



OTP Bank Plc.

**2006 Preliminary
Stock Exchange Report**

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

Budapest, February 14, 2007

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OTP BANK PLC'S STOCK EXCHANGE PRELIMINARY REPORT FOR THE FOURTH QUARTER OF 2006

OTP Bank Plc. has prepared its consolidated and non-consolidated, non-audited IFRS report for December 31, 2006. Below we present our analysis derived from the consolidated and the unconsolidated condensed IFRS financial statements adopted by the European Union.

SUMMARY OF THE FOURTH QUARTER OF 2006

Compared to the previous quarters, the October-December period was characterized by a different macroeconomic environment and improving investor sentiment. The fiscal stabilization package despite of serious criticism contained realistically achievable medium term targets and through the appreciation of the local currency and declining yields, markets gave certain credit to them: against the end-September closing rate of EUR/HUF 272.7 the currency strengthened to 251.2 level, whereas the 10 year benchmark yield came down by more than 100 bps.

In October the Central Bank decided about a 25 bp rate hike, but for the rest of the year the base rate remained unchanged at 8.00% level. With strengthening HUF and declining yields the upward moving headline CPI didn't result in further monetary tightening.

The fiscal adjustment so far has not have any significant impact on the behaviour of retail clients neither in saving nor in consumption patterns: the loan demand – especially for FX-linked products – remained fairly strong the decline in deposits related mainly to the introduction of capital gain tax from 1 September, apparently stopped, there was even a slight increase in volumes.

In terms of acquisition financing and final settlement of earlier deals, the fourth quarter turned to be fairly busy. Partially for funding reasons, as well as for strengthening the capital position of the Bank, there were two important capital market issues in that period: as the first bank from Hungary, OTP successfully launched an EUR 500 million Perpetual Upper Tier 2 transaction, and partially monetized its own shares (14.5 million shares) through an exchangeable offering raising EUR 514 million. The latter had no impact on consolidated P&L figures, but significantly increased the Bank's own equity.

By the end of December all acquisitions were financially closed, however CKB Montenegro and Kulska banka Serbia will be consolidated only in 1Q 2007. As for CJSC OTP Bank (Ukraine) the balance sheet and the last two months earnings, while for Investsberbank Russia and Zepter banka Serbia only the balance sheet were consolidated.

On December 12 Moody's changed downward OTP Bank's financial strength rating from "B-" to "C+". The main reasons for the action were the deteriorating risk profile of the Group, as well as the medium term challenges to integrate the newly acquired banks, build up their franchise and achieve profitability and efficiency being similar to that of OTP Bank.

While the Group realized record earnings in each and every quarter, due to the negative investor sentiment it took a while to have a reflection of that in share price performance. In the last 3 months there was a massive improvement, however and the stock closed at all-time high (HUF 8.750). It was also positive, that such an improvement was accompanied by outstanding trading turnover figures.

In 4Q the market share of OTP group in major categories was as follows: in terms of total assets the Bank's position improved by 0.3%-point, reaching 24.7%. Both in terms of total deposits and retail deposits its share declined by 0.7% and 0.2%, respectively. In terms of total loans it kept its position (20.6%). There has been a further erosion in housing loans (-0.8%) and even in FX-linked mortgages (-0.4%). In consumer lending the Bank lost 0.1%-point, but in FX-based consumer loans the improvement was significant (+1.0%). As for the local government sector, the Bank had mixed picture: it lost positions in case of deposits (-3.9%), but gained share in loans (+1.7%). In the corporate sector its positions slightly eroded (-0.2% in loans and -0.3% in deposits).

FINANCIAL HIGHLIGHTS (IFRS consolidated):

