



**OTP Bank Ltd.**

**2006 First Quarter  
Stock Exchange Report**

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

**Budapest, May 15, 2006**

## OTP BANK LTD.'S STOCK EXCHANGE REPORT FOR THE FIRST QUARTER OF 2006

OTP Bank Ltd. has prepared its non-consolidated and consolidated, non-audited IFRS report for March 31, 2006. Below we present our analysis derived from the unconsolidated and the consolidated condensed IFRS financial statements adopted by the European Union of March 31, 2006. The differences between HAR and IFRS data presented are summarized in the end of the report.

### SUMMARY OF THE FIRST QUARTER OF 2006

The main features of 1Q 2006 were the unchanged base rate environment, a volatile and depreciating local currency and rising domestic yield levels. The dynamics of the lending market eased a bit compared to the previous quarter, partially due to seasonal effects, while the deposit market was dominated by campaigns of all major commercial banks. The competition became fiercer, especially in the retail segment, where FX-linked lending continued gaining ground.

The Bank achieved mixed results in maintaining its market share: compared to 4Q 2005 in terms of deposits the Bank lost 1.6%-point, within that its share in retail deposits dropped by 1.2%-point, and 0.2%-point in case of total loans, respectively. At the same time it managed to strengthen its position in the FX-linked mortgage lending (+0.5%-point) getting a significant boost from the guaranteed FX mortgage products being offered since February, and also in the high margin consumer lending business (+0.2%-point). Overall, in terms of total assets the Bank's share declined by 0.4%-point.

### FINANCIAL HIGHLIGHTS (IFRS consolidated):

	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Total assets (HUF bn)	4,737.6	5,215.9	5,444.8	4.4%	14.9%
Total loans and advances (gross) (HUF bn)	2,827.1	3,297.2	3,417.7	3.7%	20.9%
Total deposits (HUF bn)	3,282.7	3,428.2	3,518.2	2.6%	7.2%
Gross loan/deposit ratio	86.1%	96.2%	97.1%	1.0%	11.0%
Shareholders' equity (HUF bn)	429.7	547.5	539.1	-1.5%	25.5%
Balance sheet gearing	11.0	9.5	10.1	6.0%	-8.4%
Net interest income (HUF bn)	65.5	80.0	71.3	-10.9%	9.0%
Net interest margin before provision	5.88%	6.32%	5.35%	-0.97%	-0.53%
Non-interest income (HUF bn)	47.5	56.3	64.5	14.5%	35.8%
Non-interest expenses (HUF bn)	60.3	79.4	75.6	-4.7%	25.5%
Total income (with net fees)	108.2	130.2	129.6	-0.5%	19.8%
Operating cost	55.5	73.2	69.4	-5.2%	25.0%
Cost to income ratio <sup>1</sup>	51.3%	56.2%	53.5%	-2.7%	2.2%
Pre-tax profits (HUF bn)	45.9	50.5	54.3	7.5%	18.2%
After tax profits (HUF bn)	38.4	40.9	46.2	13.0%	20.4%
EPS base (HUF)	146	156	179	14.9%	23.0%
EPS fully diluted (HUF)	146	155	179	15.6%	22.8%
Average assets (HUF bn)	4,450.0	5,063.2	5,330.4	5.3%	19.8%
Return on Assets	3.45%	3.23%	3.47%	0.24%	0.02%
Return on Equity	35.5%	30.5%	34.0%	3.5%	-1.5%

The consolidated gross loan book grew by 3.7% on a quarterly base; it represents a 20.9% year-on-year growth. Deposits were growing less rapidly (2.6% q-o-q and 7.2% y-o-y), thus the loan-to-deposit ratio of the Bank increased to 97.1% (+1%-point q-o-q and 11.0%-point y-o-y). The lending activity was mainly financed from the deposits, in the 1Q the Bank did not use any capital market funding.

The consolidated total assets were close to HUF 5,445 billion, a yearly growth of 14.9% (4.4% q-o-q), shareholders' equity reached HUF 539.1 billion.

Despite to the descent growth in lending, the 1Q 2006 net interest income dropped to HUF 71.3 billion, an decrease of 10.9% q-o-q, without the swap results it was still lower (HUF 74.6 billion) than in 4Q 2005. The decline is the reflection of the competitive pressure. Due to this, the net interest margin in 1Q 2006 dropped by 97 bps, falling to 5.35%, while the swap-adjusted figure (5.60%) shows a less rapid decline of 43 bps.

<sup>1</sup> calculation method: (non-interest expenses - fee expenses) / (net interest income before provisions + non-interest income - fee expenses)

Non interest type revenues showed a more favourable picture growing by 14.5% q-o-q. Net fee and commission income reached HUF 27.3 billion, a 2.9% decline over 4Q 2005, but a steady growth of 28.3% compared to the base period. The net insurance income was HUF 3.7 billion, a 46% improvement y-o-y. Net FX gains (HUF 5.5 billion) were significantly larger than in the 4Q 2005, the main reasons being the result on the FX-leg of the interest rate swaps due to the significant weakening of HUF. Also, gains on securities (HUF 2.2 billion) grew substantially, 174% q-o-q. As a result, within total revenues, the weight of non-interest type income further grew reaching 47.5% (+6.2%-point q-o-q)

Within non-interest expenses personnel costs moderated quite nicely by 18.5% q-o-q, dropping to HUF 22.7 billion, similar to other expenses (HUF 24.4 billion, -10.5% q-o-q); insurance expenses, however exceeded the 4Q figures by 31.5% mainly due to seasonal effects and the reserve making policy of OTP Garancia Insurance.

Despite of the loan growth, especially in the FX segment where the HUF weakened quite substantially, the quality of the loan portfolio remained stable: the qualified portion dropped from 12.8% to 12.5% on a quarterly base while NPL grew from 3.6% to 3.9%. Loan loss provisioning dropped by 8.6% in 1Q 2006 and was HUF 5.9 billion

Due to those developments OTP Group reached HUF 46.2 billion consolidated after tax profit in 1Q, which exceeds the corresponding period of 1Q 2005 by 20.5%, and also by 13.0% higher than in the last quarter 2005.

Within the Group OTP Bank still remained a dominant player, both in terms of volume and earnings. In the first quarter of 2006 its gross loan volume reached HUF 1,545.8 billion, a growth of 3.2% q-o-q and 16.4% y-o-y. Deposits picked up by 1.6%. The Bank's net interest revenue amounted to HUF 37.6 billion (-19% q-o-q), but the swap-adjusted figure was actually the same (HUF 43 billion) like in the previous quarter. Net fee and commission income decreased by 5.6% q-o-q.

As a consequence, its quarterly net earnings of HUF 43.4 billion was similar to the result a year ago (HUF 42.7 billion), and exceeded the last quarter result by 53.5%. Total assets reached HUF 3,760.5 billion (+4.7% q-o-q and 12.8% y-o-y), the Bank's shareholders' equity surpassed to HUF 451 billion (-4.7% q-o-q and 15.6% y-o-y).

Amongst the Hungarian subsidiaries OTP Garancia Insurance managed to keep its market position, whereas its net earnings (HUF 2.3 billion) were more than double a year ago. OTP Mortgage Bank's loan portfolio grew by 3% only, due to the seasonality of the market, however the net result it captured (HUF 2.8 billion) was significantly higher than in 4Q 2005. Despite of narrowing possibilities in car financing, Merkantil Group managed to improve its figures on a yearly base both in terms of earning and volumes (+42.5% and +36.2%, respectively).

Foreign subsidiaries contribution to the Group's balance sheet and earnings further strengthened: they captured 23.9% of total loans (versus 22.3% a year ago), 25.2% of total deposits (versus 22.7%) and delivered 10.3% of total after tax profit (versus 8.2% a year ago).

The most significant contribution to the Group's total earnings came once again from DSK Bank: though its net interest margin of 6.03% shows a 71 bps decline y-o-y, its HUF 5.4 billion profit after tax grew by more than 30% on a yearly base. The gross loan portfolio grew by 10.3% y-o-y, while deposits increased by 22.3%, respectively. As a result, the bank managed to keep its dominant market position in terms of total assets, retail loans and deposits.

OTP Banka Slovensko, a.s. while keeping its market share managed to significantly increase its loan and deposit book (loans: +10.3% q-o-q, +46.1% y-o-y, deposits: +9.6% q-o-q, +22.9% y-o-y), however its profit after tax of HUF 0.3 billion represents a 29% decline on a yearly base.

OTP banka Hrvatska d.d. kept its market share in terms of loans and total assets, while managed to increase its position in case of deposits. Its loan book grew by 39.6% y-o-y, deposits increased by 10.7%, respectively. The profit after tax of HUF 0.7 billion represents a 44.6% quarterly growth.

OTP Bank Romania S.A. dynamically increased its loan book; it grew by 102.2% y-o-y and 39.0% q-o-q. The loss after tax of HUF 0.6 billion was half of that in the previous quarter and reflected the costs of ongoing network enlargement (9 new branches opened) and staff hiring.

Apart from purchasing the Serbian Niška banka a.d. in December 2005 (the financial settlement of the transaction took place in Marc 2006) OTP further strengthened its presence in Serbia with acquiring majority of Zepter banka on March 31, 2006. OTP Bank paid USD 41.3 million for a 75.1% stake in the bank. The transaction is expected to get concluded in 2Q 2006.

#### Post balance sheet events:

The bank held its AGM on April 28, 2006, closing the financial year of 2005. Since the mandate of the Board expired on the 2006 AGM, the resolution on re-electing the members of the Board was – as stipulated by the Article of Association - on the agenda of the AGM. Accordingly, the all the previous members, but Dr. Géza Lenk, had been re-elected; Dr. Lenk had been replaced by Dr. Sándor Pintér, ex-member of the Supervisory Board. The mandate of the elected members of the Board of Directors consists until the AGM closing the financial year of 2010.

## NON CONSOLIDATED AND CONSOLIDATED, NON AUDITED IFRS REPORTS OF OTP BANK LTD. FOR THE PERIOD ENDED MARCH 31, 2006

### CONSOLIDATED IFRS BALANCE SHEET

On March 31, 2006 the consolidated IFRS total assets of the Bank were HUF 5,444.8 billion, representing a HUF 707.2 billion or 14.9% growth over the same period a year earlier. Balance sheet grew by HUF 228.9 billion or 4.4% during 1Q 2006. Consolidated IFRS total assets were 44.8% higher on March 31, 2006 than non-consolidated figure.

The Bank's consolidated shareholders' equity on March 31, 2006 was HUF 539.1 billion, HUF 109.4 billion or 25.5% higher than the consolidated shareholders' equity as of March 31, 2005, and 19.5% higher than the unconsolidated shareholders' equity. During the first quarter of 2006 the consolidated shareholders' equity decreased by HUF 8.4 billion. The shareholders' equity represented the 9.9% of total assets. Book value per share (BVPS) amounted to HUF 1,925 on March 31, 2006.

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	623,047	483,191	551,253	14.1%	-11.5%
Placements with other banks	316,093	438,768	395,073	-10.0%	25.0%
Financial assets at fair value through statements of operations	71,020	48,054	54,150	12.7%	-23.8%
Trading securities	381,373	409,945	409,117	-0.2%	7.3%
<b>Gross loans</b>	<b>2,827,097</b>	<b>3,297,218</b>	<b>3,417,720</b>	<b>3.7%</b>	<b>20.9%</b>
Provisions on loans	85,010	105,920	111,353	5.1%	31.0%
Net loans	2,742,087	3,191,298	3,306,367	3.6%	20.6%
Equity investments	10,310	12,357	13,264	7.3%	28.7%
Securities held-to-maturity	264,060	289,803	269,054	-7.2%	1.9%
Intangible assets	221,378	233,245	249,921	7.1%	12.9%
Other assets	108,214	109,241	196,615	80.0%	81.7%
<b>ASSETS</b>	<b>4,737,582</b>	<b>5,215,902</b>	<b>5,444,814</b>	<b>4.4%</b>	<b>14.9%</b>
Liabilities to credit institutions	346,682	364,124	412,107	13.2%	18.9%
<b>Liabilities to customers</b>	<b>3,282,712</b>	<b>3,428,193</b>	<b>3,518,178</b>	<b>2.6%</b>	<b>7.2%</b>
Issued securities	314,653	543,460	555,853	2.3%	76.7%
Other liabilities	317,069	285,630	370,630	29.8%	16.9%
Subordinated loans	46,805	47,023	48,996	4.2%	4.7%
<b>LIABILITIES</b>	<b>4,307,921</b>	<b>4,668,430</b>	<b>4,905,764</b>	<b>5.1%</b>	<b>13.9%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>429,661</b>	<b>547,472</b>	<b>539,050</b>	<b>-1.5%</b>	<b>25.5%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,737,582</b>	<b>5,215,902</b>	<b>5,444,814</b>	<b>4.4%</b>	<b>14.9%</b>
				%-point	%-point
Gross loans/deposits	86.1%	96.2%	97.1%	1.0%	11.0%

On the asset side, cash, deposits and balances with the NBH decreased by 11.5% compared to March 31, 2005, their volume increased in 1Q 2006, by 14.1%. On March 31, 2006 the volume of interbank placements was 25.0% higher y-o-y. They decreased by 10.0% in 1Q 2006.

Financial assets at fair value through profit and loss decreased by 23.8% to HUF 54.2 billion. Within this trading securities declined by 27.0% or HUF 17.3 billion y-o-y.

Available-for-sale securities declined by 0.2% in 1Q 2006 but were HUF 27.7 billion higher than a year earlier. This volume was HUF 36.9 billion higher than non-consolidated figure of the Bank, due to securities held by OTP Garancia Insurance, OTP Building Society, OTP banka Hrvatska subsidiaries and adjustment for mortgage bonds held by the parent bank.

Volume of consolidated loans, net of allowance for possible loan losses grew by 20.6% from HUF 2,742.1 billion on March 31, 2005 to HUF 3,306.4 billion as of March 31, 2006. This represented a 3.6% growth from December 31, 2005. The share of net loans in total assets reached 60.7%, this share was 57.9% at the end of March 31, 2005.

Within consolidated gross business loan volume of HUF 3,417.7 billion, corporate loans represented 35.5% (HUF 1,214.9 billion; +16.4% y-o-y); retail loans 60.3% (HUF 2,059.2 billion; +22.3% y-o-y) and municipality loans 4.2% (HUF 142.0 billion; +42.5% y-o-y). Within retail loans housing loans stood at HUF 1,254.2 billion (+16.9% y-o-y); consumer loans at 805.0 billion (+31.7% y-o-y). 23.9% of aggregated total loans (HUF 846.3 billion) were granted by the foreign subsidiaries.

The loan growth of the 12 months period ending on March 31, 2006 was augmented by OTP Bank (before consolidation corporate loans grew by HUF 99.2 billion; retail loans by HUF 77.1 billion; totally by HUF 217.8 billion), by OTP Mortgage Bank where 12 month loan book growth was HUF 103.1 billion, by OBS (corporate loans grew by

HUF 44.9 billion, retail loans by HUF 18.4 billion; totally by HUF 66.2 billion), by OTP banka Hrvatska (retail loans grew by HUF 39.9 billion; totally by HUF 49.0 billion), by DSK (housing loans grew by HUF 29.8 billion; consumer loans by HUF 28.2 billion; totally by HUF 36.3 billion) and by car financing at Merkantil Bank (+HUF 94.0 billion).

During 1Q 2006 gross loan volume grew by 3.7% or by HUF 120.5 billion. The loan volume of OTP Bank increased by HUF 48.1 billion or 3.2% in this quarter. HUF 60.3 billion of the growth was created by foreign subsidiaries, in particular by loan generation at OTP banka Hrvatska (HUF 22.0 billion) and at OBS (HUF 19.6 billion). During 1Q 2006 consolidated corporate loans grew by HUF 19.5 billion or 1.6%; retail loans by HUF 93.4 billion or 4.8% (housing loans by HUF 31.8 billion or 2.6%, consumer loans by HUF 61.6 billion or 8.3%). Municipality loans also increased q-o-q, by 4.4%.

During 1Q 2006 OTP approved loan applications with the value of HUF 40.3 billion (HUF 35.8 billion in 1Q 2005; HUF 49.2 billion in 4Q 2005) and disbursed loans of HUF 36.6 billion (HUF 31.5 billion in 1Q 2005; HUF 52.5 billion in 4Q 2005). HUF 20.7 billion housing loans were denominated in FX which represented 57.6% of total disbursement. HUF 32.2 billion loans were transferred to the Mortgage Bank, and the parent bank repurchased qualified loans of HUF 1.5 billion. Clients of OTP Bank and OTP Mortgage Bank repaid HUF 23.2 billion loans<sup>2</sup> in the first quarter of 2006 (HUF 16.6 billion in 1Q 2005). The increase of this amount is partly the result of volume growth, but also related to prepayments and final repayments. Their share in average housing loan volume outstanding was 1.1% in 1Q 2006.

#### IFRS consolidated gross loan volume by business lines:

HUF million	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Corporate loans	1,043,863	1,195,374	1,214,858	1.6%	16.4%
Municipality loans	99,669	136,039	142,016	4.4%	42.5%
Retail loans	1,683,565	1,965,805	2,059,209	4.8%	22.3%
Housing loans	1,072,442	1,222,397	1,254,179	2.6%	16.9%
Consumer loans	611,123	743,408	805,030	8.3%	31.7%
Others	0	0	1,637	-	-
<b>Total</b>	<b>2,827,097</b>	<b>3,297,218</b>	<b>3,417,720</b>	<b>3.7%</b>	<b>20.9%</b>

Quality of the loan book under IFRS was good. At the end of March 2006; performing portion represented 87.5% of total, 8.6% was to-be-monitored. Non-performing loans (NPLs) were 3.9% of total, a 0.3%-point deterioration compared to previous quarter (4Q 2005: 3.6%). 19.4% of qualified loans and 25.1% of NPLs were in the books of foreign subsidiaries.

The consolidated loan loss provisions were HUF 111.4 billion of which HUF 106.3 billion related to qualified portfolio, representing 24.8% coverage over the qualified loans. HUF 93.9 billion provisioning covering HUF 134.9 billion NPLs represented 69.6% coverage ratio. During the first quarter performing loans grew by HUF 112.5 billion, qualified loans increased by HUF 8.0 billion (mainly due to the increase of to-be-monitored loans at Merkantil Bank and OTP Bank Romania and to the decrease of to-be-monitored volume at OTP Bank, at Merkantil Car, at OTP Mortgage Bank and to the decline of doubtful loans at DSK). NPLs increased by HUF 15.8 billion. Total provisions increased by HUF 5.4 billion during the first quarter of 2006.

