,039	-24,139	4.8%	122.2%
Deposits from customers	261,445	224,305	-14.2%	261,445	255,283	224,305	-12.1%	-14.2%
Retail deposits	167,679	137,435	-18.0%	167,679	149,312	137,435	-8.0%	-18.0%
Corporate deposits	93,766	86,870	-7.4%	93,766	105,971	86,870	-18.0%	-7.4%
Liabilities to credit institutions	42,160	115,744	174.5%	42,160	76,086	115,744	52.1%	174.5%
Issued securities	10,331	5,045	-51.2%	10,331	8,328	5,045	-39.4%	-51.2%
Subordinated debt	10,580	11,531	9.0%	10,580	12,654	11,531	-8.9%	9.0%
Total shareholders' equity	40,121	41,176	2.6%	40,121	42,835	41,176	-3.9%	2.6%
Loan Quality (%)	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	7.3%	10.1%	2.8%	7.3%	10.5%	10.1%	-0.4%	2.8%

[5] The Russian subsidiary of OTP Bank has been renaimed in 1Q 2008 to OAO OTP Bank.

Indicators (%)	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	90.4%	145.6%	55.2%	90.4%	121.9%	145.6%	23.7%	55.2%
Cost/income ratio	66.1%	57.3%	-8.8%	61.8%	57.0%	57.5%	0.6%	-4.2%
Net interest margin	9.27%	14.63%	5.36%	9.92%	14.89%	14.92%	0.03%	5.00%
ROA	1.4%	1.6%	0.2%	1.0%	1.6%	1.5%	-0.1%	0.5%
ROE	12.3%	15.7%	3.4%	9.0%	16.1%	14.7%	-1.4%	5.8%

[1] 25% of 2007 1Q after tax profit is considered as one-timer
[2] Provisioning after the interest income of non-performing loans are reclassified from other risk costs to net interest income from 4Q 2007 onwards

- ***In RUB significant (14%) q-o-q lending growth supported by mortgage portfolio purchase and stronger corporate activity***
- ***1H after tax profit grew by 56% due to a spectacular increase in NII (+89% y-o-y)***
- ***Improving NPL ratio (10.1%)***
- ***Despite of further network expansion, costs remained under control (1H CIR: 57%)***

In 1H 2008 ISB realized HUF 3.2 billion after-tax profit (+35% y-o-y). The 9% q-o-q decline is partially due to the HUF strengthening (6% against RUB), disregarding that effect 2Q earnings would drop only by 3%.

The annual earning growth was heavily supported by strong NII: 1H net interest income grew by 89% y-o-y. Even though NIM stabilized at 15%, in 2Q NII decreased by 3%, though in RUB increased by the same margin.

The 14% y-o-y drop in net F&C is the result of the new anti money-laundering legislation through lower fees charged from corporate clients. The y-o-y 38% decline in other non-interest revenue was attributed mainly to the losses on the securities portfolio. In 2Q, however this item improved a lot, hence other non interest income increased 6-fold.

Risk costs increased significantly, by 130% y-o-y due to the fast loan portfolio growth, however provisioning on a quarterly base stabilized, NPL ratio declined (from 10.5% to 10.1%) and NPL-coverage also increased (+3% q-o-q) reaching 61%.

After opening 10 new branches in 1Q, in past 3 months the Bank added another 9 branches to its network which reached 121 by the end of June.

It is positive that despite of the network expansion operating expenses remained under strong control and 1H CIR improved by 8.8% y-o-y and declined to 57.3%, ROE was 15.7%.

As for the lending activity, volumes increased by 38% y-o-y and 5% q-o-q. (in RUB the dynamism is more significant: +53% and +14% respectively).

In 2Q it was encouraging that the mortgage book doubled and reached HUF 36 billion and the Bank concluded the first few pieces of portfolio purchases. Also, the negative trend in corporate lending has been reversed and in 2Q volumes already grew (+20% q-o-q in RUB). The consumer loan book stagnated in RUB (-8% in HUF q-o-q), however other products (e.g. credit cards) partially offset the seasonal decline of the POS-portfolio (-8% q-o-q in RUB).

The deposit base of the Bank dropped both y-o-y and q-o-q (-14% and -12% respectively). The main reason being the erosion of corporate deposits linked to the previous owner of the bank. Retail deposits, however slightly increased reflecting the more attractive pricing and some product developments. Bulk of the loan growth was provided by OTP bank in forms of interbank facility, hence the loan-to-deposit ratio at end of June 2008 reached almost 146%.

DONSKOY NARODNY BANK (DNB)

After the financial settlement of the deal DNB's balance sheet was consolidated in 2Q. Its 1H total assets represented HUF 21.5 billion, o/w gross volumes of customer loans comprised HUF 15.4 billion, deposits HUF 19.1 billion and own equity HUF 1.7 billion respectively. No P&L was consolidated.

CJSC OTP BANK

Performance of CJSC OTP Bank:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	7,309	6,878	-5.9%	3,344	3,894	2,984	-23.4%	-10.7%
Pre-tax profit	9,923	9,224	-7.0%	4,593	4,306	4,918	14.2%	7.1%
Total income	16,596	23,854	43.7%	8,590	10,973	12,880	17.4%	50.0%

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Net interest income	13,794	20,410	48.0%	7,198	9,076	11,334	24.9%	57.5%
Net fees and commissions	1,759	2,336	32.9%	855	1,069	1,268	18.6%	48.2%
Other net non-interest income	1,044	1,107	6.1%	536	829	279	-66.4%	-48.0%
Provisions for possible loan losses	63	-2,768		-270	-1,339	-1,429	6.7%	429.2%
Other provisions	-59	5	-109.0%	-68	18	-13	-170.6%	-81.3%
Operating expenses	-6,676	-11,867	77.7%	-3,658	-5,346	-6,521	22.0%	78.2%
Main components of balance sheet in HUF mn	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Total Assets	486,945	756,157	55.3%	486,945	690,663	756,157	9.5%	55.3%
Gross customer loans	424,834	643,474	51.5%	424,834	588,116	643,474	9.4%	51.5%
Retail loans	174,681	288,841	65.4%	174,681	253,007	288,841	14.2%	65.4%
Corporate loans	201,946	288,441	42.8%	201,946	272,798	288,441	5.7%	42.8%
Car financing	48,208	66,192	37.3%	48,208	62,312	66,192	6.2%	37.3%
Provisions	-1,491	-5,996	302.0%	-1,491	-4,577	-5,996	31.0%	302.0%
Deposits from customers	141,764	176,174	24.3%	141,764	180,783	176,174	-2.5%	24.3%
Retail deposits	81,069	93,547	15.4%	81,069	95,105	93,547	-1.6%	15.4%
Corporate deposits	60,695	82,626	36.1%	60,695	85,678	82,626	-3.6%	36.1%
Liabilities to credit institutions	275,474	481,558	74.8%	275,474	424,016	481,558	13.6%	74.8%
Subordinated debt	6,252	15,030	140.4%	6,252	5,294	15,030	183.9%	140.4%
Total shareholders' equity	53,833	69,148	28.5%	53,833	66,589	69,148	3.8%	28.5%
Loan Quality (%)	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	2.6%	1.4%	-1.2%	2.6%	1.2%	1.4%	0.2%	-1.2%
Market share (%)	**30/06/2007**	**31/05/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**31/05/2008**	**Q-o-Q**	**Y-o-Y**
Loans	3.7%	3.8%	0.1%	3.7%	3.7%	3.8%	0.1%	0.1%
Deposits	1.8%	1.7%	-0.1%	1.8%	1.8%	1.7%	-0.2%	-0.1%
Total Assets	3.0%	3.3%	0.3%	3.0%	3.2%	3.3%	0.1%	0.3%
Indicators (%)	**1H 2007**	**1H 2008**	**Y-o-Y**	**2Q 2007**	**1Q 2008**	**2Q 2008**	**Q-o-Q**	**Y-o-Y**
Gross loans to deposits	299.7%	365.2%	65.6%	299.7%	325.3%	365.2%	39.9%	65.6%
Cost/income ratio	40.2%	49.7%	9.5%	42.6%	48.7%	50.6%	1.9%	8.0%
Net interest margin	6.05%	5.95%	-0.10%	6.12%	5.55%	6.30%	0.75%	0.18%
ROA	3.2%	2.0%	-1.2%	2.8%	2.4%	1.7%	-0.7%	-1.2%
ROE	30.3%	20.5%	-9.8%	26.8%	23.7%	17.7%	-6.0%	-9.1%