in HUF billion	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Total assets	5,215.9	6,174.7	7,101.5	15.0%	36.2%	5,215.9	7,101.5	36.2%
Total loans and advances (gross)	3,297.2	3,847.1	4,477.4	16.4%	35.8%	3,297.2	4,477.4	35.8%
Total deposits	3,428.2	3,743.3	4,231.3	13.0%	23.4%	3,428.2	4,231.3	23.4%
Gross loan/deposit ratio	96.2%	102.8%	105.8%	3.0%	9.6%	96.2%	105.8%	9.6%
Shareholders' equity	547.5	650.9	787.8	21.0%	43.9%	547.5	787.8	43.9%
Balance sheet gearing	9.5	9.5	9.0	-5.0%	-5.4%	9.5	9.0	-5.4%
Net interest income	80.0	106.9	103.0	-3.7%	28.7%	297.2	354.4	19.2%
Net interest margin before provision	6.32%	7.18%	6.21%	-0.97%	-0.12%	6.34%	5.75%	-0.58%
Non-interest income	56.3	56.8	52.7	-7.3%	-6.4%	216.5	245.5	13.4%
Non-interest expenses	79.4	91.6	98.5	7.5%	24.1%	293.6	350.2	19.3%
Total income (with net fees)	130.2	155.6	145.9	-6.3%	12.1%	493.8	567.6	15.0%
Operating cost	73.2	83.5	88.7	6.2%	21.2%	273.7	317.9	16.2%
Cost to income ratio	56.2%	53.7%	60.8%	7.1%	4.6%	55.4%	56.0%	0.6%
Pre-tax profits	50.5	62.9	45.8	-27.3%	-9.4%	192.1	219.9	14.5%
After tax profits	40.9	53.6	40.9	-23.6%	0.2%	158.3	187.5	18.4%
EPS base (HUF)	156	208	156	-24.7%	0.3%	603	723	19.8%
EPS fully diluted (HUF)	155	207	156	-24.6%	0.9%	599	715	19.5%
Return on Assets	3.23%	3.60%	2.47%	-1.13%	-0.76%	3.38%	3.04%	-0.33%
Return on Equity	30.5%	34.3%	22.8%	-11.6%	-7.7%	32.3%	28.1%	-4.2%

The consolidated gross loan book grew by 16.4% on a quarterly base; it represents a 35.8% year-on-year growth. Deposits were growing less rapidly (13% q-o-q and 23.4% y-o-y), thus the loan-to-deposit ratio of the Bank increased to 105.8% (+3%-point q-o-q and +9.6%-point y-o-y).

The consolidated total assets were HUF 7,101.5 billion, a yearly growth of 36.2% (+15% q-o-q), shareholders' equity reached HUF 787.8 billion (+21% q-o-q and +43.9% y-o-y).

Net interest income slightly decreased to HUF 103 billion, a decline of 3.7% q-o-q, without the swap results, however it was almost flat (HUF 81.9 billion) to 4Q 2006. The net interest margin in 4Q 2006 decreased sharply by 97 bps, falling to 6.21%, while the swap-adjusted figure (4.93%) showed a 57 bps drop.

Within non-interest revenues net fee and commission income reached HUF 30.7 billion, a 7.4% increase over 4Q 2006, and a growth of 9.5% compared to the base period. The net insurance income result was HUF 2.3 billion, by 61.9% less q-o-q, and being smaller by 45.6% than a year ago. As a negative reflection of the significant net swap gains, net FX gains showed a sizable loss (HUF 13.6 billion), the main reason being the result on the FX-spot leg of the currency swaps due to the significant strengthening of HUF. Securities trading captured HUF 2.3 billion gain against HUF 4 billion gain in 3Q, while other income moderated by 28.8% q-o-q and amounted to HUF 7.6 billion.

Because of the significant losses on the FX-line, the volume of non-interest revenues (HUF 52.7 billion) was by 7.3% lower than in 3Q and by 6.4% y-o-y.

Within non-interest expenses personnel costs were under control growing by 6.1% q-o-q, reaching HUF 29.6 billion, but other expenses grew substantially (HUF 39.2 billion, + 27.2% q-o-q).

Volume of provisions grew by HUF 2.2 billion (+24.6% q-o-q), reaching HUF 11.4 billion. Such a quarterly growth was partly due to the consolidation of new foreign subsidiaries. Cost of risk reached 110 bps, a level being in line with the management's earlier forecast. The quality of the loan portfolio – mainly due to the consolidation of new subsidiaries – deteriorated significantly in 4Q, the ratio of NPL grew to 5.6%, while the total qualified portfolio increased from 14% to 20.4%. Loan loss provisioning grew by 5.9% in 4Q 2006 and reached HUF 130.7 billion.

Due to those developments OTP Group reached HUF 40.9 billion consolidated after tax profit, which basically equals to that of a year ago, but by 23.6% lower than in the third quarter 2006. The full year after tax profit amounted to HUF 187.5.