#### IFRS consolidated gross loan volume by qualified categories:

HUF million	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Performing loans	2,499,404	2,876,541	2,989,084	3.9%	19.6%
To-be-monitored loans	228,805	301,581	293,696	-2.6%	28.4%
Below average loans	22,562	27,627	25,217	-8.7%	11.8%
Doubtful loans	25,961	27,802	22,576	-18.8%	-13.0%
Bad loans	50,365	63,668	87,147	36.9%	73.0%
<b>Total receivables</b>	<b>2,827,097</b>	<b>3,297,218</b>	<b>3,417,720</b>	<b>3.7%</b>	<b>20.9%</b>
<b>QUALIFYING</b>					
Total qualified	327,693	420,677	428,636	1.9%	30.8%
NPL	98,888	119,096	134,940	13.3%	36.5%
qualified rate	11.6%	12.8%	12.5%	-0.2%	1.0%
NPL rate	3.5%	3.6%	3.9%	0.3%	0.5%
<b>COVERAGE</b>					
Provision on NPL	0	89,613	93,874	4.8%	0.0%
Coverage on NPL	0	75.2%	69.6%	-5.7%	0.0%
Provision on qualified	85,011	101,354	106,303	4.9%	25.0%
Coverage on qualified	25.9%	24.1%	24.8%	0.7%	-1.1%
<b>Net loans</b>	<b>2,742,086</b>	<b>3,191,298</b>	<b>3,306,366</b>	<b>3.6%</b>	<b>20.6%</b>

<sup>2</sup> Loans granted in year 2000 or later

Volume of securities held-to-maturity increased by 1.9% to HUF 269.1 billion y-o-y, and volume declined by 7.2% since December 31, 2005.

On the liability side, customer liabilities were HUF 3,518.2 billion, 7.2% higher than a year earlier and 38.1% higher than at the Bank. Customer deposits grew by HUF 90.0 billion or by 2.6% from the end of the fourth quarter. Customer deposits represented 64.6% of total liabilities (69.3% as at March 31, 2005) 19.8% of deposits came from corporate; 73.4% from retail and 6.9% from municipality sector customers.

**Consolidated deposits by business lines:**

HUF million	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Corporate deposits	668,116	662,214	695,577	5.0%	4.1%
Municipality deposits	223,490	203,111	241,802	19.0%	8.2%
Retail deposits	2,380,187	2,562,869	2,580,799	0.7%	8.4%
<b>Total</b>	<b>3,271,792</b>	<b>3,428,194</b>	<b>3,518,178</b>	<b>2.6%</b>	<b>7.5%</b>

Deposits grew by 7.5% or by HUF 246.4 billion in 12 months mostly at the parent bank (retail), at DSK (retail), at OTP Building Society and at OTP Banka Slovensko (corporate) and there was a decline in corporate deposits at OTP Bank and in retail deposits of OTP Bank Romania. Foreign subsidiaries collected 25.2% of aggregated deposits as at March 31, 2006 up from 22.8% a year earlier.

During 1Q 2006 corporate deposits of OTP Bank grew by HUF 38.6 billion, municipal deposits by HUF 26.5 billion while retail deposits decreased by HUF 24.0 billion. Deposit volume of DSK grew also significantly q-o-q, by HUF 25.5 billion.

Volume of issued securities was 76.7% higher than a year earlier and reached HUF 555.9 billion. 1Q 2006 increase was HUF 12.4 billion or 2.3%. The growth was due to the issuances of EUR denominated bonds by OTP Bank during year 2005.

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

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	111,409	114,508	119,254	4.1%	7.0%
Interest expense	45,949	34,473	47,909	39.0%	4.3%
Net interest income	65,460	80,035	71,345	-10.9%	9.0%
Provision for possible loan losses	6,721	6,431	5,875	-8.6%	-12.6%
<b>Net interest income after provision</b>	<b>58,739</b>	<b>73,604</b>	<b>65,470</b>	<b>-11.1%</b>	<b>11.5%</b>
Fees and commissions income	25,995	34,227	33,486	-2.2%	28.8%
Foreign exchange gains, net	314	559	5,481	880.5%	1645.5%
Gain on securities, net	2,121	789	2,165	174.4%	2.1%
Gain on real estate transactions	230	257	126	-51.0%	-45.2%
Dividend income	29	9	156	1633.3%	437.9%
Insurance premiums	14,205	17,977	19,393	7.9%	36.5%
Other non-interest income	4,595	2,509	3,672	46.4%	-20.1%
<b>Total non-interest income</b>	<b>47,489</b>	<b>56,327</b>	<b>64,479</b>	<b>14.5%</b>	<b>35.8%</b>
Fees and commissions expense	4,778	6,199	6,257	0.9%	31.0%
Personnel expenses	19,105	27,851	22,701	-18.5%	18.8%
Depreciation	5,374	6,161	6,585	6.9%	22.5%
Insurance expenses	11,665	11,931	15,688	31.5%	34.5%
Other non-interest expenses	19,362	27,253	24,407	-10.4%	26.1%
from this: special banking tax	2,250	2,692	2,683	-0.4%	19.2%
<b>Total non-interest expense</b>	<b>60,284</b>	<b>79,395</b>	<b>75,638</b>	<b>-4.7%</b>	<b>25.5%</b>
<b>Income before income taxes</b>	<b>45,944</b>	<b>50,536</b>	<b>54,311</b>	<b>7.5%</b>	<b>18.2%</b>
Income taxes	7,592	9,680	8,124	-16.1%	7.0%
from this: special banking tax	472	256	195	-23.7%	-58.6%
<b>After tax profit</b>	<b>38,352</b>	<b>40,856</b>	<b>46,187</b>	<b>13.0%</b>	<b>20.4%</b>
				%-point	%-point
Total income (with net fees)	108,171	130,163	129,567	-0.5%	19.8%
Operating cost	55,506	73,196	69,381	-5.2%	25.0%
Cost/income ratio	51.3%	56.2%	53.5%	-2.7%	2.2%
Net interest margin before provision	5.88%	6.32%	5.35%	-0.97%	-0.53%
ROA	3.45%	3.23%	3.47%	0.24%	0.02%
ROE	35.5%	30.5%	34.0%	3.5%	-1.5%

IFRS consolidated pre-tax profit was HUF 54.3 billion, which represented a 7.5% increase over 4Q 2005 and an improvement of 18.2% over 1Q 2005. After-tax profit grew by HUF 5.3 billion or by 13.0% to HUF 46.2 billion over 4Q 2005 and increased by HUF 7.8 billion or by 20.4% y-o-y.

The 1Q 2006 consolidated IFRS net interest income of OTP Bank was HUF 71.3 billion, 9.0% higher than for 1Q 2005 and 10.9% lower than in 4Q 2005. This was a result of 7.0% y-o-y increase in interest income and 4.3% y-o-y growth in interest expenses. The q-o-q increase of interest income was 4.1%, 39.0% of interest expenses, respectively.

Consolidated interest income amounted to HUF 119.3 billion. Decrease in interest income from loans was 1.3% or HUF 1.1 billion q-o-q. Consolidated interest income from loans was HUF 49.1 billion, or 133.3% above unconsolidated data. Interest income from interbank placements (50.8%) and income from accounts held at NBH and other banks (13.8%) and available-for-sale securities (13.1%) increased q-o-q. Interest income from securities held-to-maturity declined (22.3%).

Interest expense was HUF 47.9 billion, 39.0% higher than in 4Q 2005. Interest expenses paid for other banks were 176.6% higher than in 4Q 2005. Disregarding the swap deals' result the quarterly increase was 26.4%. Interest paid on customers' deposits increased by 9.4% to HUF 22.5 billion and was 32.2% higher than unconsolidated data. It declined by 26.4% compared to the first quarter of 2005 due to falling interest rates in Hungary. In the first quarter of 2005 interest expense on issued securities was 0.1% higher than a quarter earlier and was HUF 5.5 billion higher than at the parent bank.

The swap results were to HUF 13.6 billion and losses on swaps amounted to HUF 16.9 billion which resulted in a net swap loss of HUF 3.3 billion compared to HUF 3.7 billion gain a quarter earlier.

Provisions for possible loan and placement losses were 8.6% lower than in 4Q 2005 reaching HUF 5.9 billion. Provisioning cost as a percentage of average gross loans reached 0.70% compared to 0.99% a year earlier and 0.81% in 4Q 2005.

Non-interest income was 35.8% higher than a year earlier and reached HUF 64.5 billion and increased by 14.5% q-o-q. Within non-interest revenues the fee and commission income decreased by 2.2% to HUF 33.5 billion compared to the fourth quarter of 2005. Consolidated fee and commission expenses were 0.9% higher than during 4Q 2005. Net fees and commissions reached HUF 27.2 billion, which is 2.9% lower than in 4Q 2005 and 28.3% higher than in 1Q 2005. Net gains on securities trading were HUF 2.2 billion compared to the profit of HUF 0.8 billion in 4Q 2005. Net gains on foreign exchange transactions were HUF 5.5 billion while the Bank reported consolidated HUF 0.3 billion profits in 1Q 2005, and 0.6 billion gains in 4Q 2005. The gains were partly related to the FX swap deals. The insurance premium reached HUF 19.4 billion, an increase of 7.9% q-o-q and an increase of 36.5% y-o-y. Insurance expenses increased by 34.5% compared to 1Q 2005 due to the higher reserves and grew by 31.5% from 4Q 2005. Net insurance income amounted to HUF 3.7 billion and was HUF 2.3 billion lower than a quarter earlier and was HUF 1.2 billion higher than a year earlier. Other income decreased by HUF 0.9 billion y-o-y but increased by HUF 1.2 billion q-o-q to HUF 3.7 billion.

Consolidated non-interest expenses grew by 25.5% year-on-year to HUF 75.6 billion and were 92.9% higher than the non-consolidated figure. Quarterly decline of non-interest expenses was 4.7%. Consolidated personnel expenses were 18.5% lower than a quarter earlier and 18.8% higher than in 1Q 2005. Increase in personnel expenses has already reflected IFRS 2 effect. Depreciation in 1Q 2006 was HUF 1.2 billion higher than in 1Q 2005, and 6.9% higher than in 4Q 2005.

Other non-interest expenses were 26.1% higher than in 1Q 2005 and 10.4% below 4Q 2005. The creation of provisions for equity was HUF 1,863 million and provisions were created in 1Q 2006 for off-balance sheet items of HUF 566 million. In 1Q 2006 net interest income tax (special banking tax) of HUF 2.7 billion was booked within other non-interest expenses.

Consolidated cost-income ratio (similar to HAR calculation) was 53.5%, 2.7%-points down from 4Q 2005. Cost-income ratio calculated with income before provisioning and with gross fees was 55.7%, 2.3%-points lower than in 1Q 2005 and 2.5%-points lower than in 4Q 2005.

Gross consolidated interest margin over mathematical average total assets (HUF 5,330.4 billion) was 5.35% during the first quarter of 2006, 53 bps below 1Q 2005 figure and 97 bps below 4Q 2005. Net interest margin (after provisioning) was 4.91% from 5.28% in 1Q 2005; and from 5.81% in 4Q 2005. Disregarding the effects of swaps gross margin in 1Q 2006 was 5.60% which was 43 bps lower than 4Q 2005; and 23 bps lower than in 1Q 2005. Net interest margin (after provisioning) without swaps was 5.16% from 5.23% in 1Q 2005; and from 5.53% in 4Q 2005.

Consolidated ROAA was 3.47% (3.45% in 1Q 2005 and 3.23% in 4Q 2005), while consolidated ROAE reached 34.0% nominal, 1.5%-points lower than a year earlier and 3.5%-points above 4Q 2005. Basic earnings per share (EPS) reached HUF 197, HUF 33 above 1Q 2005 and HUF 23 above 4Q 2005. Diluted EPS reached HUF 179, which is HUF 33 higher than in 1Q 2005 and HUF 24 more than in 4Q 2005.

#### AGGREGATED MARKET SHARES OF THE DOMESTIC GROUP MEMBERS IN THE CREDIT INSTITUTIONS SYSTEM IN HUNGARY BASED ON HAR DATA

	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Total assets	25.1%	24.1%	23.7%	-0.4%	-1.4%
Loans	21.8%	21.4%	21.2%	-0.2%	-0.6%
Retail	39.7%	37.7%	36.9%	-0.7%	-2.7%
Housing	49.2%	46.4%	45.4%	-1.0%	-3.8%
HUF	53.2%	52.6%	52.4%	-0.2%	-0.8%
FX	11.0%	22.5%	23.0%	0.4%	11.9%
Consumer	23.1%	24.4%	24.6%	0.2%	1.5%
Corporate	12.5%	11.7%	11.8%	0.1%	-0.7%
Municipal	51.4%	52.7%	51.8%	-0.9%	0.3%
Deposits	29.7%	26.9%	25.3%	-1.6%	-4.4%
Retail	35.4%	34.7%	33.5%	-1.3%	-2.0%
HUF	35.3%	34.5%	33.1%	-1.5%	-2.2%
FX	36.5%	36.0%	36.4%	0.4%	-0.1%
sight	43.5%	38.8%	40.4%	1.6%	-3.2%
term	33.4%	35.3%	31.1%	-4.2%	-2.3%
Corporate	16.4%	11.4%	10.0%	-1.5%	-6.4%
Municipal	68.6%	63.4%	70.9%	7.6%	2.3%



## OTP BANK

### NON-CONSOLIDATED IFRS BALANCE SHEET

Total assets of the Bank were HUF 3,760.5 billion on March 31, 2006, which were 12.8% higher than a year earlier and 4.7% above the figure of December 31, 2005.

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	562,961	379,249	515,325	35.9%	-8.5%
Placements with other banks	165,288	393,659	382,697	-2.8%	131.5%
Financial assets at fair value through statements of operations	57,646	34,054	38,209	12.2%	-33.7%
Trading securities	336,976	371,433	372,212	0.2%	10.5%
<b>Gross loans</b>	<b>1,327,958</b>	<b>1,497,670</b>	<b>1,545,767</b>	<b>3.2%</b>	<b>16.4%</b>
Provisions on loans	18,863	22,162	23,527	6.2%	24.7%
Net loans	1,309,095	1,475,508	1,522,240	3.2%	16.3%
Investments in subsidiaries	211,201	223,881	227,099	1.4%	7.5%
Securities held-to-maturity	506,655	521,797	508,793	-2.5%	0.4%
Intangible assets	96,461	105,569	105,172	-0.4%	9.0%
Other assets	86,575	87,723	88,725	1.1%	2.5%
<b>ASSETS</b>	<b>3,332,858</b>	<b>3,592,873</b>	<b>3,760,472</b>	<b>4.7%</b>	<b>12.8%</b>
Liabilities to credit institutions	264,102	255,211	323,916	26.9%	22.6%
<b>Liabilities to customers</b>	<b>2,461,185</b>	<b>2,506,457</b>	<b>2,547,577</b>	<b>1.6%</b>	<b>3.5%</b>
Issued securities	1,991	202,267	212,521	5.1%	10574.1%
Other liabilities	169,653	108,616	176,374	62.4%	4.0%
Subordinated loans	45,557	47,023	48,996	4.2%	7.5%
<b>LIABILITIES</b>	<b>2,942,488</b>	<b>3,119,574</b>	<b>3,309,384</b>	<b>6.1%</b>	<b>12.5%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>390,370</b>	<b>473,299</b>	<b>451,088</b>	<b>-4.7%</b>	<b>15.6%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,332,858</b>	<b>3,592,873</b>	<b>3,760,472</b>	<b>4.7%</b>	<b>12.8%</b>
				%-point	%-point
Gross loans/deposits	54.0%	59.8%	60.7%	0.9%	6.7%

On the asset side, the volume of cash, due from banks and balances with the National Bank of Hungary decreased by 8.5%, placements with other banks grew by 131.5% or by HUF 217.4 billion compared to March 31, 2005. The volume of trading securities declined by 39.6% year-on-year.

Securities available-for-sale grew by 10.5% to HUF 372.2 billion; within these the volume of Government Bonds was HUF 45.7 billion and mortgage bonds reached HUF 250.5 billion. Other bond instruments represented HUF 71.0 billion, and discount T-bills amounted to HUF 5.0 billion.

The net volume of loans was HUF 1,522.2 billion, 16.3% growth year on year and 3.2% growth q-o-q. Net loans represented 40.5% of total assets; this rate was 39.3% as at March 31, 2005.

The volume of gross loans grew by 16.4% y-o-y to HUF 1,545.8 billion and was 3.2% higher than on December 31, 2005. The volume of provisions was 24.7% higher than a year earlier, grew to HUF 23.5 billion. Within gross loans, loans to enterprises amounted to HUF 939.6 billion (11.8% growth y-o-y), loans to municipalities were HUF 136.7 billion (43.6% increase y-o-y), consumer loans reached HUF 259.1 billion (22.3% growth y-o-y) while housing loans amounted to HUF 210.4 billion (16.6% growth y-o-y) at the end of March 2006. Corporate loans represented 60.8%, retail loans 30.4%, municipality loans 8.8% of total loans on March 31, 2006. The loan quality of the consolidated loans was good, the portion of performing loans was 95.9% of total loans, to-be-monitored loans were 1.5% and NPLs represented 2.5%. The coverage of total qualified loans was 37.3% and of NPLs was 54.0%.

#### IFRS non-consolidated gross loan volume by business lines:

HUF million	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Corporate loans	840,444	902,696	939,630	4.1%	11.8%
Municipality loans	95,156	131,107	136,680	4.3%	43.6%
Retail loans	392,358	463,867	469,457	1.2%	19.7%
Housing loans	180,464	210,150	210,384	0.1%	16.6%
Consumer loans	211,894	253,717	259,073	2.1%	22.3%
<b>Total</b>	<b>1,327,958</b>	<b>1,497,670</b>	<b>1,545,767</b>	<b>3.2%</b>	<b>16.4%</b>

**IFRS non-consolidated gross loan volume by qualifying categories:**

HUF million	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Performing loans	1,263,072	1,418,879	1,482,712	4.5%	17.4%
To-be-monitored loans	34,648	44,250	23,751	-46.3%	-31.4%
Below average	9,811	13,160	13,101	-0.4%	33.5%
Doubtful	13,578	14,119	16,550	17.2%	21.9%
Bad	6,849	7,262	9,653	32.9%	40.9%
Total receivables	1,327,958	1,497,670	1,545,767	3.2%	16.4%
<b>QUALIFYING</b>					
Total qualified	64,886	78,791	63,055	-20.0%	-2.8%
NPL	30,238	34,541	39,303	13.8%	30.0%
qualified rate	4.9%	5.3%	4.1%	-1.2%	-0.8%
NPL rate	2.3%	2.3%	2.5%	0.2%	0.3%
<b>COVERAGE</b>					
Provision on NPL		18,449	21,214	15.0%	
Coverage on NPL		53.4%	54.0%	0.6%	
Provision on qualified	18,863	22,162	23,527	6.2%	24.7%
Coverage on qualified	29.1%	28.1%	37.3%	9.2%	8.2%
Net loans	1,309,095	1,475,508	1,522,240	3.2%	16.3%

The volume of securities held-to-maturity increased by 0.4% to HUF 508.8 billion year-on-year. Within these, the volume of government securities was HUF 182.5 billion, mortgage bonds were HUF 289.6 billion.