- ***Without the substantial volume of provisions (made for prudential reasons) 1H PAT would increase by 30+%***
- ***Robust loan growth both on yearly and quarterly bases***
- ***Self imposed higher provisioning with stable loan portfolio***
- ***Strong NII and net F&C results, improving NIM***

The Bank realized HUF 6.9 billion profit after tax (-5.9% y-o-y), o/w HUF 3 billion was realized in 2Q). However, the quarterly earning before tax increased by 14.2% as a result of a deferred tax effect. In 1H 2008 the tax burden was around the budgeted level (approx. 25%) and for the rest of the year no further volatility in effective tax rate is expected.

As for the earning dynamism the robust consumer loan growth with higher NIM was the main engine of NII growth (+24.9% q-o-q), while net F&C results (+18.6% q-o-q) were rather supported by favourable fee generation in the corporate segment. In 2Q non-interest income dropped by 66% as a result of a one-off measure: on 21 May the Central Bank decided about lifting central parity rate of UAH/USD from 5.05 to 4.85. Given some differences in local and IFRS standard as for booking risk costs, there was an USD-short position on which CJSC realized UAH 19 million (HUF 660 million) one-off lost.

Provisioning grew by 7% q-o-q in line with strong lending activity. NPL ratio remained stable (1.4%), higher risk costs were the reflection of the local management's prudent risk management.

Operational expenses increased steadily (+22% q-o-q), within that personal costs grew by 28% q-o-q reflecting the effect of network expansion, but rental fees also picked up significantly (+37%).

CJSC's network further expanded: in 2Q 8 new branches were opened.

The main engine of loan growth was the robust though somewhat moderating housing and mortgage lending. Several new products were introduced through which the Bank reached new clients.

Deposit volumes further declined (-2.5% q-o-q) and the loan-to-deposit ratio reached 365.2% at the end of June (+66% y-o-y) representing the highest level across the whole OTP Group. The rapid growth of the loan portfolio is basically provided by OTP Bank.

In 2Q the Bank managed to improve its market position in total assets and in consumer loans, (its share reached 3.3% and 3.8% respectively). On the deposit side CJSC suffered a slight erosion (-0,2%-point) as a result of a decline in corporate deposits.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	-1,952	-1,204	-38.3%	-1,462	-109	-1,095	908.4%	-25.1%
Pre-tax profit	-1,908	-1,151	-39.7%	-1,426	-70	-1,082		-24.2%
Total income	3,759	7,262	93.2%	1,816	3,333	3,928	17.8%	116.3%
Net interest income[1]	2,007	3,697	84.2%	964	1,666	2,031	22.0%	110.7%
Net fees and commissions	519	1,172	125.6%	163	343	828	141.2%	408.5%
Other net non-interest income	1,233	2,394	94.1%	689	1,325	1,069	-19.3%	55.1%
Provisions for posiible loan losses	-152	-1,293	750.2%	46	-238	-1,055	344.4%	
Other provisions	0	-154		0	-149	-5	-96.6%	
Operating expenses	-5,515	-6,966	26.3%	-3,289	-3,017	-3,950	30.9%	20.1%
Main components of balance sheet in HUF mn	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Total Assets[2]	229,920	337,078	46.6%	229,920	334,605	337,078	0.7%	46.6%
Gross customer loans[2]	161,673	249,703	54.4%	161,673	246,316	249,703	1.4%	54.4%
Retail loans	81,091	138,142	70.4%	81,091	131,483	138,142	5.1%	70.4%
Corporate loans	80,582	111,561	38.4%	80,582	114,832	111,561	-2.8%	38.4%
Provisions	1,135	2,911	156.5%	1,135	2,168	2,911	34.3%	156.5%
Deposits from customers	50,840	75,132	47.8%	50,840	77,488	75,132	-3.0%	47.8%
Retail deposits	26,291	40,308	53.3%	26,291	41,779	40,308	-3.5%	53.3%
Corporate deposits	24,548	34,824	41.9%	24,548	35,708	34,824	-2.5%	41.9%
Liabilities to credit institutions	124,427	133,102	7.0%	124,427	167,701	133,102	-20.6%	7.0%
Total shareholders' equity	24,052	21,970	-8.7%	24,052	24,679	21,970	-11.0%	-8.7%
Loan Quality (%)	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs[2]	2.4%	6.6%	4.2%	2.4%	8.0%	6.6%	-1.4%	4.2%
Market share (%)	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Loans	1.9%	2.2%	0.2%	1.9%	2.2%	2.2%	0.0%	0.2%
Deposits	0.7%	0.8%	0.1%	0.7%	0.8%	0.8%	-0.1%	0.1%
Total Assets	1.4%	1.3%	-0.1%	1.4%	1.3%	1.3%	0.0%	-0.1%
Indicators (%)	**1H 2007**	**1H 2008**	**Y-o-Y**	**2Q 2007**	**1Q 2008**	**2Q 2008**	**Q-o-Q**	**Y-o-Y**
Gross loans to deposits								
Cost/income ratio	146.7%	95.9%	-50.8%	181.1%	90.5%	100.5%	10.0%	-80.5%
Net interest margin	1.91%	2.34%	0.43%	1.80%	2.12%	2.43%	0.31%	0.63%
ROA	-1.9%	-0.8%	1.1%	-2.7%	-0.1%	-1.3%	-1.2%	1.4%
ROE	-16.0%	-10.3%	5.7%	-24.3%	-1.8%	-18.9%	-17.1%	5.4%

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

- ***Increasing negative result in 2Q due to growing expenses and one-off provision growth***
- ***Robust 1H growth in lending and deposit volumes (54% and 48% respectively)***
- ***Improving NIM (q-o-q), lower efficiency (CIR: 101%)***

In 1H the Bank realized HUF 1.2 billion loss, by 38% less than a year ago. In 2Q OBR had a negative PAT of HUF 1.1 billion. The main reasons behind such dismal performance were two-fold: after the Bank cancelled a portfolio insurance scheme it had to make significant one-off provisions, in addition operating expenses increased much faster (+31% q-o-q) than revenues.

2Q NII grew by 22% q-o-q and 111% y-o-y. Net F&C grew even faster in the last 3 month (+141%) as a result of a saving in insurance expenses (after the cancelled insurance contract) and descent revenues from core banking activities. Number of issued banking cards grew steadily (16% q-o-q and 77% y-o-y), credit cards expanded by 42%. Non-interest revenues fell short of 1Q by 19%, due to the absence of FX gains.

Total assets grew by 47% y-o-y and 1% q-o-q respectively, including the volume of loan portfolio sold to OTP Bank. In 2Q OTP Bank purchased an equivalent of HUF 41 billion loans, mainly housing and mortgage-backed consumer loans, thus the total volume of loan book being sold reached HUF 96.5 billion. Gross loans – including the sold portfolio – grew by 1% q-o-q, though in RON the increase was greater (+9%). Within the retail book housing and home equity loans grew by 13% q-o-q, whereas unsecured personal loans dropped by 16%. Note, that the origination of those loans were temporary suspended and was restarted only in mid-June. Corporate lending dropped 3% q-o-q, while municipality loans expanded by 20%.