Within the Group **OTP Bank** maintained its dominant position, both in terms of volume and earnings. In the fourth quarter of 2006 its gross loan volume reached HUF 1,782.7 billion, a growth of 0.2% q-o-q and 19% y-o-y. Deposits grew by 3.2% reaching HUF 2,690.1 billion. The Bank's net interest revenue amounted to HUF 61.3 billion, a decline of 8% q-o-q, the swap-adjusted figure (HUF 42.9 billion) also dropped by 6.8%. Net fee and commission income decreased by 0.9% q-o-q, reaching HUF 32 billion. The net earnings of HUF 51.1 billion was significantly higher growing by 80.6% y-o-y (4Q 2005: HUF 28.3 billion), and showed an

improvement over the third quarter result by 16.4%. The outstanding quarterly earnings of the Bank were heavily supported by one-off cash transfers from Hungarian subsidiaries profiting from the sale of Treasury shares. Total assets reached HUF 4,506 billion (+9.4% q-o-q and 25.4% y-o-y), the Bank's shareholders' equity grew to HUF 670.6 billion (+26.9% q-o-q and 41.7% y-o-y).

Amongst the Hungarian subsidiaries **OTP Garancia Insurance** maintained its market position, though its net earnings of HUF 779 million were by 73.3% smaller than a year ago. **OTP Mortgage Bank's** loan portfolio grew marginally, by 0.5% only as a result of stronger lending activity but higher prepayments. Its quarterly net result was HUF 2,070 billion. Despite of narrowing possibilities in car financing, **Merkantil Group** managed to improve its lending figures on a yearly base: gross loans grew by 10.5%, earnings improved by 123% q-o-q.

Foreign subsidiaries contribution to the Group's balance sheet strengthened significantly: they captured 36.9% of total loans (versus 23.8% a year ago) and 34.4% of total deposits (versus 24.6%). In 2006 they delivered 13.7% of total consolidated after tax profit (versus 11.5% a year ago) and 20.6% in 4Q.

The most significant contribution to the Group's total earnings came once again from **DSK Bank**: though its net interest margin of 4.96% shows a 162 bps decline y-o-y, its HUF 7.5 billion profit after tax grew by 73.6% on a yearly base. The gross loan portfolio grew by 18.2% q-o-y (-1.1% q-o-q), deposits increased by 21.1% (-0.1% q-o-q), respectively. Adjusted by the volume of loans sold and co-financed, the gross loan portfolio grew by 0.5% q-o-q and 36.0% y-o-y, 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. kept its market share, positions basically remained unchanged. Its profit after tax of HUF 813 million represents a 128.4% improvement on a yearly base.

OTP banka Hrvatska d.d. kept its position in case of major balance sheet indicators: its loan book grew by 31.1% y-o-y, deposits increased by 18.6%, respectively. The profit after tax of HUF 852 billion represents a 68.4% yearly increase.

OTP Bank Romania S.A. further increased its loan book; it grew dynamically by 312.3% y-o-y and 12.3% q-o-q. The after tax loss of HUF 629 billion was roughly half of that a year ago and reflected the costs of ongoing network enlargement (13 new branches were opened) and product developments.

As a result of the consolidation of new subsidiaries, their contribution to the balance sheet growth represented HUF 784.4 billion, while CJCS OTP Bank (Ukraine) brought in an additional HUF 2.8 billion through its November-December net earnings.

No further acquisitions were executed in 4Q. The Bank refrained from submitting an improved offer for CEC Romania; the sale of that bank was taken off the agenda of the Romanian Government's privatization plans.

MAJOR DEVELOPMENTS IN 2006

Earnings before tax reached HUF 219.8 billion, by HUF 27.8 billion higher than in the base period 2005 (+14.5%), after tax profit grew by HUF 29.2 billion (+18.4%) amounting to HUF 187.5 billion.

Interest revenues increased by 18.2% and were HUF 542.6 billion, while interest expenditures declined by 16.4% and reached HUF 188.3 billion. Net interest income of HUF 354.4 billion exceeded the base period by 19.2%, disregarding the net swap results of HUF 33.6 billion the swap adjusted figures were lower (+10.4%). Provisions for loan losses amounted to HUF 29.9 billion, by 6.5% higher than a year ago. Cost of risk reached 0.77% vs. 0.95% in the corresponding period of 2005.