On the liability side, the year on year increase of customer deposits was 3.5%, the growth was 1.6% in 1Q 2006. Share of customer deposits in total assets dropped to 67.7% (73.8% a year earlier). Within HUF 2,547.6 billion customer deposits, deposits denominated in HUF represented 87.0%. In total deposits 72.5% was from retail clients (HUF 1,846.4 billion volume; 5.1% y-o-y increase), 20.1% from corporate sector (1.5% y-o-y decrease) and 7.4% (2.8% y-o-y increase) was municipal deposit.

**IFRS non-consolidated deposits by business lines:**

HUF million	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Corporate deposits	520,654	474,052	512,640	8.1%	-1.5%
Municipality deposits	183,315	161,993	188,522	16.4%	2.8%
Retail deposits	1,757,217	1,870,412	1,846,415	-1.3%	5.1%
Total	2,461,185	2,506,457	2,547,577	1.6%	3.5%

The liabilities from issued securities grew substantially (from HUF 2.0 billion a year ago) to HUF 212.5 billion, due to the EUR bond issuances in 2005 by the Bank under its EMTN Programme.

Gross loan to deposit ratio stood at 60.7% at the end of March 2006 compared to 54.0% a year earlier.

The shareholders' equity of the Bank was 15.6% higher than at March 31, 2005 and reached HUF 451.1 billion and represented 12.0% of total assets due to the 26.4% growth in reserves and 1.8% increase of retained earnings and the 145.4% increase of own shares at book value (deductible item).

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

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	71,089	68,499	75,259	9.9%	5.9%
Interest expense	35,182	22,099	37,630	70.3%	7.0%
Net interest income	35,907	46,400	37,629	-18.9%	4.8%
Provision for possible loan losses	3,244	3,760	5,478	45.7%	68.9%
<b>Net interest income after provision</b>	<b>32,663</b>	<b>42,640</b>	<b>32,151</b>	<b>-24.6%</b>	<b>-1.6%</b>
Fees and commissions income	29,364	36,998	34,504	-6.7%	17.5%
Foreign exchange gains, net	-436	124	6,737	5333.1%	-
Gain on securities, net	1,503	-1,667	-989	-40.7%	-165.8%
Gain on real estate transactions	-3	-4	-4	0.0%	33.3%
Dividend income	13,666	0	15,015	-	9.9%
Other non-interest income	791	1,071	1,059	-1.1%	33.9%
<b>Total non-interest income</b>	<b>44,885</b>	<b>36,522</b>	<b>56,322</b>	<b>54.2%</b>	<b>25.5%</b>
Fees and commissions expense	2,367	4,498	3,808	-15.3%	60.9%
Personnel expenses	12,958	16,551	14,536	-12.2%	12.2%
Depreciation	3,284	4,396	4,399	0.1%	34.0%
Other non-interest expenses	11,185	19,486	16,458	-15.5%	47.1%
from this: special banking tax	2,250	2,692	2,682	-0.4%	19.2%
<b>Total non-interest expense</b>	<b>29,794</b>	<b>44,931</b>	<b>39,201</b>	<b>-12.8%</b>	<b>31.6%</b>
<b>Income before income taxes</b>	<b>47,754</b>	<b>34,231</b>	<b>49,272</b>	<b>43.9%</b>	<b>3.2%</b>
Income taxes	5,077	5,937	5,830	-1.8%	14.8%
<b>After tax profit</b>	<b>42,677</b>	<b>28,294</b>	<b>43,442</b>	<b>53.5%</b>	<b>1.8%</b>
				%-point	%-point
Total income (with net fees)	78,425	78,424	90,143	14.9%	14.9%
Operating cost	27,427	40,433	35,393	-12.5%	29.0%
Cost/income ratio	35.0%	51.6%	39.3%	-12.3%	4.3%
Net interest margin before provision	4.50%	5.32%	4.09%	-1.23%	-0.40%
ROA	5.35%	3.25%	4.73%	1.5%	-0.6%
ROE	43.8%	24.1%	37.6%	13.5%	-6.2%

IFRS pre-tax profit of the Bank was HUF 49.3 billion, which represented a 43.9% or HUF 15.0 billion increase over 4Q 2005 and an improvement of 3.2% over 1Q 2005. The higher pre-tax profit compared to the previous quarter was basically caused by the HUF 8.8 billion decline in net interest income, by the HUF 19.8 billion growth of non-interest income and by the HUF 5.7 billion decrease of non-interest expenses. After-tax profit grew by 1.8% to HUF 43.4 billion over 1Q 2005 and increased by 53.5% q-o-q.

The net interest income in 1Q 2006 of the Bank according to IFRS was HUF 37.6 billion, which was 4.8% higher than in 1Q 2005 and 18.9% lower than in 4Q 2005. This was a result of 5.9% y-o-y increase in interest income and 7.0% y-o-y growth in interest expenses. The q-o-q increase of interest income was 9.9%, and of interest expenses was 70.3%.

Within interest income 66.1% increase of interests on interbank placements is a result of a 33.0% increase in interest revenues and 77.7% growth in swap results. Interest incomes from loans were HUF 1.6 billion above 1Q 2005 figure and interests on securities held-to-maturity decreased by 13.2% to HUF 9.8 billion compared to 1Q 2005. Compared to the previous quarter interest incomes from loans increased by 0.3%, and interests from interbank placements by 57.4% to HUF 5.8 billion while interests on securities held-to-maturity declined by 11.9%.

Interests due to banks (with swaps) grew by HUF 10.8 billion compared to 1Q 2005 and by HUF 13.6 billion over the previous year. This is a result of a HUF 17.1 billion swap losses and the increase of interbank interest expenses. Interests paid on customer deposits decreased by 36.5% q-o-q and increased by 8.8% y-o-y.

During 1Q 2006 the Bank booked HUF 5.3 billion net interest loss on swap transactions. Within that the net interest result of interest rate swaps amounted to HUF 1.5 billion, while currency swaps had a HUF 6.9 billion net interest loss. Due to IFRS fair value adjustments HUF 9.3 billion shows up on net FX gains line as a consequence of the weakening of HUF during the period of swap deal transaction dates and the balance sheet date. In 1Q 2006 the net results of FX swap deals amounted to HUF 2.4 billion, a 4.4% decline over the fourth quarter of 2005.

Provisioning for possible loan and placement losses increased by 68.9% y-o-y and by 45.7% q-o-q reaching HUF 5.5 billion. The increase of provisioning was caused by the creation of additional provision related to corporate receivable. Provisioning on average volume of loans was 1.44% compared to 0.99% in 1Q 2005 and 1.03% in 4Q 2005.

Non-interest income grew by 25.5% to HUF 56.3 billion from 1Q 2005 and was 54.2% higher than in 4Q 2005. Within this fees and commissions received amounted to HUF 34.5 billion. Fees and commissions paid amounted to

HUF 3.8 billion. Net fees and commissions were 13.7% higher than in 1Q 2005 and reached HUF 30.7 billion. Fee and commission incomes decreased by 6.7% compared to the previous quarter because of the decrease in fees paid by the Mortgage Bank. Net gains on FX trading grew by HUF 6.6 billion compared to the previous quarter due to the HUF 1.7 billion increase of loss on FX trading and the HUF 8.4 billion growth of fair value adjustment of derivatives. Net loss on securities trading was HUF 1.0 billion compared to the HUF 1.7 billion loss in the fourth quarter of 2005 due to fair value adjustment of available-for-sale securities covered by interest rate swaps. In 1Q 2006 the Bank collected HUF 15.0 billion dividend from its subsidiaries. Other non-interest income amounted to HUF 1.1 billion quite the same as in the fourth quarter of 2005.

Non-interest expenses altogether were HUF 39.2 billion; 12.8% lower than a quarter earlier and 31.6% higher than in 1Q 2005. Within these personnel expenses declined by 12.2% q-o-q and increased by 12.2% y-o-y to HUF 14.5 billion (of which HUF 1.2 billion is due to application of IFRS 2 standards) and depreciation amounted to HUF 4.4 billion. Other non-interest expenses decreased by 15.5% q-o-q and grew by 47.1% y-o-y and reached HUF 16.5 billion.

Based on calculation similar to the Hungarian standards, cost to income ratio was 39.3% for 1Q 2006, 51.6% in 4Q 2005 and 35.0% in 1Q 2005. Calculated cost to income ratio (without provisioning with gross fees) for 1Q 2006 was 41.7%, 12.5%-points lower than in 4Q 2005.

The interest margin of the Bank in 1Q 2006 according to IFRS calculated on the mathematical average of total assets was 4.09% in 1Q 2006, its net interest margin (after provisioning) was 3.50%, 123 and 139 bps lower than in 4Q 2005. Disregarding the results of swaps the gross margin in 1Q 2006 was 4.67% and the net margin 4.08% which are 25 bps and 42 bps lower than in 4Q 2005 and grew by 25 bps and by 6 bps from 1Q 2005.

Annualized ROA calculated on the average total assets was 4.73% (in 4Q 2005: 3.25%; in 1Q 2005: 5.35%), while annualized ROE calculated on average shareholders' equity was 37.6% (in 4Q 2005: 24.1%; in 1Q 2005: 43.8%). Basic and diluted earnings per share reached HUF 164 and HUF 163 (in 1Q 2005 both were HUF 157 and in 4Q 2005 were HUF 105 and HUF 104, respectively).

## **CAPITAL ADEQUACY (BASED ON HAR)**

The HAR shareholder's equity of OTP Bank was HUF 442.0 billion on March 31, 2006, by HUF 86.3 billion higher than a year earlier. The growth was a result of an additional HUF 14.1 billion in general reserves, as well as a HUF 38.3 billion retained earnings, a HUF 30.4 billion growth in fixed reserves and a HUF 3.4 billion growth in net profit. Non-consolidated book value of one share with face value of HUF 100 was HUF 1,579 on March 31, 2006. The guarantee capital of the Bank stood at HUF 203,373 million or HUF 237,831 million including after tax profit for the period, of which tier 2 capital amounted HUF 44,675 million. With risk weighted assets of HUF 2,177.5 billion (an increase of 20.9% compared to March 31, 2005) the capital adequacy ratio – calculated according to the Hungarian regulations – reached 9.34%, higher than 8% required by the Banking Act. The ratio calculated with 1Q 2006 profit was 10.92%.

## **OTHER**

The number of retail current accounts was 3,129 thousand at the end of March 2006. The number of issued retail bank cards exceeded 3,679 thousand on March 31, 2006. The number of classic credit cards was more than 160 thousand on March 31, 2006; its proportion was 4.2% in total issued cards. Including corporate and FX based cards, the total number of cards issued approached 3,840 thousand, an increase of 2.9% over March 31, 2005.

The number of the Bank's ATMs grew from 1,415 a year earlier to 1,522. The number of transactions executed by the Bank's card owners, executed through the Bank's ATMs, reached 18.3 million in 1Q 2006, while the turnover of these transactions was HUF 532.0 billion, a decrease of 0.6% and an increase of 6.4%, respectively over March 31, 2005. The number of POS terminals on March 31, 2006 stood at 26,600 by 4,514 more than one year earlier. The number of withdrawal transactions on the Bank's own POS network was 1.7 million; the turnover was HUF 281.7 billion. The number of purchases on POS terminals at merchants was 17.1 million (24.6% increase) valuing HUF 138.2 billion (27.0% increase). The number of client terminals operating through telephone lines reached 12,994 on March 31, 2006. At the end of March 2006 the number of contracted customers for OTPdirekt telephone banking, mobile banking and internet banking service was almost 1,065 thousand. The number of agency companies contracted for distributing the retail products of the Bank were 829 at the end of March 2006.

**MARKET SHARES OF THE BANK IN THE CREDIT INSTITUTIONS SYSTEM IN HUNGARY BASED ON HAR DATA**

	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Total assets	19.2%	18.1%	18.0%	-0.2%	-1.2%
Loans	13.2%	12.6%	12.5%	-0.2%	-0.8%
Retail	13.3%	12.7%	12.2%	-0.5%	-1.1%
Housing	9.4%	9.3%	8.9%	-0.3%	-0.5%
HUF	9.2%	8.6%	8.5%	-0.1%	-0.8%
FX	10.6%	12.0%	10.3%	-1.6%	-0.3%
Consumer	20.1%	17.9%	16.9%	-1.0%	-3.2%
Corporate	12.1%	11.3%	11.3%	0.0%	-0.9%
Municipal	51.4%	52.7%	51.8%	-0.9%	0.3%
Deposits	28.5%	25.6%	24.1%	-1.5%	-4.4%
Retail	33.5%	32.7%	31.5%	-1.3%	-2.1%
HUF	33.1%	32.3%	30.8%	-1.5%	-2.3%
FX	36.5%	36.0%	36.4%	0.4%	-0.1%
sight	43.4%	38.8%	40.3%	1.6%	-3.1%
term	30.9%	30.7%	28.3%	-2.4%	-2.6%
Corporate	16.2%	11.3%	9.8%	-1.5%	-6.4%
Municipal	68.6%	63.4%	70.9%	7.6%	2.3%

## IFRS REPORTS OF THE MAIN SUBSIDIARIES

### OTP MORTGAGE BANK

On March 31, 2006 total assets of OTP Mortgage Bank were HUF 951.7 billion and its IFRS based after-tax profit reached HUF 2.8 billion.

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

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	21,004	64,554	3,559	-94.5%	-83.1%
Placements with other banks	5,767	2,611	787	-69.9%	-86.4%
Trading securities	69,800	26,495	36,245	36.8%	-48.1%
Gross loans	771,841	849,252	874,909	3.0%	13.4%
Provisions	-20	-202	-133	-34.1%	571.1%
Net loans	771,821	849,050	874,775	3.0%	13.3%
Intangible assets	307	322	335	4.0%	9.1%
Other assets	11,064	13,040	36,013	176.2%	225.5%
<b>ASSETS</b>	<b>879,764</b>	<b>956,072</b>	<b>951,714</b>	<b>-0.5%</b>	<b>8.2%</b>
Liabilities to credit institutions	1,122	42,396	55,433	30.8%	
Issued securities	795,575	812,700	810,856	-0.2%	1.9%
Other liabilities	52,295	64,038	46,929	-26.7%	-10.3%
<b>LIABILITIES</b>	<b>848,992</b>	<b>919,133</b>	<b>913,218</b>	<b>-0.6%</b>	<b>7.6%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>30,772</b>	<b>36,939</b>	<b>38,497</b>	<b>4.2%</b>	<b>25.1%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>879,764</b>	<b>956,072</b>	<b>951,714</b>	<b>-0.5%</b>	<b>8.2%</b>
				%-point	%-point
Loans to mortgage bonds	97.0%	104.5%	107.9%	3.4%	10.9%

The Bank's receivables from customers neared HUF 875 billion purchased entirely from OTP Bank's loan portfolio. It was 13.4% higher than a year earlier and represented a quarterly growth of 3.0%. The loan volume at the Bank grew by HUF 25.7 billion in 1Q, of which HUF 468.6 billion was the portion of loans originated under subsidy conditions being effective before June 2003, and roughly HUF 317 billion were loans with modified conditions after June 2003 or later. By March 31, 2006 the volume of FX-linked (CHF) loans reached HUF 85.7 billion.

The number of loan contracts with the Bank reached almost 212 thousands with an average size of HUF 4.1 million/contract. Meanwhile, by March 31, 2006, the face value of mortgage bonds issued by the Bank's reached HUF 810.9 billion, their dominant portion (94.4%) had longer than 1 year maturity. In 1Q 2005 OTP Mortgage Bank tapped only the local bond markets and covered its financing needs through issuing covered bonds in public and private formats. By March 31, 2006 the total outstanding volume of covered mortgage bonds grew by 1.9% compared to the corresponding period of last year. The ratio of mortgage loans to mortgage bonds stood at 107.9%

#### Selected IFRS results data of OTP Mortgage Bank:

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	29,777	29,939	28,711	-4.1%	-3.6%
Interest expense	17,025	18,914	17,101	-9.6%	0.4%
Net interest income	12,752	11,025	11,610	5.3%	-9.0%
Provision for possible loan losses	0	33	-69		
<b>Net interest income after provision</b>	<b>12,752</b>	<b>10,992</b>	<b>11,679</b>	<b>6.2%</b>	<b>-8.4%</b>
Fees and commissions income	3,630	3,680	505	-86.3%	-86.1%
Foreign exchange gains, net	-25	-369	-596	61.5%	
Gain on securities, net	-827	227	0	-100.0%	-100.0%
Other non-interest income	21	-23	4	-116.6%	-81.7%
<b>Total non-interest income</b>	<b>2,799</b>	<b>3,515</b>	<b>-87</b>	<b>-102.5%</b>	<b>-103.1%</b>
Fees and commissions expense	10,220	13,542	8,073	-40.4%	-21.0%
Personnel expenses	151	151	205	35.7%	35.7%
Depreciation	30	34	30	-11.7%	-1.1%
Other non-interest expenses	778	-262	512	-295.6%	-34.2%
<b>Total non-interest expense</b>	<b>11,179</b>	<b>13,465</b>	<b>8,820</b>	<b>-34.5%</b>	<b>-21.1%</b>
<b>Income before income taxes</b>	<b>4,372</b>	<b>1,042</b>	<b>2,772</b>	<b>166.0%</b>	<b>-36.6%</b>
Income taxes	943	176	0		
Deferred taxes	0	-53	-15	-71.3%	
<b>After tax profit</b>	<b>3,429</b>	<b>920</b>	<b>2,788</b>	<b>203.2%</b>	<b>-18.7%</b>

OTP Bank Ltd.'s 2006 First Quarter Stock Exchange Report

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
				%-point	%-point
Total income (with net fees)	5,331	998	3,450	245.6%	-35.3%
Operating cost	959	-77	747	-1070.1%	-22.1%
Cost/income ratio	18.0%	-7.7%	21.6%	29.4%	3.7%
Net interest margin (before provisioning)	5.80%	4.70%	4.87%	0.17%	-0.93%
ROA	1.56%	0.39%	1.17%	0.78%	-0.39%
ROE	40.0%	10.6%	29.6%	19.0%	-10.4%

Interest revenues grew by 3.6% on a yearly base, while interest expenditures dropped by 0.4%, thus the net interest income of HUF 11.6 billion represented a decrease of 9.0% over the results in the corresponding period last year. The net interest margin of the bank was 4.87% (-93 bps on 1Q 2005).