On the liability side, need for interbank funding decreased given the sale of loans to OTP Bank, and there was a positive structural shift, as well. Since local interbank facilities enjoy a preferential status against external funding, the share of financing from OTP Group declined.

Deposit volumes in RON expanded by 78% y-o-y and 4% q-o-q, however due to the strengthening of HUF quarterly volumes decreased by 3% q-o-q.

Despite of the robust lending volume growth there was an improvement in credit quality: on an adjusted base NPL came down from 8% to 6.6% q-o-q, their coverage increased by 3.8% y-o-y and 6.5% q-o-q and reached 9.3%. Within the qualified category the share of bad loans remained unchanged, but the doubtful category increased. There were two major reasons for higher risk provisions in 2Q: the quality of consumer and SME loans slightly worsened, and the cancellation of the loan insurance scheme required additional provisions.

OBR network did not change in 2Q, number of employees grew by 34 people reaching 1,098.

OTP BANKA HRVATSKA

Performance of OTP banka Hrvatska:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,639	2,361	44.0%	855	1,068	1,293	21.0%	51.2%
Pre-tax profit	2,056	2,978	44.8%	1,074	1,336	1,642	22.9%	52.9%
Total income	7,137	9,083	27.3%	3,792	4,416	4,667	5.7%	23.1%
Net interest income	5,563	6,566	18.0%	2,788	3,286	3,280	-0.2%	17.6%
Net fees and commissions	1,354	1,711	26.4%	743	867	844	-2.6%	13.7%
Other net non-interest income	221	806	264.7%	261	263	543	106.6%	107.7%
Provisions for possible loan losses	15	-266	%	28	-137	-129	-5.2%	-569.8%
Other provisions	-76	117	-253.7%	-198	100	16	-83.6%	-108.3%
Operating expenses	-5,021	-5,956	18.6%	-2,549	-3,044	-2,912	-4.3%	14.3%
Main components of balance sheet in HUF mn	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Total Assets	375,290	408,144	8.8%	375,290	440,384	408,144	-7.3%	8.8%
Gross customer loans	213,200	256,734	20.4%	213,200	265,442	256,734	-3.3%	20.4%
Retail loans	142,530	161,817	13.5%	142,530	171,624	161,817	-5.7%	13.5%
Corporate loans	68,612	92,728	35.1%	68,612	91,472	92,728	1.4%	35.1%
Car financing	2,058	2,189	6.4%	2,058	2,345	2,189	-6.7%	6.4%
Provisions	-3,014	-4,552	51.0%	-3,014	-4,571	-4,552	-0.4%	51.0%
Deposits from customers	272,429	279,903	2.7%	272,429	304,584	279,903	-8.1%	2.7%
Retail deposits	225,690	235,490	4.3%	225,690	252,381	235,490	-6.7%	4.3%
Corporate deposits	46,739	44,413	-5.0%	46,739	52,203	44,413	-14.9%	-5.0%
Liabilities to credit institutions	56,866	69,770	22.7%	56,866	74,502	69,770	-6.4%	22.7%
Total shareholders' equity	37,192	48,436	30.2%	37,192	50,583	48,436	-4.2%	30.2%
Loan Quality (%)	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Share of NPLs	1.4%	1.5%	0.1%	1.4%	1.5%	1.5%	0.0%	0.1%
Market share (%)	30/06/2007	31/05/2008	Y-o-Y	30/06/2007	31/03/2008	31/05/2008	Q-o-Q	Y-o-Y
Loans	3.3%	3.6%	0.3%	3.3%	3.5%	3.6%	0.1%	0.3%
Deposits	4.4%	4.2%	-0.3%	4.4%	4.3%	4.2%	-0.2%	-0.3%
Total Assets	3.5%	3.5%	0.0%	3.5%	3.5%	3.5%	-0.1%	0.0%
Indicators (%)	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	78.3%	91.7%	13.5%	78.3%	87.1%	91.7%	4.6%	13.5%
Cost/income ratio	70.3%	65.6%	-4.8%	67.2%	68.9%	62.4%	-6.5%	-4.8%
Net interest margin	3.03%	3.18%	0.15%	2.98%	3.06%	3.11%	0.04%	0.13%
ROA	0.9%	1.1%	0.2%	0.9%	1.0%	1.2%	0.2%	0.3%
ROE	9.8%	10.7%	0.9%	9.4%	9.4%	10.5%	1.1%	1.1%

- ***Stable 1H profit growth (44% y-o-y), improving efficiency***
- ***Higher NIM amid fierce competition for local deposits***
- ***Loan quality remained good (NPL: 1.5% with high coverage ratio)***

On June 30, 2008 after tax profit of OBH group reached HUF 2.4 billion with excellent dynamics both on a yearly and quarterly base (+44% and 21.0% respectively). 1H good result was also supported by few one-off revenue items on other non interest line: in 2Q OBH realized HRK 5.2 million on a buy-back of VISA shares. In addition OTP Nekretnine had a gain of HRK 2.1 million from a real estate sale. Good F&C income from card and C/A related transactions (HRK 2.3 million) had a positive impact on 1H results, too.

NII declined by 0.2% q-o-q due to the strength of HUF, but in local currency it improved by 3.8%. Given the favourable liquidity position of the Bank (loan-to-deposit ratio stood at 91.7% in June), there was no need to attract expensive deposits.

Risk provisions declined by 5.2% q-o-q, but the quality of the loan book remained stable (NPL stood unchanged at 1.5%), whereas the NPL coverage increased significantly (+6.4% q-o-q) reaching 72.9%.

Due to the stringent cost control operational costs declined 4.3% q-o-q. Even personal costs dropped by 2.5% despite of HRK 1.2 million being accrued for bonus payments. Other non interest expenses dropped by 6% q/q even though rental fees and advisory expenses grew by 13% q-o-q.

Due to the appreciation of HUF, lending volumes were negative in 2Q (-3.3%), o/w retail loans dropped by 5.7% (in local currency, however, they grew by 2.7% q-o-q).

Given the 1H yearly deposit growth being weaker (+2.7%) than the loan increase (+20.4%), loan-to-deposit ratio reached new heights at 91.7% (+4.6% q-o-q).

As for the market position, there was a marginal loss in retail deposits due to seasonal reasons, but this trend is expected to have a turnaround during high season in summer.

OTP BANKA SLOVENSKO

Performance OTP Banka Slovensko:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	700	1,310	87.2%	211	686	624	-9.1%	195.2%
Pre-tax profit	700	1,499	114.1%	211	800	699	-12.7%	230.6%
Total income	5,423	6,947	28.1%	2,683	3,350	3,598	7.4%	34.1%
Net interest income	3,920	4,801	22.5%	1,964	2,367	2,433	2.8%	23.9%
Net fees and commissions	1,098	1,466	33.5%	496	651	815	25.3%	64.4%
Other net non-interest income	405	681	67.9%	223	332	349	5.2%	56.5%
Provisions for possible loan losses	-687	-519	-24.4%	-274	-301	-218	-27.5%	-20.4%
Other provisions	128	-21	-116.6%	161	-33	11	-135.0%	-92.9%
Operating expenses	-4,165	-4,908	17.8%	-2,358	-2,216	-2,692	21.5%	14.2%
Main components of balance sheet in HUF mn	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Total Assets	337,595	399,952	18.5%	337,595	372,812	399,952	7.3%	18.5%
Gross customer loans	204,701	288,704	41.0%	204,701	257,647	288,704	12.1%	41.0%
Retail loans	60,617	82,791	36.6%	60,617	78,202	82,791	5.9%	36.6%
Corporate loans	144,084	205,913	42.9%	144,084	179,445	205,913	14.7%	42.9%
Provisions	-3,090	-3,493	13.0%	-3,090	-3,389	-3,493	3.1%	13.0%
Deposits from customers	207,859	249,134	19.9%	207,859	248,517	249,134	0.2%	19.9%
Retail deposits	86,045	108,952	26.6%	86,045	104,684	108,952	4.1%	26.6%
Corporate deposits	121,813	140,182	15.1%	121,813	143,833	140,182	-2.5%	15.1%
Liabilities to credit institutions	38,648	38,777	0.3%	38,648	17,422	38,777	122.6%	0.3%
Issued securities	61,737	69,944	13.3%	61,737	70,167	69,944	-0.3%	13.3%
Subordinated debt	0	6,892		0	2,852	6,892	141.7%	
Total shareholders' equity	20,975	25,845	23.2%	20,975	25,569	25,845	1.1%	23.2%
Loan Quality (%)	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Share of NPLs	4.8%	3.1%	-1.7%	4.8%	3.7%	3.1%	-0.7%	-1.7%
Market share (%)	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Loans	3.9%	4.1%	0.2%	3.9%	3.8%	4.1%	0.3%	0.2%
Deposits	2.8%	3.1%	0.3%	2.8%	2.9%	3.1%	0.3%	0.3%
Total Assets	3.0%	2.9%	-0.1%	3.0%	2.8%	2.9%	0.1%	-0.1%
Indicators (%)	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	98.5%	115.9%	17.4%	98.5%	103.7%	115.9%	12.2%	17.4%
Cost/income ratio	76.8%	70.6%	-6.1%	87.9%	66.2%	74.8%	8.7%	-13.1%
Net interest margin	2.38%	2.51%	0.13%	2.35%	2.57%	2.53%	-0.04%	0.19%
ROA	0.4%	0.7%	0.3%	0.3%	0.7%	0.6%	-0.1%	0.4%
ROE	6.8%	10.7%	3.8%	4.0%	11.2%	9.8%	-1.5%	5.7%

- ***Outstanding y-o-y profit growth, weaker quarterly dynamism***
- ***Improving market position in major lending segments***
- ***Strong loan growth (12% q-o-q and 41% y-o-y)***

In 1H 2008 OBS profit after tax increased by 87% y-o-y and reached HUF 1.3 billion, though in 2Q it dropped by 9% due to increasing operational expenses. The latter is a reflection of bonus payments and hence, higher personal costs (+28% q-o-q), and also higher marketing costs related to new product campaigns. Also, banking security expenses put additional pressure on operational costs.

Net interest income grew moderately q-o-q (+3%), but it was robust y-o-y (+24%). Weaker NII dynamism in Q2 is a result of margin erosion in the retail segment and higher borrowing costs paid on mortgage bonds. Net F&C performed nicely both y-o-y and q-o-q (+64% and 25% respectively). Such result was supported by strong fee generation in card and lending business and OBS also received a one-off performance fee transfer from a development agency.

Other non interest income increased sharply y-o-y (+57%), while 2Q had a moderate growth of 5%. This line was supported by a descent FX-gain, while the shortfall of results from one-off asset sales (1Q) had a negative effect on that item.

Tax burden grew y-o-y as a result of a change in regulation, hence deferred tax payment in 1H 2008 had a negative effect of HUF 188 million on earnings.

Loan growth dynamism was spectacular y-o-y (+41%) and strong in 2Q (+12%).Given the significantly lower deposit growth (retail deposits increased by 4% q-o-q, while corporate deposits dropped 3% respectively), loan-to-deposit ratio grew by 12.2% and reached 115.9% at end-June.

Amid the lending expansion, loan quality improved in 2Q, NPL ratio dropped to 3.1% (-0.7% q-o-q), whereas the NPL coverage grew to 32.5% (+4.3% q-o-q).

In 2Q OBS managed to improve its market position almost in all segments, but housing loans: in consumer lending it reached 2.72% (+13 bps), while corporate lending share was at 4.6% (+54 bps). On the deposit side both retail and corporate volumes improved by 9 bps and 33 bps respectively, reaching 2.65% and 2.92%.

OTP BANKA SRBIJA

Performance of OTP banka Srbija:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	830	2,334	181.1%	459	2,276	58	-97.4%	-87.3%
One-off items, after-tax[1]	-103	2,147	-2191.0%	-257	2,088	59	-97.2%	-122.9%
After tax profit w/o dividends, net cash transfers and one-offs	933	188	-79.9%	716	188	-1	-100.3%	-100.1%
Pre-tax profit	935	190	-79.7%	716	188	2	-98.9%	-99.7%
Total income	5,943	5,479	-7.8%	3,029	2,698	2,781	3.1%	-8.2%
Net interest income	3,448	3,225	-6.5%	1,603	1,688	1,537	-9.0%	-4.2%
Net fees and commissions	1,217	1,211	-0.5%	579	541	670	23.7%	15.6%
Other net non-interest income	1,278	1,044	-18.3%	847	469	575	22.6%	-32.1%
Provisions for possible loan losses	-709	-260	-63.3%	-203	-83	-177	112.6%	-12.8%
Other provisions	-333	-146	-56.1%	-90	-171	25	-114.5%	-127.6%
Operating expenses	-3,966	-4,883	23.1%	-2,021	-2,256	-2,627	16.4%	30.0%
Main components of balance sheet in HUF mn	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Total Assets	99,814	135,683	35.9%	99,814	119,552	135,683	13.5%	35.9%
Gross customer loans	49,792	84,972	70.7%	49,792	75,182	84,972	13.0%	70.7%
Retail loans	12,785	20,348	59.2%	12,785	18,705	20,348	8.8%	59.2%
Corporate loans	37,007	64,624	74.6%	37,007	56,477	64,624	14.4%	74.6%
Provisions	-3,333	-4,502	35.1%	-3,333	-4,310	-4,502	4.5%	35.1%
Deposits from customers	40,523	38,363	-5.3%	40,523	35,771	38,363	7.2%	-5.3%
Retail deposits	20,277	18,449	-9.0%	20,277	18,403	18,449	0.3%	-9.0%
Corporate deposits	20,247	19,914	-1.6%	20,247	17,368	19,914	14.7%	-1.6%
Liabilities to credit institutions	18,022	22,965	27.4%	18,022	24,209	22,965	-5.1%	27.4%
Subordinated debt	0	31,968		0	15,557	31,968	105.5%	
Total shareholders' equity	38,502	39,368	2.2%	38,502	41,270	39,368	-4.6%	2.2%
Loan Quality (%)	**30/06/2007**	**30/06/2008**	**Y-o-Y**	**30/06/2007**	**31/03/2008**	**30/06/2008**	**Q-o-Q**	**Y-o-Y**
Share of NPLs	17.3%	11.8%	-5.5%	17.3%	12.4%	11.8%	-0.6%	-5.5%

Indicators (%)	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	122.9%	221.5%	98.6%	122.9%	210.2%	221.5%	11.3%	98.6%
Cost/income ratio	66.7%	89.1%	22.4%	66.7%	83.6%	94.5%	10.8%	27.8%
Net interest margin	10.34%	5.23%	-5.11%	6.20%	5.86%	4.84%	-1.02%	-1.36%
ROA	2.8%	0.3%	-2.5%	2.8%	0.7%	0.0%	-0.7%	-2.8%
ROE	8.0%	0.9%	-7.0%	7.6%	1.8%	0.0%	-1.8%	-7.6%

[1] Revaluation result of FX-linked and FX-denominated loans and deposits and in 2008 1Q and 2Q one-off gain on the sale of investments.

- ***After tax profit in 1H grew by 181% y-o-y***
- ***Declining net interest income (-9% q-o-q), narrowing net interest margin because of deteriorating financing conditions***
- ***Significantly increasing loan portfolio (+13% q-o-q, +71% y-o-y)***

In 2Q 2008 OTP banka Srbija posted HUF 58 million after tax profit , so 1H 2008 PAT came at HUF 2.3 billion, +181% y-o-y. One-offs in 1H played significant role. With proceeds from subordinated loan (amounting to CHF 24 million and EUR 60 million, total HUF 16.4 billion), the open FX positions were reduced substantially.