During the course of 1Q 2006 OTP Mortgage Bank paid out roughly HUF 12.1 billion in forms of fees and commissions (+18.6% y-o-y) to OTP Bank which included the so called "soft collection fee" introduced in 2005.

According to IFRS, cost to income ratio of Mortgage Bank was 21.6%, while its ROE stood at 29.6% and the ROA at 1.17%.

## MERKANTIL GROUP

The aggregated balance sheet total of **Merkantil Group** exceeded HUF 302 billion on March 31, 2006. Aggregated after tax profit of the Group was HUF 1.7 billion; an increase of 42.5% over 1Q 2005.

### Aggregated IFRS Balance Sheet:

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	1,446	4,887	2,341	-52.1%	61.9%
Placements with other banks	0	2,817	4,378	55.4%	
Financial assets at fair value	0	427	1,729	305.0%	
Trading securities	0	0	0		
Gross loans	181,578	229,655	247,318	7.7%	36.2%
Provisions	-11,590	-15,268	-16,543	8.3%	42.7%
Net loans	169,989	214,387	230,776	7.6%	35.8%
Investments	1,971	2,187	2,210	1.1%	12.1%
Securities held-to-maturity	2,853	2,853	1,898	-33.5%	-33.5%
Intangible assets	1,754	2,301	6,736	192.8%	284.0%
Other assets	23,255	23,369	52,035	122.7%	123.8%
<b>ASSETS</b>	<b>201,268</b>	<b>253,227</b>	<b>302,103</b>	<b>19.3%</b>	<b>50.1%</b>
Liabilities to credit institutions	134,653	181,516	224,170	23.5%	66.5%
Deposits from customers	4,555	4,688	6,552	39.8%	43.8%
Issued securities	33,992	35,016	34,369	-1.8%	1.1%
Other liabilities	10,270	8,573	11,369	32.6%	10.7%
Subordinated loans	600	600	600	0.0%	0.0%
<b>LIABILITIES</b>	<b>184,070</b>	<b>230,394</b>	<b>277,060</b>	<b>20.3%</b>	<b>50.5%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>17,198</b>	<b>22,833</b>	<b>25,043</b>	<b>9.7%</b>	<b>45.6%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>201,268</b>	<b>253,227</b>	<b>302,103</b>	<b>19.3%</b>	<b>50.1%</b>

Members of the Group have financed 10,888 car purchases during the period (an decrease of 10% over 1Q 2005), of which 94.7% were FX loans, 1.4% being HUF based loans and 3.3% financial leasing and leases 0.5%, respectively. The total volume of deals reached HUF 247.3 billion on March 31, 2006, an increase of HUF 65.7 billion (+36.2%) over the same period last year.

Provisioning grew substantially both on a quarterly (+8.3%) and on a yearly (42.7%) base in connection with car and dealer financing. In case of car financing the main reasons behind growing provisioning were the decline of contract numbers, dynamic growth of FX-linked lending, increasing portion of second-hand car financing, gradual decrease in customers' down payments and lengthening tenor of loans. In case of dealer financing Merkantil Bank and Merkantil Car put those performing assets into the "to-be-monitored" category.

**In the first quarter of 2006** total assets of Merkantil Group reached HUF 302 billion, an increase of 19.3% q-o-q. The net loan volume grew by 7.6% amounting to HUF 230.7 billion. Net interest revenues grew by 14.5% and reached HUF 5.7 billion, and despite of the significant growth of provisions (+18.9%), the corrected figure of HUF 4.4 billion was still by 30% more than in the preceding quarter.

### Aggregated IFRS P&L of Merkantil Group:

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	5,735	6,529	7,759	18.8%	35.3%
Interest expense	1,335	1,551	2,059	32.7%	54.2%
Net interest income	4,400	4,978	5,700	14.5%	29.5%
Provision for possible loan losses	883	1,572	1,275	-18.9%	44.3%
<b>Net interest income after provision</b>	<b>3,516</b>	<b>3,406</b>	<b>4,425</b>	<b>29.9%</b>	<b>25.8%</b>
Fees and commissions income	291	336	403	20.0%	38.5%
Foreign exchange gains, net	622	73	-809		
Gain on securities, net	0	52	0		
Other non-interest income	384	1,019	1,012	-0.8%	163.1%
<b>Total non-interest income</b>	<b>1,298</b>	<b>1,481</b>	<b>606</b>	<b>-59.1%</b>	<b>-53.3%</b>
Fees and commissions expense	1,565	765	878	14.8%	-43.9%
Personnel expenses	551	503	604	20.1%	9.6%
Depreciation	35	81	79	-1.6%	124.0%
Other non-interest expenses	919	1,335	1,291	-3.3%	40.5%
<b>Total non-interest expense</b>	<b>3,070</b>	<b>2,684</b>	<b>2,852</b>	<b>6.3%</b>	<b>-7.1%</b>
<b>Income before income taxes</b>	<b>1,744</b>	<b>2,203</b>	<b>2,179</b>	<b>-1.1%</b>	<b>25.0%</b>
Income taxes	545	673	516	-23.3%	-5.2%
Deferred taxes	16	-2	-22	826.6%	-234.7%
<b>After tax profit</b>	<b>1,183</b>	<b>1,533</b>	<b>1,685</b>	<b>9.9%</b>	<b>42.5%</b>



HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
				%-point	%-point
Total income (with net fees)	4,132	5,694	5,429	-4.7%	31.4%
Operating cost	1,505	1,919	1,974	2.9%	31.2%
Cost/income ratio	36.4%	33.7%	36.4%	2.7%	-0.1%
Net interest margin (before provisioning)	8.83%	8.05%	8.21%	0.16%	-0.62%
ROA	2.37%	2.48%	2.43%	-0.05%	0.05%
ROE	28.5%	28.1%	28.2%	0.1%	-0.3%

The aggregated pre-tax profit of the Group was HUF 2.2 billion (-1.1% q-o-q), and its after tax earnings reached HUF 1.7 billion (+9.9% q-o-q). In the first quarter of 2006 the net interest margin was 8.21%, a drop of 62 bps over 1Q 2005 but a 16 bps improvement over 4Q 2005.

In 1Q the Group's non interest revenues were lower than in 1Q 2005 by 53.3%, while non interest expenses moderated by 7% y-o-y. The aggregated cost to income ratio of the Group in 1Q 2006 (36.4%) was similar to that of last year, and was higher by 2.7%-point than in 4Q 2005.

### Main IFRS financial data of Merkantil Group members on March 31, 2006 and 1Q 2006:

#### BALANCE SHEET:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries <sup>3</sup>	Aggregated
Cash and bank	570	197	1	1,573	2,341
Placements with other banks	4,378	0	0	0	4,378
Financial assets at fair value	1,729	0	0	0	1,729
Trading securities	0	0	0	0	0
Gross loans	149,286	98,032	0	0	247,318
Provisions	-8,088	-8,455	0	0	-16,543
Net loans	141,199	89,577	0	0	230,776
Investments	1,448	718	21	23	2,210
Securities held-to-maturity	1,898	0	0	0	1,898
Intangible assets	519	26	1,086	5,105	6,736
Other assets	6,575	16,447	1,266	27,746	52,035
<b>ASSETS</b>	<b>158,317</b>	<b>106,965</b>	<b>2,374</b>	<b>34,447</b>	<b>302,103</b>
Liabilities to credit institutions	95,748	97,859	1,101	29,462	224,170
Deposits from customers	6,448	104	0	0	6,552
Issued securities	34,369	0	0	0	34,369
Other liabilities	5,100	3,009	452	2,807	11,369
Subordinated loans	600	0	0	0	600
<b>LIABILITIES</b>	<b>142,264</b>	<b>100,972</b>	<b>1,554</b>	<b>32,269</b>	<b>277,060</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>16,052</b>	<b>5,993</b>	<b>820</b>	<b>2,178</b>	<b>25,043</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>158,317</b>	<b>106,965</b>	<b>2,374</b>	<b>34,447</b>	<b>302,103</b>

#### P&L:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries <sup>3</sup>	Aggregated
Interest income	4,661	2,707	39	351	7,759
Interest expense	1,153	528	4	374	2,059
Net interest income	3,509	2,179	35	-23	5,700
Provision for possible loan losses	866	409	0	0	1,275
<b>Net interest income after provision</b>	<b>2,643</b>	<b>1,771</b>	<b>35</b>	<b>-23</b>	<b>4,425</b>
Fees and commissions income	152	251	0	0	403
Foreign exchange gains, net	-849	11	0	30	-809
Gain on securities, net	0	0	0	0	0
Other non-interest income	778	-4	49	189	1,012

<sup>3</sup> Other Merkantil subsidiaries: NIMO 2002 Ltd. and fully consolidated subsidiaries of Merkantil Group from January 1, 2006

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries <sup>3</sup>	Aggregated
<b>Total non-interest income</b>	80	258	49	219	606
Fees and commissions expense	667	207	1	2	878
Personnel expenses	436	112	27	30	604
Depreciation	19	1	25	34	79
Other non-interest expenses	195	967	24	105	1,291
<b>Total non-interest expense</b>	1,318	1,287	76	171	2,852
<b>Income before income taxes</b>	1,405	742	8	25	2,179
Income taxes	153	337	4	21	516
Deferred taxes	0	0	-2	-20	-22
<b>After tax profit</b>	1,252	405	5	23	1,685

On March 31, 2006 **Merkantil Bank** had total assets of HUF 158.3 billion and IFRS pre-tax profits of HUF 1.4 billion.

Within total assets outstanding balance of car loans reached HUF 113.7 billion, an increase of 16.1% y-o-y. Number of FX-linked contracts grew by 113, while HUF based contracts lagged behind 1Q 2005 figures by 1,676. The volume of HUF-based loans originated amounted to HUF 111 million, by HUF 1,377 billion lower than in the previous year.

Within the loan portfolio the qualified portion moderated to 5.7% (4Q 2005: 6.5%); at the same time in line with the Bank's prudent provisioning policy, due to the growing volume of FX-linked loans, the ratio of 'to-be-monitored' category picked up from 71.7% to 76.3%.

On the liability side 'Stabil' and 'Mobil' deposits represented HUF 33.8 billion and c/a deposits HUF 4.5 billion, respectively. Beyond that the growing loan demand generated intensive interbank financing needs (HUF 95.7 billion), bulk of which has been provided by OTP Bank.

Merkantil Bank's shareholders' equity grew by 29.2% to HUF 16 billion y-o-y. By the end of March 2006, capital adequacy ratio under HAR reached 9.91%.

Net interest income before provision exceeded HUF 3.5 billion and total revenues neared HUF 3.6 billion. Cost to income ratio improved significantly to 22.3% from 54.6% a year earlier. ROA was 3.39% and ROE 32.5% in 1Q 2006.

IFRS total assets of **Merkantil Car** neared HUF 107 billion at the end of March 2006, pre-tax profit of the period reached HUF 0.7 billion. Net interest income was HUF 1.8 billion, a decrease of 24.0% compared to 1Q 2005. Cost to income ratio grew to 48.4% (+27.7% y-o-y), while the ROA stood at 1.47%; and ROE at 28.0% in 1Q 2006.

The net volume of car-leasing and loans exceeded HUF 89.6 billion, a decline of 6.3% over the previous quarter. Within 1 year time the company's shareholders' equity grew by 116% reaching HUF 6 billion by March 31, 2006.

From January 1, 2006, the scope of consolidated companies within Merkantil Group has been extended by the following companies: Merkantil Property Leasing Ltd., SPLC Property Management, SPLC Lease and Servicing Co. and SPLC-E,-B,-N, -P, -S, -T1 Co. The above tables contain the aggregated data of those companies under "Other Merkantil subsidiaries". All of those companies are involved in real estate development projects.

## DSK GROUP

DSK Bank maintained its position as largest retail bank in Bulgaria and largest bank by total assets. On March 31, 2006 total consolidated IFRS assets of DSK reached HUF 634.7 billion (BGN 4,766 million), of which 72.1%, HUF 457.9 billion were customer deposits. Gross loans amounted to HUF 389.9 billion, 61.4% of total assets.

During 1Q 2006 DSK realized HUF 12.0 billion interest income and HUF 2.9 billion interest expenses, resulting in net interest income of HUF 9.2 billion. Pre-tax profit for the same period reached HUF 6.3 billion (BGN 48.8 million).

### Consolidated IFRS Balance Sheet of DSK:

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	11,376	15,410	12,653	-17.9%	11.2%
Placements with other banks	67,999	106,986	156,555	46.3%	130.2%
Financial assets at fair value	42,546	40,765	11,060	-72.9%	-74.0%
Trading securities	0	0	27,277		
<b>Gross loans</b>	<b>353,547</b>	<b>384,436</b>	<b>389,874</b>	<b>1.4%</b>	<b>10.3%</b>
Provisions	-6,851	-10,902	-13,521	24.0%	97.4%
Net loans	346,696	373,534	376,352	0.8%	8.6%
Investments	2,155	2,412	2,440	1.2%	13.2%
Securities held-to-maturity	18,220	18,652	19,674	5.5%	8.0%
Intangible assets	17,483	21,047	21,833	3.7%	24.9%
Other assets	4,860	4,617	6,838	48.1%	40.7%
<b>ASSETS</b>	<b>511,335</b>	<b>583,423</b>	<b>634,683</b>	<b>8.8%</b>	<b>24.1%</b>
Liabilities to credit institutions	71,838	67,627	86,159	27.4%	19.9%
<b>Deposits from customers</b>	<b>374,516</b>	<b>432,352</b>	<b>457,868</b>	<b>5.9%</b>	<b>22.3%</b>
Issued securities	0	0	0		
Other liabilities	8,007	12,201	12,537	2.8%	56.6%
Subordinated loans	0	0	0		
<b>LIABILITIES</b>	<b>454,360</b>	<b>512,180</b>	<b>556,564</b>	<b>8.7%</b>	<b>22.5%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>56,974</b>	<b>71,243</b>	<b>78,119</b>	<b>9.7%</b>	<b>37.1%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>511,335</b>	<b>583,423</b>	<b>634,683</b>	<b>8.8%</b>	<b>24.1%</b>
				%-point	%-point
Gross loans to deposits	94.4%	88.9%	85.1%	-3.8%	-9.3%

On March 31, 2006 IFRS total assets of DSK were 8.8% higher than at the end of December 2005 and 24.1% above the figure of March 31, 2005. As a result of BNB restrictions for limiting credit growth, gross loans were 1.4% and 10.3% higher respectively. Retail loans reached HUF 297.4 billion (BGN 2,233 million), representing 76.3% of total loans. Corporate loans represented 23.6% of loan volume. The volume of corporate loans transferred to OTP Bank since June 2005, amounted BGN 214 million on March 31, 2006. During the first quarter of 2006, DSK sold BGN 220 million to the local SPV (Elana). The issued asset-backed securities were bought by OTP Bank and amounted to HUF 26.6 billion on March 31, 2006. DSK offers mortgage loans co-financed by OTP Bank, volume of mortgage loans financed by OTP Bank were close to BGN 1 million (HUF 115 million). The adjusted loans growth including loans booked outside DSK balance sheet, reached 9.3% on a quarterly and 26.7% on a yearly base.

The quality of loan portfolio remained good, despite quality of the loan book lightly deteriorated during the first quarter. Share of qualified loans were 5.8% (4Q 2005: 4.2%), adjusted by loans booked outside DSK balance sheet – which are fully performing – 5.1%. NPL ratio was 3.1% (4Q 2005: 2.1%) (calculated with loans sold 2.7%), the coverage on qualified loans stood at 40.3%, the NPLs coverage was 60.3%. The reason of the significant growth in qualified loans is on one hand the increase of loan volume, on the other hand the intensification of cross-selling. The quality of DSK loan book is significantly better than consolidated average (share of qualified: 12.5%, NPL ratio: 3.9%). Because of prudential reasons, DSK creates provisions on performing loans, that volume stood at HUF 4.4 billion at the end of March 2006.

Customer deposits were HUF 457.9 billion (BGN 3,438 million) representing an increase of 5.9% q-o-q and 22.3% y-o-y. The proportion of retail deposits in total deposits was 81.0% (on December 31, 2005 81.4%). Loan to deposit ratio of DSK changed to 85.1% from 94.4% at the end of March 31, 2005.

**Consolidated IFRS P&L of DSK:**

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	9,739	11,762	12,050	2.4%	23.7%
Interest expense	1,976	2,609	2,867	9.9%	45.0%
Net interest income	7,762	9,153	9,183	0.3%	18.3%
Provision for possible loan losses	1,369	1,300	2,229	71.5%	62.8%
<b>Net interest income after provision</b>	<b>6,393</b>	<b>7,854</b>	<b>6,954</b>	<b>-11.5%</b>	<b>8.8%</b>
Fees and commissions income	1,528	3,501	3,336	-4.7%	118.3%
Foreign exchange gains, net	88	123	117	-4.5%	32.6%
Gain on securities, net	213	-41	168	-508.2%	-21.3%
Other non-interest income	739	396	292	-26.3%	-60.5%
<b>Total non-interest income</b>	<b>2,568</b>	<b>3,979</b>	<b>3,912</b>	<b>-1.7%</b>	<b>52.3%</b>
Fees and commissions expense	119	218	148	-32.0%	24.6%
Personnel expenses	1,420	4,325	1,493	-65.5%	5.1%
Depreciation	663	648	580	-10.6%	-12.5%
Other non-interest expenses	1,884	1,499	2,297	53.2%	21.9%
<b>Total non-interest expense</b>	<b>4,086</b>	<b>6,690</b>	<b>4,518</b>	<b>-32.5%</b>	<b>10.6%</b>
<b>Income before income taxes</b>	<b>4,876</b>	<b>5,142</b>	<b>6,348</b>	<b>23.4%</b>	<b>30.2%</b>
Income taxes	741	875	962	9.9%	29.8%
Deferred taxes	0	34	0		
<b>After tax profit</b>	<b>4,134</b>	<b>4,301</b>	<b>5,386</b>	<b>25.2%</b>	<b>30.3%</b>
				%-point	%-point
Total income (with net fees)	10,212	12,914	12,948	0.3%	26.8%
Operating cost	3,967	6,472	4,370	-32.5%	10.2%
Cost/income ratio	38.8%	50.1%	33.8%	-16.4%	-5.1%
Net interest margin (before provisioning)	6.74%	6.58%	6.03%	-0.55%	-0.71%
ROA	3.59%	3.09%	3.54%	0.45%	-0.05%
ROE	29.7%	25.1%	28.8%	3.7%	-0.8%

In 1Q 2006 DSK Bank realised HUF 6.3 billion consolidated profit before taxation, which was by 23.4% and 30.2% higher than in 4Q 2005 and 1Q 2005, respectively. Net interest income was by 0.3% higher than in 4Q 2005, while non-interest income decreased by 1.7%. Compared to the first quarter of 2005, volumes increased by 18.3% and 52.3%, respectively. Net interest margin of DSK was 6.03% in 1Q 2006, representing a decrease of 55 bps compared to the 4Q 2005. Disregarding the impact on the income of the change in HUF exchange rate and the result of loans sold, the decline of the margin would be lower, being only 34 bps. Non-interest expenses amounted HUF 4.5 billion in 1Q 2006, 32.5% lower and 10.6% higher than in 4Q 2005 and 1Q 2005, respectively. Personnel expenses grew over last 12 month by 5.1%, however their volume of HUF 1.5 billion represented a decrease of 65.5% compared to the 4Q 2005. (The reason behind was that a big portion of restructuring costs marked previously as part of non-interest expenses has been used for bonuses and showed up amongst personnel expenses in 4Q 2005. On the same reason the other non-interest expenses increased by 53.2% q-o-q and by 21.9% to the first quarter of 2005.