Net interest income declined by 9% q-o-q, while margins narrowed by 102 bps to 4.84%. Country risk premium jumped by 140 bps because of the adverse political developments in the first half of the year, making borrowings from other banks and subordinated loans more expensive. This, together with high mandatory reserve requirements influenced net interest income negatively. Weak net fee and commission income in 1Q improved a lot and rose by 24% q-o-q and 16% y-o-y respectively, mainly as a result of the skyrocketing fees and commissions relating to loans (+78% q-o-q). The reason for this development was an introduction of a new type of fee charged even retrospectively. There were other measures too boosting income from fees and commissions further.

Operating expenses grew by 16% q-o-q and 30% y-o-y. Half of the increment in operating expenses in 2Q 2008 was related to the increase of the personnel expenses (+21% q-o-q), which can be partly explained by the growing number of employees. Operating costs increased by 16% q-o-q.

The pace of lending activity remained strong, similarly to the tendencies shown in the previous quarters. Gross loan portfolio grew by 13% q-o-q and by 71% y-o-y. Corporate loan had a strong performance with an expansion of 14% q-o-q, while volume of retail loans increased by 9% q-o-q, driven by housing loans.

Deposit collection showed a weak performance: although a slight improvement can be observed in the second quarter, the volume of deposits remained below the level reached in 1H 2007. Deposits grew by 7% q-o-q (and by 13% in local currency). Besides stagnating retail deposits and slightly growing corporate deposits (+3% q-o-q), the increase was based on the good performance of the municipality segment. Loan/deposit ratio exceeded 220% in 2Q 2008.

Loan quality improved, with NPL ratio declining to 11.8% (-0.6%point q-o-q) and with NPL coverage stagnating around 40%. Provisions for possible loan losses grew by 113% in 2Q 2008.

CRNOGORSKA KOMERCIJALNA BANKA

Performance of CKB:

Main components of P&L account in HUF mn	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,135	1,546	36.2%	637	636	910	43.2%	42.9%
Pre-tax profit	1,189	1,621	36.4%	663	674	947	40.6%	42.8%
Total income	3,560	5,368	50.8%	2,064	2,519	2,849	13.1%	38.0%
Net interest income	1,792	2,901	61.9%	1,109	1,330	1,571	18.1%	41.6%
Net fees and commissions	1,606	2,194	36.6%	860	945	1,249	32.2%	45.3%
Other net non-interest income	161	274	69.8%	95	244	30	-87.9%	-68.9%
Provisions for possible loan losses	-486	-1,102	126.6%	-360	-605	-497	-17.9%	38.0%
Other provisions	-37	-49	31.2%	-37	-14	-35	157.9%	-5.5%
Operating expenses	-1,848	-2,597	40.5%	-1,003	-1,227	-1,370	11.7%	36.5%

Main components of balance sheet in HUF mn	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Total Assets	186,031	277,414	49.1%	186,031	270,289	277,414	2.6%	49.1%
Gross customer loans	129,578	206,341	59.2%	129,578	203,528	206,341	1.4%	59.2%
Retail loans	90,253	132,345	46.6%	90,253	133,513	132,345	-0.9%	46.6%
Corporate loans	39,325	74,052	88.3%	39,325	70,015	74,052	5.8%	88.3%
Provisions	-480	-2,399	400.2%	-480	-2,114	-2,399	13.5%	400.2%
Deposits from customers	155,396	212,807	36.9%	155,396	219,861	212,807	-3.2%	36.9%
Retail deposits	76,616	106,549	39.1%	76,616	113,472	106,549	-6.1%	39.1%
Corporate deposits	78,779	106,258	34.9%	78,779	106,390	106,258	-0.1%	34.9%
Liabilities to credit institutions	11,971	38,656	222.9%	11,971	27,795	38,656	39.1%	222.9%
Subordinated debt	2,951	2,844	-3.6%	2,951	3,112	2,844	-8.6%	-3.6%
Total shareholders' equity	9,213	14,908	61.8%	9,213	11,475	14,908	29.9%	61.8%
Loan Quality (%)	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Share of NPLs	5.0%	3.3%	-1.7%	5.0%	2.6%	3.3%	0.7%	-1.7%
Market share (%)	30/06/2007	30/06/2008	Y-o-Y	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
Loans	35.1%	31.3%	-3.8%	35.1%	31.8%	31.3%	-0.5%	-3.8%
Deposits	40.0%	38.9%	-1.1%	40.0%	39.6%	38.9%	-0.8%	-1.1%
Total Assets	35.6%	33.0%	-2.6%	35.6%	33.4%	33.0%	-0.3%	-2.6%
Indicators (%)	1H 2007	1H 2008	Y-o-Y	2Q 2007	1Q 2008	2Q 2008	Q-o-Q	Y-o-Y
Gross loans to deposits	83.4%	97.0%	13.6%	83.4%	92.6%	97.0%	4.4%	13.6%
Cost/income ratio	51.9%	48.4%	-3.5%	48.6%	48.7%	48.1%	-0.6%	-0.5%
Net interest margin	2.25%	2.17%	-0.08%	2.56%	2.02%	2.31%	0.29%	-0.26%
ROA	1.4%	1.2%	-0.3%	1.5%	1.0%	1.3%	0.4%	-0.1%
ROE	30.4%	24.4%	-6.0%	28.6%	23.2%	27.8%	4.6%	-0.8%

- ***Outstanding profitability ratio, robust 2Q PAT growth (+43.2% q-o-q, 36.2% y-o-y)***
- ***Strong NII backed by strong volumes***
- ***Steady loan growth (+59.2% y-o-y), somewhat slower deposit growth (36.9%)***

CKB's 1H profit after tax exceeded HUF 1.5 billion, an increase of 36% y-o-y. With its ROE of 24.4% the Montenegrin subsidiary was one of the most profitable banks within the Group.

The local banking sector had a spectacular rally in recent 12 months, lending volumes were fuelled by a strong growth in the retail sector. In 2Q the dynamism of household lending at CKB slowed down, but corporate lending remained strong. As a result, out of the total loan book the share of retail loans declined.

Due to fierce price competition deposit growth was negative in 2Q and CKB's loan-to-deposit ratio increased to 97% (+13.6% y-o-y).

In future, robust lending will require higher borrowing costs through more expensive interbank facilities.

With the robust volume growth credit quality somewhat worsened and NPLs grew to 3.3% (+0.7% q-o-q), but their level is below the Group average. Despite of the rapid growth in provisioning (+126%) coverage ratio is surprisingly low (1.7%), but it is in accordance with local regulations.

The main engine of the steady profit growth in 1H was the outstanding increase of NII (+61.9%). Net F&C performed nicely, too both q-o-q and y-o-y. Credit card related F&C was strong, the number of issued cards reached 180K by end-June.

Despite of the significant growth in 1H operational expenses (+40.5% y-o-y), cost-to-income ratio improved by 3.5% y-o-y and dropped to 48.4%. Network expansion is on track, CKB opened 3 new branches in 2Q.

In order to keep regulatory capital at adequate level in July CKB received EUR 15 million capital injection.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of the whole group was 34,025 people as of June 30, 2008, during the first half of the year the staff increased by 963 persons. The rapid staff expansion of the second quarter (+983 persons q-o-q), was mainly the consequence of the branch network expansion of the subsidiaries, and the enhancement of other distribution channels.

(In 2Q 2008 number of employees grew by 91 persons at DSK and by 185 persons at CJSC OTP Bank.

The closing number of OTP Bank staff was 8,424 on June 30, 2008, 179 persons more than at the end of June, 2007.

	30/06/2007	31/03/2008	30/06/2008	Q-o-Q	Y-o-Y
OTP BANK					
Closing staff (persons)	8,245	8,405	8,424	0.2%	2.2%
Average staff (persons)	8,198	8,305	8,312	0.1%	1.4%
Per capita total assets (HUF mn)	568.2	646.1	620.4	-4.0%	9.2%
Per capita profit after tax quarterly (HUF mn)	3.8	5.2	5.5	5.6%	43.6%
GROUP					
Closing staff (persons)	29,035	33,041	34,025	3.0%	17.2%
Average staff (persons)	28,802	32,304	33,456	3.6%	16.2%
Per capita consolidated total assets (HUF mn)	261.5	274.0	260.3	-5.0%	-0.5%
Per capita consolidated profit after tax quarterly (HUF mn)	1.8	1.7	2.2	30.2%	26.0%

Network of OTP Group grew by 43 branches in 1H 2008. The most branches were opened in Russia, and in Ukraine (+19, and +17 respectively). . Parallel with the network extension there was a significant staff increase, and the network enlargement will continue in 2H, too.. ATM and POS network of the Group widened further, the number of issued cards grew significantly, especially in case of OAO OTP Bank, DSK Bank and OBR.

	June 30, 2008						Change YTD					
	Branches	ATMs	POSs	Bank cards (th)	Number of banking clients (th)	Staff (closing)	Branches	ATMs	POSs	Bank cards	Number of clients	Staff (closing)
OTP Bank	**406**	**2,016**	**32,171**	**4,006**	**4,769**	**8,424**	***-3***	***35***	***294***	***15***	***11***	***-70***
DSK Bank	383	808	2,922	1,584	3,689	4,049	*8*	*19*	*525*	*75*	*59*	*26*
OTP Banka Slovensko	90	118	521	115	177	797	*0*	*3*	*38*	*8*	*8*	*14*
OTP banka Hrvatska	103	136	1,100	342	425	1,064	*3*	*17*	*34*	*19*	*-10*	*48*
OTP Bank Romania	104	123	224	98	162	1,098	*0*	*23*	*144*	*21*	*22*	*100*
CJSC OTP Bank	175	146	300	130	0	3,858	*17*	*47*	*43*	*-5*	*-168*	*358*
OAO OTP Bank	121	176	1,995	2,558	3,644	8,109	*19*	*28*	*9*	*577*	*348*	*-259*
OTP banka Srbija	96	208	2,723	86	0	1,242	*-4*	*37*	*268*	*-53*	*-182*	*68*
CKB	37	74	2,338	182	285	484	*3*	*0*	*433*	*7*	*17*	*61*
Subsidiaries total	**1,109**	**1,789**	**12,123**	**5,097**	**8,382**	**20,701**	***46***	***174***	***1,494***	***649***	***95***	***416***
Group total (aggregated)	**1,515**	**3,805**	**44,294**	**9,102**	**13,151**	**34,025**	***43***	***209***	***1,788***	***663***	***106***	***963***

PERSONAL AND ORGANIZATIONAL CHANGES

- The AGM of Bank held on 25 April, 2008 re-elected Deloitte Auditing and Consulting Ltd. as the Bank's auditor, and also approved the nomination of Zsuzsanna Nagyváradiné Szépfalvi as the person responsible for auditing.
- According to the decision of AGM: Dr. László Urbán and Dr. György Szapáry were elected into the Bank's Board of Directors until the closing AGM of the fiscal year 2010 but latest until 30 April, 2011.
- According to the decision of AGM: Mr. Tibor Tolnay, Dr. Gábor Horváth, Jean-Francois Lemoux were elected into the Bank's Supervisory Board until the closing AGM of the fiscal year 2010 but latest until 30 April, 2011.
- Mr. Gábor Horváth, Mr. Tibor Tolnay and Jean-Francois Lemoux were elected into the Audit Committee in line with the provisions of the By-Laws of the Company until the closing AGM of the fiscal year 2010 but latest until 30 April, 2011.

Budapest, August 13, 2008

FINANCIAL DATA

NON-CONSOLIDATED AND CONSOLIDATED IFRS BALANCE SHEET

in HUF million	OTP Bank			Consolidated		
	30/06/2008	30/06/2007	change	30/06/2008	30/06/2007	change
Cash, due from banks and balances with the National Bank of Hungary	205,298	206,220	-0.4%	324,528	292,495	11.0%
Placements with other banks, net of allowance for possible placement losses	850,195	764,306	11.2%	685,007	654,212	4.7%
Financial assets at fair value through profit and loss	195,792	71,355	174.4%	321,561	201,112	59.9%
Securities held-for-trading	74,439	40,481	83.9%	198,770	169,971	16.9%
Fair value adjustment of derivative financial instruments	121,353	30,874	293.1%	122,791	31,141	294.3%
Securities available-for-sale	300,594	367,244	-18.1%	461,797	462,459	-0.1%
Loans, net of allowance for possible loan losses	2,294,330	1,843,789	24.4%	5,964,843	4,834,832	23.4%
Accrued interest receivable	44,347	44,964	-1.4%	75,473	64,352	17.3%
Investments in subsidiaries	650,516	601,693	8.1%	14,522	8,659	67.7%
Securities held-to-maturity	515,928	637,201	-19.0%	286,311	399,989	-28.4%
Premises, equipment and intangible assets, net	110,615	100,430	10.1%	526,465	509,606	3.3%
Other assets	57,334	47,340	21.1%	192,739	164,394	17.2%
TOTAL ASSETS	**5,224,949**	**4,684,542**	**11.5%**	**8,853,246**	**7,592,110**	**16.6%**
Due to banks and deposits from the National Bank of Hungary and other banks	467,906	521,908	-10.3%	671,151	684,414	-1.9%
Deposits from customers	3,022,529	2,587,332	16.8%	5,069,415	4,364,756	16.1%
Liabilities from issued securities	484,996	381,308	27.2%	1,340,561	940,008	42.6%
Accrued interest payable	36,094	36,490	-1.1%	91,461	78,790	16.1%
Other liabilities	169,020	149,094	13.4%	443,004	388,283	14.1%
Subordinated bonds and loans	279,628	290,697	-3.8%	292,079	293,481	-0.5%
TOTAL LIABILITIES	**4,460,173**	**3,966,829**	**12.4%**	**7,907,671**	**6,749,732**	**17.2%**
SHARE CAPITAL	28,000	28,000	0.0%	28,000	28,000	0.0%
RETAINED EARNINGS AND RESERVES	821,849	689,713	19.2%	1,053,065	870,790	20.9%
Retained earnings and reserves without earnings	733,562	607,424	20.8%	923,864	769,773	20.0%
Reserves	716,358	582,152	23.1%	783,753	617,433	26.9%
Fair value adjustment of securities available-for-sale and of derivative financial instruments recognised directly through equity	-4,805	8,680	-155.4%	-8,924	3,567	-350.2%
Fair value adjustment of share based payments	22,009	16,592	32.6%	22,009	16,592	32.6%
Additional reserve (issued capital element)				127,026	132,181	-3.9%
Retained earnings	88,287	82,289	7.3%	129,201	101,017	27.9%
TREASURY SHARES	-85,073	0		-141,932	-61,537	130.6%
MINORITY INTEREST				6,442	5125	25.7%
TOTAL SHAREHOLDERS' EQUITY	**764,776**	**717,713**	**6.6%**	**945,575**	**842,378**	**12.3%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,224,949**	**4,684,542**	**11.5%**	**8,853,246**	**7,592,110**	**16.6%**