Pre-tax profits were HUF 6.3 billion representing an increase of 30.2% y-o-y. After tax profits grew by 30.3% to HUF 5.4 billion (BGN 41.4 million) resulting in ROA of 3.54% and ROE of 28.8%. Cost to income ratio of DSK Group improved further to 33.8% (-16.4%-points q-o-q and -5.1%-points y-o-y). Capital adequacy ratio reached 13.15% (13.82% on March 31, 2005) with RWA of BGN 2,910 million.

**Evolution of DSK Bank's market shares:**

	31/03/2005	30/06/2005	30/09/2005	31/12/2005	31/03/2006
Deposits	14.9%	15.4%	15.7%	14.8%	15.8%
Retail deposits	25.5%	24.7%	24.1%	24.1%	23.5%
BGN deposits	42.3%	41.4%	40.0%	38.9%	38.3%
FX deposits	11.6%	11.5%	11.4%	11.3%	11.2%
Corporate deposits	6.7%	7.0%	8.4%	6.7%	7.4%
Municipal deposits	14.2%	13.5%	11.5%	12.0%	9.4%
Loans	15.6%	16.2%	16.0%	16.2%	16.2%
Retail loans	42.2%	41.5%	38.6%	37.7%	37.2%
Housing loans	37.0%	35.2%	32.0%	30.3%	29.6%
Consumer loans	47.3%	48.9%	46.1%	45.7%	40.8%
Corporate loans	6.1%	4.8%	5.1%	5.4%	6.9%
Municipal loans	5.4%	4.8%	5.7%	4.6%	2.8%
Total Assets	13.9%	14.2%	14.1%	13.6%	14.8%

At the end of March 2006 the market share of DSK Bank was 14.8% by total assets (13.9% on March 31, 2005). Share on retail deposits was 23.5%, of which the Bank holds 38.3% of BGN deposits and 11.2% of FX retail deposits. The market share by housing loans stood at 29.6%, while share in consumer loans reached 40.8%.

The number of current accounts increased by more than 14 thousand to over 836 thousand. The number of debit cards issued reached almost 962 thousand which translates into a growth of 5.1% q-o-q (+46.6 thousand); number of credit cards grew from 45,806 to almost 66 thousand. The number of card transactions exceeded 3.9 million (3.7 million ATM cash withdrawals and 245 thousands POS purchase), the volume of transactions reached BGN 315 million.

During 1Q 2006 the number of ATMs of the bank grew from 523 to 529 and the number of POS terminals operated by the bank increased from 1,208 to 1,324 (+9.6%). The Bank operated 357 branches, same as at the end of 2005. The number of employees at DSK Group was 4,042 by 428 people less than at the end of 1Q 2005.

Total assets of **POK DSK-Rodina AD** stood at BGN 6.6 million on March 31, 2006. The results of 1Q 2006 were BGN 78 thousand loss. Wealth of the two compulsory and a voluntary pension funds managed grew by 52.5% to BGN 69.6 million on a yearly base; the number of insured individuals exceeded 211.5 thousand (+16.6% y-o-y).

Total assets of **DSK Tours EOOD** reached BNG 9.6 million at the end of the period; the pre-tax loss of the company was BGN 48 thousand.

**DSK Trans Security EOOD** is fully owned by DSK Tours. Total assets of the company were BGN 2.1 million on March 31, 2006, the pre-tax loss of 1Q 2006 was BGN 26 thousand.

**DSK Asset Management EAD** started the distribution a new (equity) fund in the first quarter. Total assets of the company amounted BGN 0.6 million, losses of 1Q 2006 were BGN 136 thousand. Net asset value of managed funds stood at BGN 3 million (+116.5% q-o-q), while total assets under management reached BGN 5.5 million (+42.2% q-o-q). The market share of DSK Asset Management grew from 1.5% to 2.6% to the end of March 2006.

The total assets of **DSK Leasing** amounted BGN 31.5 million and the profit before tax BGN 85 thousand in 1Q 2006. The total assets of DSK Auto Leasing reached BGN 6.4 million, its profit after tax BGN 34 thousand.

**OTP BANKA HRVATSKA**

On March 31, 2006 total assets of OTP banka Hrvatska d.d. reached HUF 328.4 billion; its pre-tax earnings were HUF 919 million.

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

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	6,208	3,424	3,237	-5.5%	-47.8%
Placements with other banks	71,724	87,322	94,432	8.1%	31.7%
Trading securities	41,175	40,241	40,979	1.8%	-0.5%
<b>Gross loans</b>	<b>123,548</b>	<b>150,499</b>	<b>172,501</b>	<b>14.6%</b>	<b>39.6%</b>
Provisions	0	-259	-944	264.4%	#ZÉRŐOSZTÓ!
Net loans	123,548	150,240	171,557	14.2%	38.9%
Investments	1,343	2,739	2,712	-1.0%	102.0%
Securities held-to-maturity	1,188	555	581	4.6%	-51.1%
Intangible assets	5,424	8,873	9,388	5.8%	73.1%
Other assets	4,613	4,781	5,264	10.1%	14.1%
<b>ASSETS</b>	<b>255,223</b>	<b>298,175</b>	<b>328,423</b>	<b>10.1%</b>	<b>28.7%</b>
Liabilities to credit institutions	9,313	28,400	50,173	76.7%	438.7%
<b>Deposits from customers</b>	<b>215,428</b>	<b>232,496</b>	<b>238,453</b>	<b>2.6%</b>	<b>10.7%</b>
Issued securities	0	0	0		
Other liabilities	6,145	6,708	10,473	56.1%	70.4%
Subordinated loans	1,248	0	0		
<b>LIABILITIES</b>	<b>232,134</b>	<b>267,604</b>	<b>299,099</b>	<b>11.8%</b>	<b>28.8%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>23,089</b>	<b>30,571</b>	<b>29,324</b>	<b>-4.1%</b>	<b>27.0%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>255,223</b>	<b>298,175</b>	<b>328,423</b>	<b>10.1%</b>	<b>28.7%</b>
				%-point	%-point
Gross loans to deposits	57.4%	64.7%	72.3%	7.6%	15.0%

On 31 March, 2006 out of HUF 328.4 billion total assets (HRK 9,083 million) 51.2% or HUF 171.1 billion were customer receivables, and 28.8% or HUF 94.4 billion were interbank receivables. The gross loan volume grew by 14.6%, while the customer deposits increased by 2.6% in the first quarter. Loans to deposits ratio increased to 71.7% from 64.7% on December 31, 2005.

Out of total deposits the share of retail deposits grew by margins, from 83.4% at end-2005 to 85.9% by 31 March, 2006. Corporate deposits (HUF 29.2 billion) comprised 12.2% of the total volume.

Within gross loan portfolio the volume of retail loans grew by 21.9% q-o-q reaching HUF 111.7 billion, thus its share in the total loan book increased from 59.8% to 64.8% by end of 1Q 2006. Corporate loans represented 34.9% of the total book versus 39.7% at end-2005, their volume grew by 0.6% reaching HUF 60.1 billion.

The quality of the loan book deteriorated a bit on a quarterly base, the qualified portion grew from 1.6% to 1.9%, while NPLs increased from 0.8% to 1.3%. The coverage of the qualified book is 17.8%

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

HUF mn	4Q 2005	1Q 2006	Q-o-Q
Interest income	4,151	4,115	-0.9%
Interest expense	1,521	1,482	-2.6%
Net interest income	2,630	2,633	0.1%
Provision for possible loan losses	-32	643	
<b>Net interest income after provision</b>	<b>2,662</b>	<b>1,990</b>	<b>-25.3%</b>
Fees and commissions income	924	884	-4.3%
Foreign exchange gains, net	235	198	-15.7%
Gain on securities, net	7	87	1180.6%
Other non-interest income	106	464	337.7%
<b>Total non-interest income</b>	<b>1,272</b>	<b>1,633</b>	<b>28.4%</b>
Fees and commissions expense	329	317	-3.8%
Personnel expenses	1,165	1,118	-4.0%
Depreciation	138	169	23.1%
Other non-interest expenses	1,225	1,099	-10.3%
<b>Total non-interest expense</b>	<b>2,857</b>	<b>2,703</b>	<b>-5.4%</b>
<b>Income before income taxes</b>	<b>1,077</b>	<b>919</b>	<b>-14.6%</b>
Income taxes	-416	0	-100.0%
Deferred taxes	987	188	-81.0%
<b>After tax profit</b>	<b>506</b>	<b>732</b>	<b>44.6%</b>

HUF mn	4Q 2005	1Q 2006	Q-o-Q %-point
Total income (with net fees)	3,572	3,949	10.5%
Operating cost	2,528	2,386	-5.6%
Cost/income ratio	70.8%	60.4%	-10.3%
Net interest margin (before provisioning)	3.60%	3.36%	-0.24%
ROA	0.69%	0.93%	0.24%
ROE	7.2%	9.8%	2.6%

The net interest income of the bank was 0,1% higher q-o-q, the net interest margin equalled to 3.36%, a drop of 24 bps over the quarter.

Non-interest revenues grew by 28.4%, within those other revenues increased by more than 4 times by HUF 358 million. Non-interest expenses dropped by 5.4% q-o-q. The cost to income ratio improved by 10.3% over the 4Q 2005; sinking to 60.4%.

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

	31/03/2005	30/06/2005	30/09/2005	31/12/2005	31/03/2006
Deposits	4.1%	4.1%	4.2%	4.1%	4.5%
Retail deposits	5.7%	5.7%	5.6%	5.5%	5.5%
HRK deposits	4.2%	4.1%	4.1%	4.0%	4.1%
FX deposits	6.2%	6.2%	6.1%	6.0%	6.0%
Corporate deposits	2.0%	2.0%	2.0%	2.1%	1.8%
Municipal deposits	3.4%	3.8%	4.0%	3.3%	3.4%
Loans	3.1%	3.1%	3.1%	3.1%	3.1%
Retail loans	3.8%	3.8%	3.8%	3.8%	3.9%
Housing loans	4.7%	4.7%	4.5%	4.6%	4.6%
Consumer loans	3.3%	3.4%	3.4%	3.4%	3.4%
Corporate loans	2.9%	2.9%	2.8%	2.9%	2.8%
Municipal loans	0.6%	0.1%	0.2%	0.2%	0.1%
Total Assets	3.5%	3.4%	3.5%	3.4%	3.5%

OTP banka Hrvatska has more than 400 thousands customers, handles approx. 317.6 thousands retail accounts (+0.5% y-o-y). The number of cards issued by the Bank since end of 1Q 2005 grew to 347.6 thousands (+8.4% y-o-y). Number of credit cards exceeded 25 thousands which show a 76.2% y-o-y growth.

On March 31, 2006 OTP banka d.d. operated 96 branches (1Q 2005: 89), had 91 ATMs (1Q 2005: 62) and 832 POS terminals (+331), the number of employees reached 1,008 people, 10 people increase y-o-y and 3 people q-o-q.

Out of the subsidiaries of OTP **invest d.o.o.** currently manages 3 open-end funds (OTP Money market, OTP Euro Bond and OTP Balanced) and also 1 closed-end fund (Velebit) Their combined net asset value exceeded HRK 38 million (+44% q-o-q) and collected HRK 100 thousand management fees. The fund management realized a HRK 521 thousand loss in 1Q 2006.

**OTP nekretnine d.o.o.** posted a loss of HRK 24 thousand in 1Q 2006.

**OTP BANKA SLOVENSKO**

On March 31, 2006 OBS's IFRS total assets were HUF 287.8 billion representing a 40.5% growth compared to March 31, 2005. Pre-tax profits were HUF 237 million (SKK 35 million).

**Main balance sheet data of OBS according to IFRS:**

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	4,121	5,135	4,024	-21.6%	-2.4%
Placements with other banks	16,332	32,301	39,571	22.5%	142.3%
Financial assets at fair value	3,742	3,852	3,946	2.4%	5.4%
Trading securities	0	0	0		
<b>Gross loans</b>	<b>143,412</b>	<b>189,940</b>	<b>209,584</b>	<b>10.3%</b>	<b>46.1%</b>
Provisions	-920	-1,986	-2,195	10.5%	138.7%
Net loans	142,493	187,954	207,390	10.3%	45.5%
Investments	718	784	801	2.1%	11.5%
Securities held-to-maturity	24,896	26,148	24,757	-5.3%	-0.6%
Intangible assets	11,267	5,191	5,571	7.3%	-50.6%
Other assets	1,324	1,494	1,718	15.0%	29.7%
<b>ASSETS</b>	<b>204,894</b>	<b>262,858</b>	<b>287,776</b>	<b>9.5%</b>	<b>40.5%</b>
Liabilities to credit institutions	30,033	51,013	55,461	8.7%	84.7%
<b>Deposits from customers</b>	<b>135,350</b>	<b>151,851</b>	<b>166,366</b>	<b>9.6%</b>	<b>22.9%</b>
Issued securities	20,564	38,744	43,030	11.1%	109.3%
Other liabilities	3,507	4,123	4,623	12.1%	31.8%
Subordinated loans	0	0	0		
<b>LIABILITIES</b>	<b>189,454</b>	<b>245,731</b>	<b>269,480</b>	<b>9.7%</b>	<b>42.2%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15,439</b>	<b>17,128</b>	<b>18,296</b>	<b>6.8%</b>	<b>18.5%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>204,894</b>	<b>262,858</b>	<b>287,776</b>	<b>9.5%</b>	<b>40.5%</b>
				%-point	%-point
Gross loans to deposits	106.0%	125.1%	126.0%	0.9%	20.0%

Total assets of OBS grew by 9.5% q-o-q. Gross loans (HUF 209.6 billion) to assets ratio grew to 72.8% (vs. 70% a year ago) driven by 46.1% growth (y-o-y) of loans. Deposits to total liabilities declined to 57.8% from 66.1% as of March 31, 2005; their volume increased by 9.6% q-o-q and 22.9% y-o-y. Loans to deposits ratio stood at 126% on March 31, 2006, by 20%-points higher than a year earlier. Shareholders' equity increased by 18.5% to HUF 18.3 billion during the year.

At the end of March 2006, deposits stood at HUF 166.4 billion (SKK 23.6 billion); of which retail deposits represented 38.8%, HUF 64.5 billion (+8.2% increase q-o-q). Corporate deposit of HUF 68.3 billion represented 41.0% of total deposits, whereas the share of deposits from municipalities amounted to HUF 33.6 billion.

Volume of issued securities grew by 109.3% y-o-y to HUF 43 billion representing 15.0% of total liabilities (form 10.0% as at March 31, 2005).

Out of total loans, corporate lending represented 75.1%, their volume grew by 10.4% q-o-q. Share of retail loans was 23.0%. The retail lending book grew by 9.9% on a quarterly base, while housing loans rose by 10.1% and consumer loans by 9.2%, respectively.

Qualified loans/total loans ratio fell from 9.3% to 3.6%, but the total qualified loan book belongs to NPL category. Their share did not change over the previous quarter. The coverage of the qualified portfolio for NPL stood at 27.4%.

**Main P&L data of OBS in IFRS:**

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	2,350	2,781	2,972	6.9%	26.5%
Interest expense	1,069	1,517	1,282	-15.5%	19.9%
Net interest income	1,280	1,264	1,690	33.7%	32.0%
Provision for possible loan losses	8	-408	188	-	2144.7%
<b>Net interest income after provision</b>	<b>1,272</b>	<b>1,672</b>	<b>1,503</b>	<b>-10.1%</b>	<b>18.1%</b>
Fees and commissions income	448	640	549	-14.1%	22.6%
Foreign exchange gains, net	35	324	160	-50.6%	356.1%
Gain on securities, net	119	-21	-96	349.0%	-180.7%
Other non-interest income	750	-154	44	-128.3%	-94.2%
<b>Total non-interest income</b>	<b>1,352</b>	<b>788</b>	<b>657</b>	<b>-16.7%</b>	<b>-51.4%</b>
Fees and commissions expense	104	186	148	-20.6%	41.7%
Personnel expenses	642	919	761	-17.2%	18.5%
Depreciation	244	148	154	4.2%	-36.9%
Other non-interest expenses	1,299	851	859	0.9%	-33.9%
<b>Total non-interest expense</b>	<b>2,289</b>	<b>2,104</b>	<b>1,922</b>	<b>-8.7%</b>	<b>-16.1%</b>



HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
<b>Income before income taxes</b>	335	356	237	-33.3%	-29.0%
Income taxes	0	0	0		
Deferred taxes	0	0	0		
<b>After tax profit</b>	335	356	237	-33.3%	-29.0%
				%-point	%-point
Total income (with net fees)	2,528	1,866	2,199	17.8%	-13.0%
Operating cost	2,185	1,918	1,774	-7.5%	-18.8%
Cost/income ratio	86.4%	102.8%	80.7%	-22.1%	-5.8%
Net interest margin (before provisioning)	2.44%	2.00%	2.46%	0.46%	0.02%
ROA	0.64%	0.56%	0.35%	-0.22%	-0.29%
ROE	8.8%	8.6%	5.4%	-3.2%	-3.4%

In 1Q 2006 OBS reached HUF 237 million profit before tax which is by 33.3% less than in 4Q 2005, and by 29% smaller than a year ago. Net interest income grew by 33.7% q-o-q, and by 32.0% y-o-y. Based on average total assets, the net interest margin was 2.46%, a gain of 2 bps y-o-y and +46 bps y-o-y.

Non-interest revenues declined by 16.7%, within that category fee and commission income dropped by 14.1% q-o-q. Net fee and commission income was by 51.4% lower than in the 4Q 2005. Non-interest expenses dropped by 16.1% y-o-y with an increase of 18.5% in personal expenses, but with a decline in depreciation and other non interest expenditures (-36.9% y-o-y and -33.9%, respectively). Cost to income ratio in 1Q 2006 changed to 80.7%, lower by 5.8%-point than a year ago. Return on average assets reached 0.35% and return on equity was 5.4%.

By March 31, 2006 capital adequacy ratio stood at 12.64% calculating with SKK 2,486 million adjusted capital and SKK 19,665 million risk weighted assets.

#### Market shares of the Bank showed the following:

	31/03/2005	30/06/2005	30/09/2005	31/12/2005	31/03/2006
Deposits	3.0%	3.2%	3.2%	3.2%	2.7%
Retail deposits	2.6%	2.5%	2.4%	2.4%	2.4%
SKK deposits	2.7%	2.6%	2.5%	2.5%	2.5%
FX deposits	1.9%	2.0%	2.0%	2.0%	2.1%
Corporate deposits	2.4%	2.9%	3.0%	2.8%	2.7%
Municipal deposits	4.2%	3.9%	4.0%	3.5%	3.7%
Securities issued	7.7%	8.4%	7.8%	9.3%	9.4%
Loans	5.3%	5.7%	5.7%	5.3%	5.3%
Retail loans	3.7%	3.8%	3.9%	3.9%	3.9%
Corporate loans	6.3%	6.9%	6.8%	6.2%	6.2%
Municipal loans	0.8%	1.1%	1.6%	2.0%	2.1%
Total Assets	2.4%	2.8%	2.8%	2.8%	2.9%

In terms of market share the Bank managed to maintain its position in most segments, only in case of total deposits it lost 0.5%-point market share.

Number of retail current accounts increased from 87.5 thousand to 92 thousands (+5.1% y-o-y). The number of cards issued was 103 thousands and the Bank operated 110 ATMs (1Q 2005: 104), 489 POS terminals (1Q 2005: 472) and had 79 branches at the end of March 2006 (1Q 2005: 69). At the end of the period number of employees reached 780 people, 28 people more than a year earlier.

Amongst the subsidiaries of the Bank, OTP Leasing, a.s. and OTP Faktoring Slovensko, a.s. belong to the fully consolidated ones.

**OTP Leasing, a.s.** within the group is specialized for car financing managed to had 1,619 contracts in 1Q 2006. At the end of March 2006 the company had total assets of SKK 3,487 million, its earnings topped at SKK 0.6 million.

**OTP Faktoring Slovensko, a.s.** by end of March 2006 total assets reached SKK 605 million, pre-tax profits were close to SKK 1 million.

## OTP BANK ROMANIA

Total assets of OTP Bank Romania reached HUF 66.5 billion on March 31, 2006 (RON 881.8 million), of which placements with other banks represented 32.1% while customer loans comprised 51.4%. (at March 31, 2005: 55.1% and 35.0%, respectively)

### IFRS condensed balance sheet of OTP Bank Romania:

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	1,027	1,444	1,819	25.9%	77.2%
Placements with other banks	26,631	14,426	21,363	48.1%	-19.8%
Trading securities	502	662	791	19.4%	57.8%
<b>Gross loans</b>	<b>16,889</b>	<b>24,565</b>	<b>34,154</b>	<b>39.0%</b>	<b>102.2%</b>
Provisions	-339	-463	-821	77.3%	142.2%
Net loans	16,550	24,102	33,333	38.3%	101.4%
Investments	35	35	197	457.6%	457.6%
Securities held-to-maturity	34	9,553	3,000	-68.6%	8802.2%
Intangible assets	2,228	3,872	5,238	35.3%	135.1%
Other assets	1,291	1,130	764	-32.5%	-40.8%
<b>ASSETS</b>	<b>48,297</b>	<b>55,225</b>	<b>66,505</b>	<b>20.4%</b>	<b>37.7%</b>
Liabilities to credit institutions	10,518	15,482	25,372	63.9%	141.2%
<b>Deposits from customers</b>	<b>29,066</b>	<b>25,329</b>	<b>25,378</b>	<b>0.2%</b>	<b>-12.7%</b>
Issued securities	0	0	0		
Other liabilities	606	683	1,248	82.7%	106.0%
Subordinated loans	0	0	0		
<b>LIABILITIES</b>	<b>40,189</b>	<b>41,495</b>	<b>51,998</b>	<b>25.3%</b>	<b>29.4%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8,108</b>	<b>13,731</b>	<b>14,507</b>	<b>5.7%</b>	<b>78.9%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>48,297</b>	<b>55,225</b>	<b>66,505</b>	<b>20.4%</b>	<b>37.7%</b>
				%-point	%-point
Gross loans to deposits	58.1%	97.0%	134.6%	37.6%	76.5%

The loan portfolio grew by 102.2% y-o-y, and by 39.0% q-o-q. Out of the gross loan portfolio 75.5% was placed with corporate clients and 24.5% with retail customers. 62% of retail loans belonged to the personal loans backed by insurance, mortgage loans comprised 25%.

In 1Q 2006 NPL ratio moderated to 3.5% from 4.7% in December 2005 (the drop was 0.1%-point y-o-y). Provisioning grew by 142.2% y-o-y and 77.3% q-o-q, the coverage of NPLs grew from 34.3% 4Q 2005 to 49.3%.

The volume of customer deposits stagnated, grew to HUF 25.4 billion (+0.2% q-o-q). Out of total, retail deposits comprised 44.4% (vs 77.7% in 1Q 1005), while corporate deposits represented 55.6% (1Q 2005: 22.3%)

### IFRS profit and loss accounts of OTP Bank Romania:

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	1,322	597	821	37.5%	-37.9%
Interest expense	765	321	309	-3.6%	-59.6%
Net interest income	557	276	512	85.2%	-8.2%
Provision for possible loan losses	869	405	185	-54.4%	-78.7%
<b>Net interest income after provision</b>	<b>-311</b>	<b>-129</b>	<b>327</b>	<b>-354.6%</b>	<b>-205.2%</b>
Fees and commissions income	262	225	288	27.7%	10.0%
Foreign exchange gains, net	-48	254	95	-62.6%	-297.9%
Gain on securities, net	0	0	0		
Other non-interest income	895	230	149	-35.1%	-83.3%
<b>Total non-interest income</b>	<b>1,108</b>	<b>709</b>	<b>532</b>	<b>-25.0%</b>	<b>-52.0%</b>
Fees and commissions expense	34	26	51	99.6%	52.4%
Personnel expenses	366	662	627	-5.2%	71.5%
Depreciation	110	145	174	20.2%	59.2%
Other non-interest expenses	339	947	625	-34.0%	84.3%
<b>Total non-interest expense</b>	<b>848</b>	<b>1,779</b>	<b>1,477</b>	<b>-16.9%</b>	<b>74.3%</b>
<b>Income before income taxes</b>	<b>-51</b>	<b>-1,198</b>	<b>-618</b>		
Income taxes	0	0	0		
Deferred taxes	2	82	-36		
<b>After tax profit</b>	<b>-52</b>	<b>-1,117</b>	<b>-583</b>		

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
				%-point	%-point
Total income (with net fees)	1,632	960	993	3.4%	-39.2%
Operating cost	814	1,753	1,426	-18.7%	75.2%
Cost/income ratio	49.9%	182.7%	143.7%	-39.0%	93.8%
Net interest margin (before provisioning)	4.80%	1.99%	3.36%	1.38%	-1.44%
ROA	-0.45%	-8.04%	-3.83%	4.21%	-3.38%
ROE	-2.7%	-31.0%	-16.5%	14.5%	-13.9%

On a quarterly base, a 37.5% higher interest income and 3.6% lower expenditure resulted in higher net interest income (+85.2% q-o-q). The net interest margin stood at 3.36% which is an increase of 138 bps over the quarter, but a drop of 144 bps over 1Q 2005. The Bank had a pre-tax loss for 1Q 2006 of HUF 583 million (RON 8.2 million) after creating HUF 185 million provisions.

**Estimated market shares of OTP Bank Romania are:**

	31/03/2005	30/06/2005	30/09/2005	31/12/2005	31/03/2006
Deposits	0.72%	0.57%	0.47%	0.49%	0.24%
Retail deposits	0.80%	0.64%	0.56%	0.47%	0.48%
RON deposits	0.96%	0.67%	0.58%	0.44%	0.42%
FX deposits	0.51%	0.57%	0.51%	0.51%	0.58%
Corporate deposits	0.65%	0.51%	0.40%	0.52%	0.41%
Loans	0.45%	0.40%	0.38%	0.44%	0.64%
Retail loans	0.04%	0.03%	0.03%	0.17%	0.32%
Corporate loans	0.57%	0.52%	0.50%	0.54%	0.83%
Total Assets	0.72%	0.67%	n.a.	0.64%	n.a.

Customer accounts run by the Bank grew by 34.6% y-o-y, from 32 thousand to 51 thousands, while corporate accounts reached over 8 thousands (from 5 thousands; +65.8%). On March 31, 2006 OTP Bank Romania operated 36 branches, opening 9 new ones in 1Q 2006, had 40 ATMs and the number of employees reached 553 (by 205 more than a year ago and by 78 more than at the end of 2005).

## OTP GARANCIA INSURANCE

OTP Garancia Insurance pre-tax profit for 1Q 2006 reached HUF 2.7 billion, 109% higher than in 1Q 2005. Premium income was 32.5% higher than in 1Q 2005 and topped at HUF 20.8 billion (1Q 2005: HUF 15.7 billion).

Compared to last year, OTP Garancia Insurance managed to strengthen its market position: it became the fourth biggest company in terms of total revenues with 10.0% market share, while in the life business it is ranked as No. 2 with 12.8% of total market. In non-life business the company gained No.3 position with 7.9% of markets.

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

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	464	79	32	-60.1%	-93.2%
Placements with other banks	2,788	2,799	0	-100.0%	-100.0%
Trading securities	110,064	137,238	146,302	6.6%	32.9%
Gross loans	129	276	0	-100.0%	-100.0%
Investments	5,863	8,037	8,646	7.6%	47.5%
Intangible assets	3,163	3,820	3,533	-7.5%	11.7%
Other assets	5,151	4,975	5,932	19.2%	15.2%
<b>ASSETS</b>	<b>127,623</b>	<b>157,225</b>	<b>164,444</b>	<b>4.6%</b>	<b>28.9%</b>
Insurance reserves	103,810	131,116	139,090	6.1%	34.0%
Other liabilities	7,383	4,773	6,509	36.4%	-11.8%
<b>LIABILITIES</b>	<b>111,193</b>	<b>135,889</b>	<b>145,599</b>	<b>7.1%</b>	<b>30.9%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>16,430</b>	<b>21,336</b>	<b>18,845</b>	<b>-11.7%</b>	<b>14.7%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>127,623</b>	<b>157,225</b>	<b>164,444</b>	<b>4.6%</b>	<b>28.9%</b>

Total assets grew by 28.9% y-o-y reaching HUF 164.4 billion at the end of March 2006 versus HUF 127.6 billion a year ago.

Insurance technical reserves were at HUF 139.1 billion, of which increase in 1Q 2006 represented HUF 8 billion. Closing reserves of unit linked policies grew by HUF 6.4 billion and reached HUF 103.4 billion.

Shareholders' equity grew from HUF 16.4 billion to HUF 18.8 billion within one year. The company meets excess solvency requirements of the Hungarian regulations.

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

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
Interest income	1,765	2,490	1,774	-28.8%	0.5%
Interest expense	0	0	0	-36.6%	25.8%
Net interest income	1,765	2,490	1,774	-28.8%	0.5%
Provision for possible loan losses	0	0	0		
<b>Net interest income after provision</b>	<b>1,765</b>	<b>2,490</b>	<b>1,774</b>	<b>-28.8%</b>	<b>0.5%</b>
Fees and commissions income	72	170	460	171.1%	539.9%
Foreign exchange gains, net	0	-11	-1	-89.5%	-423.0%
Gain on securities, net	1,425	37	1,817	4761.2%	27.5%
Insurance premiums	14,438	18,443	19,296	4.6%	33.6%
Other non-interest income	207	66	248	276.2%	20.0%
<b>Total non-interest income</b>	<b>16,142</b>	<b>18,704</b>	<b>21,820</b>	<b>16.7%</b>	<b>35.2%</b>
Fees and commissions expense	827	582	1,354	132.7%	63.6%
Personnel expenses	1,844	2,378	2,014	-15.3%	9.2%
Depreciation	111	137	141	2.9%	26.2%
Insurance expenses	11,677	12,592	15,424	22.5%	32.1%
Other non-interest expenses	2,146	2,073	1,944	-6.2%	-9.4%
<b>Total non-interest expense</b>	<b>16,606</b>	<b>17,762</b>	<b>20,876</b>	<b>17.5%</b>	<b>25.7%</b>
<b>Income before income taxes</b>	<b>1,301</b>	<b>3,433</b>	<b>2,718</b>	<b>-20.8%</b>	<b>108.9%</b>
Income taxes	208	408	413	1.2%	98.5%
<b>After tax profit</b>	<b>1,093</b>	<b>2,921</b>	<b>2,305</b>	<b>-21.1%</b>	<b>110.9%</b>
				%-point	%-point
Total income (with net fees)	17,079	20,612	22,240	7.9%	30.2%
Operating cost	15,778	17,180	19,522	13.6%	23.7%
Cost/income ratio	92.4%	83.3%	87.8%	4.4%	-4.6%
Net interest margin (before provisioning)	5.79%	6.42%	4.41%	-2.01%	-1.38%
ROA	3.58%	7.53%	5.73%	-1.80%	2.15%
ROE	30.6%	53.2%	45.9%	-7.3%	15.3%

Premium in life and banking insurance reached HUF 11.6 billion; with an outstanding 45.7% increase in life insurance. It was mainly due to the steady growth (81% y-o-y) of life insurance annuities with single payment fees (+HUF 3.3 billion); the increase in single payment type products was less dynamic (+9% y-o-y).

Non life fee income was HUF 9.2 billion, 18.9% higher than a year earlier. Significant gains were achieved in residential property (+10%) and mandatory car insurance business (+17%). In the first case revenues exceeded HUF 3 billion, while in case of the latter they reached HUF 1.7 billion. Income from car damage insurance grew by 1% only, reaching HUF 1.3 billion. Agriculture-related insurance revenue topped at HUF 0.7 billion, while property and casualty insurance brought in HUF 1.9 billion.

Insurance expenses in non-life business increased by 7.4% from the corresponding period of 1Q 2005, while in life business they increased by 19.9% totalling in HUF 7.4 billion compared to HUF 6.5 billion in 1Q 2005. In non life business the damages and changes in reserves to premium income represented 40.6% in 1Q 2006.

The combined ratio in 1Q 2006 was 94.8%, with 101.4% in life insurance and 85.1% in non-life business. The Company had a ROE of 45.9% versus 30.6% a year ago, its ROA stood at 5.73% versus 3.58%.

OTP Garancia Insurance holds majority stake in foreign insurance companies of the Group (OTP Garancia zivotna poistovna, a.s. and OTP Garancia poistovna, a.s. in Slovakia, DSK Garancia Life Insurance Co. AD and DSK Garancia Insurance Co. AD in Bulgaria, and Asigurarea CECCAR-ROMAS S.A, in Romania) and also exercising a professional control.

From January 1, 2006 those companies belonged to the scope of fully consolidated subsidiaries.

**DSK Garancia Life** had assets of around BGN 7.2 million, and posted a result of BGN 182 thousand versus the losses in previous quarters. The company's insurance revenue amounted to BGN 1,906 thousand (+46.9% q-o-q), insurance expenses amounted to BGN 1,030 thousand (-1.1% q-o-q). By the end of the first quarter insurance reserves grew to BGN 3.4 million (+134% y-o-y)

**DSK Garancia Insurance** started its operation only in the fourth quarter 2005, its fee income reached BGN 0.5 million. At the end of March 2006 the company's total assets stood at BGN 2,826 million, and posted a negative result of BGN 184 thousand.

**OTP Garancia poist'ovna, a.s.** had a gross fee revenue of SKK 19.9 million in 1Q 2006. The company posted negative result of SKK 3.3 million.

**OTP Garancia zivotna poist'ovna, a.s.**, in 1Q 2006 the life insurance company posted a negative result of SKK 3.6 million, after having a fee revenue of SKK 5.5 million.

OTP Garancia Insurance acquired majority stake in **CECCAR-ROMA S.A.** in 4Q 2005. Right after that it started the transformation of the company. In 1Q it obtained a licence to sell life insurance products, the business is expected to start in 3Q 2006. By March 31, 2006 the company posted a negative result of HUF 69 million.

**OTP FUND MANAGEMENT**

IFRS pre-tax profit of OTP Fund Management for 1Q 2006 was HUF 1.3 billion, after tax profit reached HUF 1 billion, an increase of 39% over the same period of 2005. Total assets exceeded HUF 9.8 billion and shareholders' equity surpassed HUF 7.8 billion.