NON-CONSOLIDATED AND CONSOLIDATED IFRS PROFIT AND LOSS ACCOUNT

in HUF million	OTP Bank			Consolidated		
	1H 2008	1H 2007	change	1H 2008	1H 2007	change
Loans	110,340	96,821	14.0%	330,714	277,883	19.0%
Interest income without swap	106,263	94,338	12.6%	326,637	275,397	18.6%
Results of swaps	4,077	2,483	64.2%	4,077	2,486	64.0%
Placements with other banks	123,902	45,130	174.5%	111,208	43,009	158.6%
Interest income without swap	19,445	18,831	3.3%	9,841	11,095	-11.3%
Results of swaps	104,457	26,299	297.2%	101,367	31,914	217.6%
Due from banks and balances with the National Bank of Hungary	6,671	5,947	12.2%	7,951	6,439	23.5%
Securities held-for-trading	2,367	1,689	40.1%	3,982	4,014	-0.8%
Securities available-for-sale	9,750	12,249	-20.4%	17,112	16,119	6.2%
Securities held-to-maturity	23,207	26,941	-13.9%	12,899	16,366	-21.2%
Total Interest Income	276,237	188,777	46.3%	483,866	363,830	33.0%
Due to banks and deposits from the National Bank of Hungary and other banks	52,240	31,735	64.6%	56,281	37,696	49.3%
Interest expenses without swap	13,171	9,937	32.5%	18,366	12,896	42.4%
Losses of swaps	39,069	21,798	79.2%	37,915	24,800	52.9%
Deposits from customers	67,238	53,467	25.8%	101,367	84,309	20.2%
Interest expenses without swap	65,103	51,201	27.2%	99,232	82,028	21.0%
Losses of swaps	2,135	2,266	-5.8%	2,135	2,281	-6.4%
Liabilities from issued securities	10,609	6,731	57.6%	33,312	23,774	40.1%
Subordinated bonds and loans	8,354	7,707	8.4%	8,854	7,831	13.1%
Other entrepreneurs				37	50	-26.0%
Total Interest Expense	138,441	99,640	38.9%	199,851	153,660	30.1%
NET INTEREST INCOME	**137,796**	**89,137**	**54.6%**	**284,015**	**210,170**	**35.1%**
Provision for possible loan losses	7,870	5,000	57.4%	29,654	28,023	5.8%
Provision for possible placement losses	1	0		30	90	-66.7%
Provision for possible loan and placement losses	7,871	5,000	57.4%	29,684	28,113	5.6%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	129,925	84,137	54.4%	254,331	182,057	39.7%
Fees and commissions	76,114	75,495	0.8%	88,557	79,090	12.0%
Foreign exchange gains and losses, net	-30,216	7,015	-530.7%	-13,559	8,421	-261.0%
Gains and losses on securities, net	-561	-975	-42.5%	-419	6,839	-106.1%
Gains and losses on real estate transactions, net	-2	-6	-66.7%	760	847	-10.3%
Dividend income and gains and losses of associated companies	15,964	18,578	-14.1%	1,061	605	75.4%
Insurance premiums				43,459	37,807	14.9%
Other	1,307	997	31.1%	11,428	20,915	-45.4%
Total Non-Interest Income	62,606	101,104	-38.1%	131,287	154,524	-15.0%
Fees and commissions	11,746	10,515	11.7%	19,793	18,155	9.0%
Personnel expenses	36,723	35,026	4.8%	81,189	71,316	13.8%
Depreciation and amortization	11,285	9,995	12.9%	19,650	17,529	12.1%
Insurance expenses				31,651	32,094	-1.4%
Other	35,203	35,518	-0.9%	81,961	74,534	10.0%
Total Non-Interest Expense	94,957	91,054	4.3%	234,244	213,628	9.7%
INCOME BEFORE INCOME TAXES	**97,574**	**94,187**	**3.6%**	**151,374**	**122,953**	**23.1%**
Income taxes	9,287	11,898	-21.9%	21,756	21,755	0.0%
INCOME AFTER INCOME TAXES	**88,287**	**82,289**	**7.3%**	**129,618**	**101,198**	**28.1%**
Minority interest				-417	-181	130.4%
NET INCOME	**88,287**	**82,289**	**7.3%**	**129,201**	**101,017**	**27.9%**

NON-CONSOLIDATED AND CONSOLIDATED IFRS CASH-FLOW STATEMENT

in HUF million	OTP Bank			Consolidated		
	1H 2008	1H 2007	change	1H 2008	1H 2007	change
OPERATING ACTIVITIES						
Income before income taxes	97,574	94,187	3.6%	151,374	122,953	23.1%
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-6,100	-12,006	49.2%	-15,559	-19,614	20.7%
Depreciation and amortization	11,285	9,995	12.9%	19,650	17,529	12.1%
Provision for loan and placement losses	5,100	7,592	-32.8%	31,204	32,559	-4.2%
Net increase in insurance reserves	0	0	0.0%	5,591	8,306	-32.7%
Share-based compensation	2,856	2,562	11.5%	2,856	2,562	11.5%
Unrealised losses on fair value adjustment of securities held of trading	1,164	61		1,015	62	
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	-45,040	1,757		-27,405	908	
Changes in operating assets and liabilities	11,020	8,308	32.6%	49,798	-60,192	182.7%
Net cash provided by operating activities	**77,589**	**112,455**	**-31.0%**	**218,524**	**105,073**	**108.0%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-87,914**	**-378,559**	**76.8%**	**-403,322**	**-495,531**	**18.6%**
FINANCING ACTIVITIES						
Net cash provided by financing activities	**-25,771**	**43,018**	**-159.9%**	**142,457**	**149,423**	**-4.7%**
Net (decrease) / increase in cash and cash equivalents	**-35,826**	**-223,086**	**83.9%**	**-42,341**	**-241,035**	**82.4%**
Cash and cash equivalents at the beginning of the period	73,441	294,581	-75.1%	194,860	396,658	-50.9%
Cash and cash equivalents at the end of the period	**37,615**	**71,495**	**-47.4%**	**152,519**	**155,623**	**-2.0%**
DETAILS OF CASH AND CASH EQUIVALENTS						
Cash, due from banks and balances with the National Bank of Hungary	229,644	429,325	-46.5%	353,243	532,625	-33.7%
Mandatory reserve established by the National Bank of Hungary	-156,203	-134,744	-15.9%	-158,383	-135,967	-16.5%
Cash and equivalents at the beginning of the period	**73,441**	**294,581**	**-75.1%**	**194,860**	**396,658**	**-50.9%**
Cash, due from banks and balances with the National Bank of Hungary	205,298	206,220	-0.4%	324,528	292,495	11.0%
Compulsory reserve established by the National Bank of Hungary	-167,683	-134,725	-24.5%	-172,009	-136,872	-25.7%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**37,615**	**71,495**	**-47.4%**	**152,519**	**155,623**	**-2.0%**

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	January 1, 2008			June 30, 2008		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	5.5%	5.7%	15,395,349	8.5%	8.7%	23,713,748
Foreign institution/company	83.8%	86.4%	234,776,578	80.3%	82.7%	224,885,935
Domestic individual	3.9%	4.0%	10,857,968	4.4%	4.6%	12,399,071
Foreign individual	0.0%	0.0%	72,730	0.0%	0.0%	45,224
Employees, senior officers	2.0%	2.1%	5,598,027	2.0%	2.1%	5,701,607
Treasury shares	2.9%	0.0%	8,179,328	2.9%	0.0%	8,119,168
Government held owner[3]	0.3%	0.3%	920,030	0.3%	0.3%	935,257
International Development Institutions[4]	1.5%	1.5%	4,200,000	1.5%	1.5%	4,200,000
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	100.0%	100.0%	280,000,010	100.0%	100.0%	280,000,010

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

Number of treasury shares held in the year under review

	January 1	March 31	June 30	September 30	December 31
Company	6,080,768	10,743,108	6,020,608		
Subsidiaries	2,098,560	2,098,560	2,098,560		
TOTAL	8,179,328	12,841,668	8,119,168		

Shareholders with over/around 5% stake

Name	Number of shares	Ownership	Voting rights
Julius Baer Investment Management LLC	28,595,389	10.21%	10.52%
Bank of New York	25,484,481	9.10%	9.37%
Megdet, Timur és Ruszlan Rahimkulov	23,615,619	8.43%	8.69%
Deutsche Bank AG	13,926,282	4.97%	5.12%

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

	End of reference period	Current period opening	Current period closing
Bank	8,245	8,494	8,424
Consolidated	29,035	33,062	34,025

Senior officers, strategic employees and their shareholding of OTP shares

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	200,000
IT	Mihály Baumstark	member	50,000
IT	Dr. Tibor Bíró	member	45,000
IT	Péter Braun	member	599,905
IT	Dr. István Kocsis	member	103,500
IT	Dr. Sándor Pintér	member	49,350
IT	Dr. Antal Pongrácz	member, Deputy CEO	230,000
IT	Dr. György Szapáry	member	0
IT	Dr. László Urbán	Deputy CEO	539
IT	Dr. László Utassy	member	90,000
IT	Dr. József Vörös	member	115,200
FB	Tibor Tolnay	Chairman	80,580
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member, Deputy CEO	33,000
FB	Jean-Francois Lemoux	member	0
FB	András Michnai	member	15,600
SP	Dr. István Gresa	Deputy CEO	63,758
SP	Ákos Takáts	Deputy CEO	143,347
SP	László Wolf	Deputy CEO	767,640
TOTAL No. of shares held by management:			**2,597,419**

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

SUPPLEMENTARY DATA

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

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

(1) Strategic open FX position: in 2007 net FX result of EUR 570 million short position, in 1Q 2008 net FX result of EUR 515 million +USD 79.5 million short position.

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

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

(4) Corporate Centre: Interest expense of Tier2 Capital plus net interest and non-interest income of foreign subsidiary financing realised by OTP Bank and OTP Financing Cyprus.

(5) Net interest and non interest income of subsidiary financing realised by OTP Bank and OTP Financing Cyprus.

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

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

(8) After tax revaluation result of FX-linked and FX-denominated loans and deposits and in 1H 2008 one-off gain on the sale of investments.

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

(10) OTP Leasing a.s (Slovakia)

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

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

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

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

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

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

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

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

- Received dividends, received and paid cash transfers, together with the after tax profit of strategic open FX position is shown separately and after-tax on the adjusted P&L.
- Out of net Foreign exchange results, fair value adjustment (FVA) of the spot leg of FX swaps has been added to Net Interest Income.
- Any earnings within net gain/loss on securities related to FX swaps have been added to Net Interest Income.
- Insurance premiums and insurance expenses are netted and shown as part of other net non-interest income.
- Other non-interest income elements stemming from provisioning release in connection with loans originated before the acquisitions have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates net other non-interest income from non-financial activities.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs on the adjusted P&L. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets. Paid cash transfers – excluding movie subsidies, which are quasi marketing expenses but kept as paid cash transfer on the P&L - are also deducted from other expenses, together with the above mentioned other non-interest expenses stemming from non-financial activities.
- Provisioning accruals of NPLs' interest income at OAO OTP Bank (Russia) is reclassified from other risk costs to net interest income from 4Q 2007. The reclassification is carried out on both consolidated and non-consolidated level.
- In 1Q 2008, parallel cash transfer and provision release (having net 0 P&L effect) stemming from the closing of a legal case were netted both on OTP Group consolidated and OTP Core consolidated level.
- Cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding received dividends and net cash transfers and the after tax result of strategic open FX position. Cost/income ratio is calculated from operating costs, excluding other risk costs.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 2007	2Q 2007	1H 2007	1Q 2008	2Q 2008	1H 2008
Net interest income	**107,759**	**102,411**	**210,170**	**114,608**	**169,408**	**284,015**
(+) Foreign exchange result of swap transactions	-3,813	1,154	-2,659	4,728	-43,998	-39,270
(+) Gain on securities due to swap transactions	758	3,672	4,430	0	0	0
(+) Other provisioning accruals (other risk costs) after NPLs' interest income (OTP Russia)	0	0	0	-1,463	-1,416	-2,879
Net interest income (adj)	**104,704**	**107,237**	**211,941**	**117,873**	**123,994**	**241,866**
Foreign exchange result on Consolidated IFRS P&L	**2,286**	**6,135**	**8,421**	**10,056**	**-23,615**	**-13,559**
(-) Foreign exchange result of swap transactions	-3,813	1,154	-2,659	4,728	-43,998	-39,270
(-) Result of strategic open FX position	2,548	1,100	3,648	-2,232	12,625	10,393
Foreign exchange result (adj.)	**3,551**	**3,881**	**7,432**	**7,560**	**7,758**	**15,318**
Gain/loss on securities, net	**1,609**	**5,230**	**6,839**	**-3,348**	**2,929**	**-418**
(-) Gain/loss on securities due to swap transactions	758	3,672	4,430	0	0	0
Gain/loss on securities, net (adj.)	**851**	**1,558**	**2,409**	**-3,348**	**2,929**	**-418**
Gains and losses on real estate transactions	**239**	**608**	**847**	**172**	**588**	**760**
(+) Other non-interest income	**15,556**	**5,359**	**20,915**	**5,446**	**5,983**	**11,429**
(-) Received cash transfers	19	-11	9	1	-8	-8
(-) Non-interest income from the release of pre-acquisition provisions	10,267	556	10,823	547	1,023	1,570
(+) Other non-interest expenses	-620	-1,412	-2,032	-432	-338	-770
Net other non-interest result (adj)	**4,887**	**4,011**	**8,898**	**4,638**	**5,218**	**9,856**
Provision for possible loan losses	**-21,272**	**-6,841**	**-28,113**	**-12,826**	**-16,859**	**-29,685**
(+) Non-interest income from the release of pre-acquisition provisions	10,267	556	10,823	547	1,023	1,570
Provision for possible loan losses (adj)	**-11,005**	**-6,285**	**-17,290**	**-12,279**	**-15,836**	**-28,114**
Other expenses	**-35,559**	**-38,976**	**-74,535**	**-40,032**	**-41,929**	**-81,961**
(-) Other provisions	-1,778	-2,667	-4,445	750	-2,270	-1,520
(-) Paid cash transfers	-89	-182	-271	-2,202	-598	-2,800
(+) Film subsidies paid as cash transfer	-60	-154	-214	-129	-595	-725
(-) Other non-interest expenses	-620	-1,412	-2,032	-432	-338	-770
Other expenses (adj)	**-33,131**	**-34,870**	**-68,001**	**-38,278**	**-39,318**	**-77,595**
Other risk costs	**-1,778**	**-2,667**	**-4,445**	**750**	**-2,270**	**-1,520**
(-) Other provisioning accruals (other risk costs) after NPLs' interest income (OTP Russia)	0	0	0	-1,463	-1,416	-2,879
(-) Other provisioning release of Bagat transaction	0	0	0	2,070	0	2,070
Other risk costs (adj)	**-1,778**	**-2,667**	**-4,445**	**143**	**-855**	**-711**
After tax dividends and net cash transfers	**59**	**282**	**342**	**-1,402**	**-345**	**-1,747**
(-) Paid cash transfer due to Bagat transaction	0	0	0	-2,070	0	-2,070
(-) Film subsidies paid as cash transfer	-60	-154	-214	-129	-595	-725
After tax dividends and net cash transfers	**119**	**437**	**556**	**798**	**250**	**1,048**

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OTP Bank Plc.

Postal address: P.O.Box: 501 Budapest H-1876 Hungary

Phone: +36 1 473 5460

Fax: +36 1 473 5951

E-mail: investor.relations@otpbank.hu

Internet: www.otpbank.hu