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

HUF mn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
Cash and bank	14	1	8	429.9%	-46.1%
Trading securities	720	3,291	2,303	-30.0%	220.0%
Investments	6,098	6,065	6,078	0.2%	-0.3%
Intangible assets	40	39	33	-15.2%	-16.9%
Other assets	2,179	5,413	1,386	-74.4%	-36.4%
<b>ASSETS</b>	<b>8,331</b>	<b>11,519</b>	<b>9,807</b>	<b>-14.9%</b>	<b>17.7%</b>
LIABILITIES	1,197	1,262	1,987	57.4%	66.0%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,134</b>	<b>10,256</b>	<b>7,820</b>	<b>-23.8%</b>	<b>9.6%</b>
<b>TOTAL LIAB. AND SHAREHOLDERS' EQUITY</b>	<b>8,331</b>	<b>11,519</b>	<b>9,807</b>	<b>-14.9%</b>	<b>17.7%</b>

**P&L**

HUF mn	1Q 2005	4Q 2005	1Q 2006	Q-o-Q	Y-o-Y
<b>Net interest income</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>-99.0%</b>	<b>-85.9%</b>
Fees and commissions income	2,084	3,705	2,863	-22.7%	37.3%
Foreign exchange gains, net	-2	0	0	361.7%	-89.9%
Gain on securities, net	46	58	45	-22.0%	-0.4%
Other non-interest income	0	0	3	530.1%	
<b>Total non-interest income</b>	<b>2,128</b>	<b>3,764</b>	<b>2,911</b>	<b>-22.7%</b>	<b>36.8%</b>
Fees and commissions expense	990	1,759	1,371	-22.1%	38.5%
Personnel expenses	90	104	87	-16.7%	-3.2%
Depreciation	5	6	4	-20.8%	-17.4%
Other non-interest expenses	142	477	196	-58.8%	38.4%
<b>Total non-interest expense</b>	<b>1,227</b>	<b>2,346</b>	<b>1,659</b>	<b>-29.3%</b>	<b>35.2%</b>
<b>Income before income taxes</b>	<b>902</b>	<b>1,420</b>	<b>1,253</b>	<b>-11.8%</b>	<b>38.9%</b>
Income taxes	143	270	196	-27.5%	37.2%
<b>After tax profit</b>	<b>759</b>	<b>1,150</b>	<b>1,057</b>	<b>-8.1%</b>	<b>39.2%</b>
				%-point	%-point
Total income (with net fees)	1,139	2,006	1,540	-23.2%	35.2%
Operating cost	237	587	288	-51.0%	21.4%
Cost/income ratio	20.8%	29.2%	18.7%	-10.6%	-2.1%
ROA	35.88%	42.20%	39.65%	-2.55%	3.77%
ROE	45.0%	47.5%	46.8%	-0.7%	1.7%

HUF bn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q		Y-o-Y	
				HUF bn	%	HUF bn	%
MONEY MARKET	3.8	35.3	88.3	53.0	149.9%	84.5	2216.0%
OPTIMA	406.5	411.9	376.9	-35.0	-8.5%	-29.6	-7.3%
PALETTA	3.7	9.4	11.4	2.0	21.4%	7.7	206.7%
QUALITY	34.0	48.5	56.4	7.9	16.3%	22.4	65.9%
OTP-UBS Fund of Funds	20.7	25.5	33.9	8.4	32.8%	13.2	63.8%
MAXIMA	9.0	21.7	18.2	-3.5	-16.2%	9.2	102.6%
EURO	3.3	2.9	2.9	0.0	-0.3%	-0.5	-14.4%
US DOLLAR	1.3	1.2	1.1	-0.1	-7.1%	-0.2	-13.5%
FANTASIA (closed-ended)	1.2	1.3	1.4	0.1	4.3%	0.2	18.8%
ALFA (closed-ended)		5.3	5.0	-0.3	-5.5%	5.0	
PRIZMA (closed-ended)		4.9	5.1	0.2	3.3%	5.1	
Exclusive Institutional Equity Fund	10.5	12.2	13.6	1.4	11.3%	3.1	29.8%
Central-European Equity Fund		0.2	0.3	0.1		0.3	
<b>Total</b>	<b>494.0</b>	<b>580.4</b>	<b>614.5</b>	<b>34.1</b>	<b>5.9%</b>	<b>120.5</b>	<b>24.4%</b>

In 1Q 2006 total assets of OTP Fund Management grew by 14.9%, while its after tax earnings lagged behind the 4Q 2005 by 8.1%.

Though fees and commission income grew by 37.3% on a yearly base, compared to the previous quarter it dropped by 22.7%. Within non-interest expenses selling fees and depository expenses paid to OTP Bank represented the most significant portion, comprising HUF 1.4 billion in 1Q 2006. Other non-interest expenditures grew by 38% y/y and reached HUF 196 million. The cost to income ratio of the company decreased to 18.7% from 20.8% in 4Q 2005.

The net asset value of the funds managed by OTP Fund Management stood at HUF 614.5 billion at the end of March 2006, an increase of 5.9% over 4Q 2005. The most significant volume was still managed under bond funds, however the popularity of other funds grew, too. Net asset value of OPTIMA Fund comprised 61.3% of total value under management versus 82.3% a year ago. The market share of the company in fund management business was 36.7% compared to 38.3% at the end-2005.

#### Evolution of Assets under Management:

HUF bn	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
OTP Investment Funds	494.0	580.4	614.5	5.9%	24.4%
Pension Funds	322.0	405.8	436.4	7.5%	35.5%
OTP Private Pension Fund	247.1	315.7	341.8	8.3%	38.3%
OTP Voluntary Pension Fund	65.5	77.8	81.0	4.2%	23.6%
OTP Health Care Fund	1.9	2.8	3.0	6.3%	55.8%
Other pension funds	7.4	9.5	10.5	10.4%	41.8%
Other Institutional Investors	86.6	110.7	115.6	4.5%	33.6%
<b>Assets under management, total</b>	<b>902.5</b>	<b>1,096.9</b>	<b>1,166.5</b>	<b>6.3%</b>	<b>29.2%</b>

Pension fund assets grew from HUF 405.8 billion to HUF 436.4 billion (+7.5%) during the 1Q 2006. Other institutional funds under management increased to HUF 115.6 billion, an increase of 33.6% y-o-y and 4.5% compared to 4Q 2005. Total assets under management (incl. pension funds, mutual funds and other type of institutional funds) surpassed HUF 1,166.5 billion (+29.2% y-o-y).

In 3Q 2005 the company had a successful bid for obtaining the management of a new pension fund (Unilever Voluntary Pension Fund), the operation started from January 2006. In 1Q 2006 the company was awarded with another mandate to manage part of the assets of the Postmen Voluntary Pension Fund; thus the number of institutional clients of the company grew to 16.

#### OTHER FULLY CONSOLIDATED SUBSIDIARIES

**OTP BUILDING SOCIETY** originated 870 loans with the volume of HUF 405.2 million in 1Q, 2006. The total volume of customer deposits reached HUF 84.8 billion. The Company had total assets of HUF 91.1 billion and pre-tax profit of HUF 555.5 million. By March 31, 2006, the net interest income exceeded HUF 855 million, while the cost to income ratio stood at 43.7% showing a significant improvement over the corresponding period. (1Q 2005: 55.2%)

In 1Q 2006, net sales of **OTP REAL ESTATE** were over HUF 544.2 million. Its pre-tax profit reached HUF 10.2 million. Cost to income ratio stood at 98.4% (1Q 2005: 85.2%). Within the total assets of HUF 20.4 billion, properties for sale comprised HUF 12.2 billion.

**OTP FACTORING** concluded contracts with OTP Bank for the purchase of 17.5 thousand receivables until March 31, 2006. Gross income was HUF 2.9 billion and the net factoring income reached HUF 1.1 billion. Purchases from third party clients comprised 1.9 thousand receivables with a gross value of HUF 2.4 billion. Due to the favourable development on the income side, pre tax profit of the company for 1Q 2006 was HUF 398 million, with the cost to income ratio being 51.3% versus 61.1% a year ago.

## STAFF LEVEL AT OTP GROUP

The closing number of OTP Bank staff was 7,938 on March 31, 2006, 147 more than at the end of March 31, 2005 and 39 people more than at the end of December 2005. In the first quarter of 2006 the staff in the branch network decreased by 136 people. In the headquarters the staff increased by 175 persons.

The closing staff number of the whole group was 18,289 persons as of March 31, 2006, during the first quarter the staff increased by 132 persons. Year-on-year growth was 470 persons due to the new Romanian and Croatian subsidiaries. At OTP Bank Romania new business lines were introduced and the development of branch network caused increase in the number of employees.

	31/03/2005	31/12/2005	31/03/2006	Q-o-Q	Y-o-Y
<b>OTP BANK</b>					
Closing staff (persons)	7,791	7,899	7,938	0.5%	1.9%
Average staff (persons)	7,749	7,842	7,912	0.9%	2.1%
Per capita total assets (HUF mn)	427.8	454.9	473.7	4.2%	10.7%
Per capita profit after tax quarterly (HUF mn)	5.5	3.6	5.5	52.2%	-0.3%
<b>GROUP</b>					
Closing staff (persons)	17,819	17,977	18,289	1.7%	2.6%
Average staff (persons)	17,804	17,669	18,065	2.2%	1.5%
Per capita consolidated total assets (HUF mn)	265.9	290.1	297.7	2.6%	12.0%
Per capita consolidated profit after tax quarterly (HUF mn)	2.2	2.3	2.6	10.6%	18.7%

### ***PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE FIRST QUARTER OF 2006 AT OTP BANK LTD.***

During the first quarter of 2006 the Supervisory Board, the Board of Directors and the auditor of the Bank did not change.

Dr István Gresa was appointed as deputy CEO of Credit Approval and Risk Management Division as of March 1, 2006. Dr Gresa is an economist, has been working in the banking sector since 1981 and at OTP Bank since 1993.

Budapest, May 12, 2006

OTP Bank Ltd.



## **FINANCIAL DATA**

## Non-consolidated and Consolidated IFRS balance sheets

in HUF million

	OTP Bank			Consolidated		
	31/03/2006	31/03/2005	change	31/03/2006	31/03/2005	change
Cash, due from banks and balances with the National Bank of Hungary	515,325	562,961	-8.5%	551,253	623,047	-11.5%
Placements with other banks, net of allowance for possible placement losses	382,697	165,288	131.5%	395,073	316,093	25.0%
Financial assets at fair value through profit and loss	38,209	57,646	-33.7%	54,150	71,020	-23.8%
Securities held-for-trading	30,726	50,860	-39.6%	46,640	63,900	-27.0%
Fair value adjustment of derivative financial instruments	7,483	6,786	10.3%	7,510	7,120	5.5%
Securities available-for-sale	372,212	336,976	10.5%	409,117	381,373	7.3%
Loans, net of allowance for possible loan losses	1,522,240	1,309,095	16.3%	3,306,367	2,742,087	20.6%
Accrued interest receivable	39,667	39,249	1.1%	37,988	29,857	27.2%
Investments in subsidiaries	227,099	211,201	7.5%	13,264	10,310	28.7%
Securities held-to-maturity	508,793	506,655	0.4%	269,054	264,060	1.9%
Premises, equipment and intangible assets, net	105,172	96,461	9.0%	249,921	221,378	12.9%
Other assets	<u>49,058</u>	<u>47,326</u>	<u>3.7%</u>	<u>158,627</u>	<u>78,357</u>	<u>102.4%</u>
<b>TOTAL ASSETS</b>	<b><u>3,760,472</u></b>	<b><u>3,332,858</u></b>	<b><u>12.8%</u></b>	<b><u>5,444,814</u></b>	<b><u>4,737,582</u></b>	<b><u>14.9%</u></b>
Due to banks and deposits from the National Bank of Hungary and other banks	323,916	264,102	22.6%	412,107	346,682	18.9%
Deposits from customers	2,547,577	2,461,185	3.5%	3,518,178	3,282,712	7.2%
Liabilities from issued securities	212,521	1,991	10574.1%	555,853	314,653	76.7%
Accrued interest payable	7,520	12,597	-40.3%	26,519	30,361	-12.7%
Other liabilities	168,854	157,056	7.5%	344,111	286,708	20.0%
Subordinated bonds and loans	<u>48,996</u>	<u>45,557</u>	<u>7.5%</u>	<u>48,996</u>	<u>46,805</u>	<u>4.7%</u>
<b>TOTAL LIABILITIES</b>	<b><u>3,309,384</u></b>	<b><u>2,942,488</u></b>	<b><u>12.5%</u></b>	<b><u>4,905,764</u></b>	<b><u>4,307,921</u></b>	<b><u>13.9%</u></b>
SHARE CAPITAL	28,000	28,000	0.0%	28,000	28,000	0.0%
RETAINED EARNINGS AND RESERVES	473,707	382,998	23.7%	570,617	432,664	31.9%
Retained earnings and reserves without earnings	430,265	340,321	26.4%	524,421	394,321	33.0%
Reserves	410,271	323,648	26.8%	509,615	384,595	32.5%
Fair value adjustment of securities available-for-sale and of derivative financial instruments recognised directly through equity	10,693	11,080	-3.5%	5,505	4,133	33.2%
Fair value adjustment of share based payments	9,301	5,593	66.3%	9,301	5,593	66.3%
Retained earnings	43,442	42,677	1.8%	46,196	38,343	20.5%
TREASURY SHARES	-50,619	-20,628	145.4%	-60,131	-32,916	82.7%
MINORITY INTEREST	0	0	-	564	1,913	-70.5%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>451,088</u></b>	<b><u>390,370</u></b>	<b><u>15.6%</u></b>	<b><u>539,050</u></b>	<b><u>429,661</u></b>	<b><u>25.5%</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>3,760,472</u></b>	<b><u>3,332,858</u></b>	<b><u>12.8%</u></b>	<b><u>5,444,814</u></b>	<b><u>4,737,582</u></b>	<b><u>14.9%</u></b>

## Non-consolidated and Consolidated IFRS Profit and Loss Account

in HUF million

	OTP Bank			Consolidated		
	1Q 2006	1Q 2005	change	1Q 2006	1Q 2005	change
Loans	36,846	35,226	4.6%	85,948	79,852	7.6%
<i>interest income without swap</i>	36,759	35,226	4.4%	85,861	79,852	7.5%
<i>results of swaps</i>	87	0	-	87	0	-
Placements with other banks	15,828	9,532	66.1%	16,995	10,620	60.0%
<i>interest income without swap</i>	3,308	2,488	33.0%	3,473	3,559	-2.4%
<i>results of swaps</i>	12,520	7,044	77.7%	13,522	7,061	91.5%
Due from banks and balances with the National Bank of Hungary	5,832	8,649	-32.6%	6,208	9,593	-35.3%
Securities held-for-trading	316	302	4.6%	457	565	-19.1%
Securities available-for-sale	6,686	6,151	8.7%	5,328	5,623	-5.2%
Securities held-to-maturity	9,751	11,229	-13.2%	4,318	5,156	-16.3%
Total Interest Income	75,259	71,089	5.9%	119,254	111,409	7.0%
Due to banks and deposits from the National Bank of Hungary and other banks	18,821	8,059	133.5%	18,142	8,683	108.9%
<i>interest expenses without swap</i>	1,709	1,600	6.8%	2,557	2,224	15.0%
<i>losses of swaps</i>	17,112	6,459	164.9%	15,585	6,459	141.3%
Deposits from customers	17,005	26,792	-36.5%	22,489	30,570	-26.4%
<i>interest expenses without swap</i>	16,169	26,792	-39.6%	21,168	30,570	-30.8%
<i>losses of swaps</i>	836	0	-	1,321	0	-
Liabilities from issued securities	1,346	40	3265.0%	6,797	6,385	6.5%
Subordinated bonds and loans	458	291	57.4%	462	305	51.5%
Other entrepreneurs	0	0	-	19	6	216.7%
Total Interest Expense	37,630	35,182	7.0%	47,909	45,949	4.3%
NET INTEREST INCOME	37,629	35,907	4.8%	71,345	65,460	9.0%
Provision for possible loan losses	5,478	3,245	68.8%	5,875	6,722	-12.6%
Provision for possible placement losses	0	-1	-100.0%	0	-1	-100.0%
Provision for possible loan and placement losses	5,478	3,244	68.9%	5,875	6,721	-12.6%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	32,151	32,663	-1.6%	65,470	58,739	11.5%
Fees and commissions	34,504	29,364	17.5%	33,486	25,995	28.8%
Foreign exchange gains and losses, net	6,737	-436	-1645.2%	5,481	314	1645.5%
Gains and losses on securities, net	-989	1,503	-165.8%	2,165	2,121	2.1%
Gains and losses on real estate transactions, net	-4	-3	33.3%	126	230	-45.2%
Dividend income and gains and losses of associated companies	15,015	13,666	9.9%	156	29	437.9%
Insurance premiums	0	0	-	19,393	14,205	36.5%
Other	1,059	791	33.9%	3,672	4,595	-20.1%
Total Non-Interest Income	56,322	44,885	25.5%	64,479	47,489	35.8%
Fees and commissions	3,808	2,367	60.9%	6,257	4,778	31.0%
Personnel expenses	14,536	12,958	12.2%	22,701	19,105	18.8%
Depreciation and amortization	4,399	3,284	34.0%	6,585	5,374	22.5%
Insurance expenses	0	0	-	15,688	11,665	34.5%
Other	16,458	11,185	47.1%	24,407	19,362	26.1%
Total Non-Interest Expense	39,201	29,794	31.6%	75,638	60,284	25.5%
INCOME BEFORE INCOME TAXES	49,272	47,754	3.2%	54,311	45,944	18.2%
Income taxes	5,830	5,077	14.8%	8,124	7,592	7.0%
INCOME AFTER INCOME TAXES	43,442	42,677	1.8%	46,187	38,352	20.4%
Minority interest	0	0	-	9	-9	-200.0%
NET INCOME	43,442	42,677	1.8%	46,196	38,343	20.5%

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

	January 1	March 31	June 30	September 30	December 31
Company	10,378,251	11,342,458			
Subsidiaries	7,914,020	7,248,560			
<b>TOTAL</b>	<b>18,292,271</b>	<b>18,591,018</b>			

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

	End of reference period	Current period opening	Current period closing
Bank	7,791	7,899	7,938
subsidiaries	17,819	18,076	18,289

**Senior officers, strategic employees and their shareholding of OTP shares**
**March 31, 2006**

Type <sup>1</sup>	Name	Position	No. of shares held
IT	Dr. Sándor Csányi <sup>2</sup>	Chairman and CEO	904,945
IT	Dr. Zoltán Spéder	Deputy Chairman and Deputy CEO	1,768,400
IT	Mr. Mihály Baumstark	member	90,000
IT	Dr. Tibor Bíró	member	57,000
IT	Mr. Péter Braun	member	631,905
IT	Dr. István Kocsis	member	83,500
IT	Mr. Csaba Lantos	member, Deputy CEO	269,116
IT	Mr. Géza Lenk	member, Deputy CEO	159,000
IT	Dr. Antal Pongrácz	member, Deputy CEO	222,000
IT	Dr. László Utassy	member	70,000
IT	Dr. József Vörös	member	130,000
FB	Dr. Tibor Tolnay	Chairman	120,580
FB	Dr. Gábor Horváth	member	20,000
FB	Mr. Antal Kovács	member	60,000
FB	Dr. Gábor Nagy	member	130,000
FB	Dr. Sándor Pintér	member	12,550
FB	Ms. Klára Vécsei	member	11,000
SP	Mr. Gyula Pap	Deputy CEO	361,820
SP	Mr. László Wolf	Deputy CEO	811,640
<b>Total:</b>			<b>5,913,456</b>

<sup>1</sup> Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)

<sup>2</sup> Number of OTP shares owned by Mr. Csányi directly or indirectly: 2,774,945

**Ownership structure of OTP Bank Ltd.**

Description of owner	Total equity					
	January 1, 2006			March 31, 2006		
	% <sup>2</sup>	% <sup>3</sup>	Qty	% <sup>2</sup>	% <sup>3</sup>	Qty
Domestic institution/company	3.0%	5.3%	8,464,187	3.8%	6.6%	10,764,481
Foreign institution/company	84.4%	85.4%	236,344,426	83.8%	84.6%	234,535,247
Domestic individual	1.2%	2.0%	3,227,700	0.8%	1.4%	2,312,806
Foreign individual	0.0%	0.0%	3,350	0.0%	0.0%	91,882
Employees, senior officers	3.1%	5.4%	8,632,146	3.1%	5.3%	8,632,146
Treasury shares	6.5%	0.0%	18,292,271	6.6%	0.0%	18,591,018
Government held owner <sup>4</sup>	0.3%	0.5%	835,921	0.3%	0.5%	872,421
International Development Institutions <sup>5</sup>	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
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>280,000,001</b>	<b>100.0%</b>	<b>100.0%</b>	<b>280,000,001</b>

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

<sup>2</sup> Ownership ratio

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

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

<sup>5</sup> E.g.: EBRD, EIB, etc.

**SUPPLEMENTARY DATA**

**MAIN BALANCE SHEET DATA OF SUBSIDIARIES (IFRS):**

in HUF million	March 31, 2005				March 31, 2006				Y-o-Y			
	Gross loans	Assets	Deposits	Equity	Gross loans	Assets	Deposits	Equity	Gross loans	Assets	Deposits	Equity
<b>OTP Bank Ltd.</b>	<b>1,327,958</b>	<b>3,332,858</b>	<b>2,461,185</b>	<b>390,370</b>	<b>1,545,767</b>	<b>3,760,472</b>	<b>2,547,577</b>	<b>451,088</b>	<b>16.4%</b>	<b>12.8%</b>	<b>3.5%</b>	<b>15.6%</b>
OTP Mortgage Bank Ltd.	771,841	879,764	0	30,772	874,909	951,714	0	38,497	13.4%	8.2%	-	25.1%
Merkantil Bank	55,257	57,395	4,428	12,424	149,286	158,317	6,448	16,052	170.2%	175.8%	45.6%	29.2%
OTP Building Society Ltd.	7,485	73,151	65,491	5,376	5,702	91,131	84,811	4,055	-23.8%	24.6%	29.5%	-24.6%
DSK Group	353,547	511,335	374,585	56,974	389,874	634,683	457,868	78,119	10.3%	24.1%	22.2%	37.1%
OTP banka Hrvatska group	123,548	255,223	204,509	23,089	172,501	328,423	238,453	29,324	39.6%	28.7%	16.6%	27.0%
OTP Banka Slovensko	143,412	204,894	135,350	15,439	209,584	287,776	166,366	18,296	46.1%	40.5%	22.9%	18.5%
OTP Bank Romania	16,889	48,297	29,066	8,108	34,154	66,505	25,378	14,507	102.2%	37.7%	-12.7%	78.9%
OTP Garancia Insurance Ltd.	129	127,623	0	16,430	0	164,444	0	18,845	-100.0%	28.9%	-	14.7%
Merkantil Car	126,321	141,063	127	2,774	98,032	106,965	104	5,993	-22.4%	-24.2%	-17.9%	116.1%
OTP Fund Management Ltd.	0	8,331	0	7,134	0	9,807	0	7,820	-	17.7%	-	9.6%
HIF Ltd.	11,758	12,770	0	2,027	14,568	15,196	0	2,200	23.9%	19.0%	-	8.5%
OTP Leasing a.s.	8,388	12,161	899	-5	22,270	24,586	0	-14	165.5%	102.2%	-100.0%	162.4%
OTP Real Estate Ltd.	0	16,564	0	6,190	0	20,441	0	6,137	-	23.4%	-	-0.8%
OTP Factoring Ltd.	10,408	9,040	0	2,700	14,446	12,737	0	2,888	38.8%	40.9%	-	6.9%
OTP Faktoring Slovensko, a.s.	2,570	3,056	0	162	3,325	4,276	0	201	29.4%	39.9%	-	24.3%
Other subsidiaries	0	30,191	0	27,272	0	118,763	0	32,637	-	293.4%	-	19.7%
<b>Subsidiaries total</b>	<b>1,631,554</b>	<b>2,390,857</b>	<b>814,455</b>	<b>216,866</b>	<b>1,988,650</b>	<b>2,995,762</b>	<b>979,429</b>	<b>275,558</b>	<b>21.9%</b>	<b>25.3%</b>	<b>20.3%</b>	<b>27.1%</b>
<b>Total</b>	<b>2,959,512</b>	<b>5,723,715</b>	<b>3,275,640</b>	<b>607,236</b>	<b>3,534,417</b>	<b>6,756,234</b>	<b>3,527,006</b>	<b>726,646</b>	<b>19.4%</b>	<b>18.0%</b>	<b>7.7%</b>	<b>19.7%</b>
<b>Consolidated</b>	<b>2,827,097</b>	<b>4,737,582</b>	<b>3,282,712</b>	<b>429,661</b>	<b>3,417,720</b>	<b>5,444,814</b>	<b>3,518,178</b>	<b>539,050</b>	<b>20.9%</b>	<b>14.9%</b>	<b>7.2%</b>	<b>25.5%</b>
<b>Foreign subsidiaries</b>	<b>660,113</b>	<b>1,047,736</b>	<b>744,409</b>	<b>105,794</b>	<b>846,275</b>	<b>1,366,072</b>	<b>888,065</b>	<b>145,792</b>	<b>28.2%</b>	<b>30.4%</b>	<b>19.3%</b>	<b>37.8%</b>
<b>Share of foreign subsidiaries</b>	<b>22.3%</b>	<b>18.3%</b>	<b>22.7%</b>	<b>17.4%</b>	<b>23.9%</b>	<b>20.2%</b>	<b>25.2%</b>	<b>20.1%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>2.5%</b>	<b>2.6%</b>

**MAIN P&L DATA OF SUBSIDIARIES (IFRS):**

in HUF million	1Q 2005						1Q 2006						Y-o-Y			
	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit	Net Interest Income	Other incomes	Other expenses	After tax profit
<b>OTP Bank Ltd.</b>	<b>35,907</b>	<b>3,244</b>	<b>44,885</b>	<b>29,794</b>	<b>47,754</b>	<b>42,677</b>	<b>37,629</b>	<b>5,478</b>	<b>56,322</b>	<b>39,201</b>	<b>49,272</b>	<b>43,442</b>	<b>4.8%</b>	<b>25.5%</b>	<b>31.6%</b>	<b>1.8%</b>
OTP Mortgage Bank Ltd.	12,752	0	2,799	11,179	4,372	3,429	11,610	-69	-87	8,820	2,772	2,788	-9.0%	-103.1%	-21.1%	-18.7%
Merkantil Bank	1,397	246	153	979	326	248	3,509	866	80	1,318	1,405	1,252	151.1%	-47.8%	34.7%	405.3%
OTP Building Society Ltd.	939	-4	189	784	348	265	855	-2	799	1,101	556	422	-8.9%	322.4%	40.3%	59.5%
DSK Group	7,762	1,369	2,568	4,086	4,876	4,134	9,183	2,229	3,912	4,518	6,348	5,386	18.3%	52.3%	10.6%	30.3%
OTP banka Hrvatska group	0	0	0	0	0	0	2,633	643	1,633	2,703	919	732	-	-	-	-
OTP Banka Slovensko	1,280	8	1,352	2,289	335	335	1,690	188	657	1,922	237	237	32.0%	-51.4%	-16.1%	-29.0%
OTP Bank Romania	557	869	1,108	848	-51	-52	512	185	532	1,477	-618	-583	-8.2%	-52.0%	74.3%	1010.8%
OTP Garancia Insurance Ltd.	1,765	0	16,142	16,606	1,301	1,093	1,774	0	21,820	20,876	2,718	2,305	0.5%	35.2%	25.7%	110.9%
Merkantil Car	2,966	637	728	1,773	1,283	824	2,179	409	258	1,287	742	405	-26.5%	-64.6%	-27.4%	-50.8%
OTP Fund Management Ltd.	0	0	2,128	1,227	902	759	0	0	2,911	1,659	1,253	1,057	-85.9%	36.8%	35.2%	39.2%
HIF Ltd.	116	-3	13	92	41	29	129	5	10	79	55	38	10.9%	-21.9%	-13.4%	29.7%
OTP Leasing a.s.	74	0	763	865	-29	-29	280	82	173	366	4	-14	280.7%	-77.3%	-57.7%	-52.7%
OTP Real Estate Ltd.	-7	0	811	686	117	99	-15	0	662	637	10	9	98.9%	-18.3%	-7.0%	-91.1%
OTP Factoring Ltd.	-96	110	743	396	141	118	-103	166	1,264	596	398	306	7.4%	70.1%	50.8%	158.4%
OTP Faktoring Slovensko, a.s.	-17	0	55	26	12	12	37	5	12	38	7	7	-322.3%	-77.5%	49.5%	-46.3%
Other subsidiaries	76	0	1,828	1,633	272	235	-174	0	2,674	3,013	-514	-583	-328.1%	46.3%	84.5%	-348.1%
<b>Subsidiaries total</b>	<b>29,564</b>	<b>3,232</b>	<b>31,380</b>	<b>43,467</b>	<b>14,246</b>	<b>11,499</b>	<b>34,099</b>	<b>4,707</b>	<b>37,311</b>	<b>50,411</b>	<b>16,292</b>	<b>13,764</b>	<b>15.3%</b>	<b>18.9%</b>	<b>16.0%</b>	<b>19.7%</b>
<b>Total (aggregated)</b>	<b>65,471</b>	<b>6,476</b>	<b>76,265</b>	<b>73,261</b>	<b>62,000</b>	<b>54,176</b>	<b>71,728</b>	<b>10,185</b>	<b>93,633</b>	<b>89,612</b>	<b>65,564</b>	<b>57,206</b>	<b>9.6%</b>	<b>22.8%</b>	<b>22.3%</b>	<b>5.6%</b>
<b>Consolidated</b>	<b>65,460</b>	<b>6,721</b>	<b>47,489</b>	<b>60,284</b>	<b>45,944</b>	<b>38,352</b>	<b>71,345</b>	<b>5,875</b>	<b>64,479</b>	<b>75,638</b>	<b>54,311</b>	<b>46,187</b>	<b>9.0%</b>	<b>35.8%</b>	<b>25.5%</b>	<b>20.4%</b>
<b>Foreign subsidiaries</b>	<b>9,773</b>	<b>2,243</b>	<b>5,859</b>	<b>8,205</b>	<b>5,184</b>	<b>4,429</b>	<b>14,431</b>	<b>3,336</b>	<b>6,189</b>	<b>10,219</b>	<b>7,065</b>	<b>5,920</b>	<b>47.7%</b>	<b>5.6%</b>	<b>24.5%</b>	<b>33.7%</b>
<b>Share of foreign subsidiaries</b>	<b>14.9%</b>	<b>34.6%</b>	<b>7.7%</b>	<b>11.2%</b>	<b>8.4%</b>	<b>8.2%</b>	<b>20.1%</b>	<b>32.8%</b>	<b>6.6%</b>	<b>11.4%</b>	<b>10.8%</b>	<b>10.3%</b>	<b>5.2%</b>	<b>-1.1%</b>	<b>0.2%</b>	<b>2.2%</b>

## Non-consolidated HAR Balance Sheets

in HUF million

	OTP Bank		change
	31/03/2005	31/03/2006	
1. Cash in hand, balances with central banks	562,961	515,325	-8.5%
2. Treasury bills	324,380	296,933	-8.5%
3. Loans and advances to credit institutions	166,598	389,957	134.1%
4. Loans and advances to customers	1,302,391	1,531,598	17.6%
5. Debt securities including fixed-income securities	546,891	594,996	8.8%
6. Shares and other variable-yield securities	7,648	7,995	4.5%
7. Shares and participating interest as financial fixed assets	999	742	-25.7%
8. Shares and participating interest in affiliated undertakings	133,911	158,903	18.7%
9. Intangible assets	85,239	76,835	-9.9%
10. Tangible assets	69,099	75,021	8.6%
11. Own shares	20,628	50,619	145.4%
12. Other assets	19,041	17,157	-9.9%
13. Prepayments and accrued income	71,086	66,543	-6.4%
<b>TOTAL ASSETS</b>	<b>3,310,872</b>	<b>3,782,624</b>	<b>14.2%</b>
From this: -CURRENT ASSETS	1,412,913	1,573,959	11.4%
- FIXED ASSETS	1,826,873	2,142,122	17.3%
1. Liabilities to credit institutions	244,519	323,916	32.5%
2. Liabilities to customers	2,440,943	2,533,144	3.8%
3. Liabilities from issued debt securities	48,342	249,499	416.1%
4. Other liabilities	104,776	110,770	5.7%
5. Accruals and deferred income	38,945	38,919	-0.1%
6. Provisions	32,055	35,356	10.3%
7. Subordinated liabilities	45,557	48,996	7.5%
8. Subscribed capital	28,000	28,000	0.0%
9. Subscribed but unpaid capital (-)	0	0	-
10. Capital reserves	52	52	0.0%
11. General reserves	56,071	70,215	25.2%
12. Retained earnings (accumulated profit reserve) (+)	223,724	262,043	17.1%
13. Legal reserves	21,395	51,829	142.2%
14. Revaluation reserve	0	0	-
15. Profit or loss for the financial year according to the balance sheet (+)	26,493	29,885	12.8%
16. Difference from exchange rate (+,-)	0	0	-
<b>TOTAL LIABILITIES</b>	<b>3,310,872</b>	<b>3,782,624</b>	<b>14.2%</b>
From this: - SHORT-TERM LIABILITIES	2,707,292	2,821,151	4.2%
- LONG-TERM LIABILITIES	176,845	445,174	151.7%
- EQUITY (CAPITAL AND RESERVES)	355,735	442,024	24.3%



**Non-consolidated HAR Profit and Loss Account**

	in HUF million		
	1Q 2005	OTP Bank 1Q 2006	change
1. Interest received and interest-type income	70,606	71,844	1.8%
2. Interest paid and interest-type expenses	32,995	26,490	-19.7%
Interest difference	37,611	45,354	20.6%
3. Incomes from securities	13,666	15,015	9.9%
4. Fees and Commission received	29,212	34,285	17.4%
5. Fees and Commission paid	2,239	3,789	69.2%
6. Profit or loss from financial transactions	340	1,479	335.0%
7. Other incomes from business	39,471	47,701	20.9%
8. General administration expenses	19,839	23,163	16.8%
9. Depreciation and amortization	4,955	5,887	18.8%
10. Other expenses from business	48,678	57,682	18.5%
11. Write-off of loans and provision for contingent and future liabilities	5,830	9,447	62.0%
12. Reversal of write-off of loans and credit for contingent and future liabilities	8,184	8,470	3.5%
12/A. Difference between the creation and write-off of general risk provision	-941	-1,583	68.2%
Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company	0	356	-
Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company	1,121	7	-99.4%
15. Result of ordinary business activities	47,123	50,404	7.0%
Including: - RESULT OF FINANCIAL AND INVESTMENT SERVICES	47,095	50,109	6.4%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	28	295	953.6%
16. Extraordinary revenues	619	763	23.3%
17. Extraordinary expenses	9	78	766.7%
18. Extraordinary profit or loss	610	685	12.3%
19. Profit or loss before tax	47,733	51,089	7.0%
20. Tax liabilities	5,093	5,361	5.3%
21. After-tax profit or loss	42,640	45,728	7.2%
22. Formation and utilization of general reserves (±)	-4,264	-4,573	7.2%
23. Use of accumulated profit reserve for dividends and profit-sharings	0	0	-
24. Dividends and profit-sharings paid (approved)	11,883	11,270	-5.2%
25. Balance-sheet profit or loss figure	26,493	29,885	12.8%

## Selected Non-consolidated financial data

	in HUF million		
	1Q 2005	OTP Bank 1Q 2006	change
Interest from interbank accounts	14,607	15,891	8.8%
Interest from retail accounts	18,804	21,248	13.0%
Interest from corporate accounts	14,184	13,653	-3.7%
Interest from municipal accounts	2,384	2,241	-6.0%
Interest from bonds	18,172	16,947	-6.7%
Interest from mandatory reserves	2,455	1,864	-24.1%
<b>Total interest income</b>	<b>70,606</b>	<b>71,844</b>	<b>1.8%</b>
Interest to interbank accounts	5,873	8,468	44.2%
Interest on retail accounts	19,955	11,672	-41.5%
Interest on corporate accounts	4,772	3,336	-30.1%
Interest on municipal accounts	2,063	1,210	-41.3%
Interest on bonds	41	1,346	3182.9%
Interest on subordinated loan	291	458	57.4%
<b>Total interest expense</b>	<b>32,995</b>	<b>26,490</b>	<b>-19.7%</b>
<b>Net interest income</b>	<b>37,611</b>	<b>45,354</b>	<b>20.6%</b>
Fees & commissions income	29,362	34,474	17.4%
Fees & commissions paid	2,239	3,789	69.2%
Net fees & commissions	27,123	30,685	13.1%
Securities trading	1,212	-40	-103.3%
Forex trading	120	2,691	2142.5%
Losses/Gains on property transactions	-2	-1	-50.0%
Other	626	1,058	69.0%
Non interest income	29,079	34,393	18.3%
Ratio of non interest income	43.6%	43.1%	-0.5%
<b>Total income</b>	<b>66,690</b>	<b>79,747</b>	<b>19.6%</b>
Personnel costs	11,798	13,339	13.1%
Depreciation	2,732	3,668	34.3%
Other costs	12,204	14,519	19.0%
<b>Operating costs</b>	<b>26,734</b>	<b>31,526</b>	<b>17.9%</b>
Cost/income ratio	-40.1%	-39.5%	0.6%
<b>Operating income</b>	<b>39,956</b>	<b>48,221</b>	<b>20.7%</b>
Diminution in value, provisions and loan losses	1,607	7,442	363.1%
Dividend received	13,666	15,015	9.9%
Accounting for acquisition goodwill	-2,032	-2,023	-0.4%
Special financial institution tax for the year 2005	-2,250	-2,682	19.2%
<b>Pre-tax profit</b>	<b>47,733</b>	<b>51,089</b>	<b>7.0%</b>
Taxes	5,093	5,361	5.3%
Tax rate	10.7%	10.5%	-0.2%
<b>After tax profits</b>	<b>42,640</b>	<b>45,728</b>	<b>7.2%</b>



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