Non-interest type revenues grew steadily (+13.4%) and were HUF 245.5 billion, but the growth of non-interest expenditures was even faster (19.3%) and represented HUF 350 billion. Within total revenues of HUF 600 billion, the share of non-interest type revenues declined to 40.9% against 42.1% in the base period.

The cost to income ratio increased slightly by 0.6% reaching 56.0%. The ROA was 3.04% (-33 bps), the ROE was 28.1% (-4.2%). EPS grew to HUF 723, the diluted one was HUF 715, by HUF 120 and HUF 117 higher than a year ago.

POST BALANCE SHEET EVENTS

- Effective from January 1, 2007, a new Organizational and Management structure has been introduced with the aim of implementing a more effective management of foreign subsidiaries.
- On January 4, 2007 Moody's downgraded the long term foreign currency deposit rating of OTP Bank from A1 to A2, reflecting the downgrade of the Hungarian government debt in December 2006. All other ratings of the Bank remained unchanged, thus the rating event will not have any significant impact on the borrowing cost of OTP Bank.
- On January 8, 2007 it became public, that OTP Bank's firm bid for Diners Club Adriatic d.d, Croatia was not accepted by the sellers.
- On January 8, 2007 Dr Zoltán Spéder, member of the Board, vice Chairman and CFO resigned from all his positions held in the company. Dr. Sándor Csányi, Chairman and CEO of the Bank appointed Dr. László Urbán to run the Strategic and Financial Division effective from January 15, 2007.

**CONSOLIDATED AND NON CONSOLIDATED, NON AUDITED IFRS REPORTS OF
OTP BANK PLC. FOR THE PERIOD ENDED DECEMBER 31, 2006**

CONSOLIDATED IFRS BALANCE SHEET

On December 31, 2006 the consolidated IFRS total assets of the Bank were HUF 7,101.5 billion, representing a HUF 1,886 billion or 36.2% growth over the same period a year earlier. Consolidated IFRS total assets were 57.6% higher on December 31, 2006 than the non-consolidated figures. Balance sheet grew by HUF 926.8 billion or 15% during 4Q 2006. Such a significant growth already included the consolidation of the Ukrainian, Russian subsidiaries, as well as that of Zepter banka, Serbia.

The Bank's consolidated shareholders' equity on December 31, 2006 was HUF 787.8 billion, by HUF 240.3 billion or by 43.9% higher than the consolidated shareholders' equity as of December 31, 2005, and 17.5% higher than the unconsolidated shareholders' equity. During the fourth quarter of 2006 the consolidated shareholders' equity increased by HUF 136.8 billion. The shareholders' equity represented 11.1% of total assets. Book value per share (BVPS) amounted to HUF 2,814 on December 31, 2006.

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

HUF mn	31/12/2005	30/06/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	483,191	482,775	531,070	10.0%	9.9%
Placements with other banks	438,768	567,722	602,603	6.1%	37.3%
Financial assets at fair value through statements of operations	48,054	80,046	110,611	38.2%	130.2%
Trading securities	409,945	511,837	489,311	-4.4%	19.4%
Gross loans	3,297,218	3,847,147	4,477,444	16.4%	35.8%
Provisions on loans	105,920	123,419	130,689	5.9%	23.4%
Net loans	3,191,298	3,723,728	4,346,755	16.7%	36.2%
Equity investments	12,357	5,616	70,939		474.1%
Securities held-to-maturity	289,803	317,429	268,281	-15.5%	-7.4%
Intangible assets	233,245	255,009	464,732	82.2%	99.2%
Other assets	109,241	230,571	217,192	-5.8%	98.8%
ASSETS	5,215,902	6,174,733	7,101,493	15.0%	36.2%
Liabilities to credit institutions	364,124	473,723	661,198	39.6%	81.6%
Liabilities to customers	3,428,193	3,743,321	4,231,258	13.0%	23.4%
Issued securities	543,460	817,198	781,316	-4.4%	43.8%
Other liabilities	285,630	357,768	389,198	8.8%	36.3%
Subordinated loans	47,023	131,774	250,726	90.3%	433.2%
LIABILITIES	4,668,430	5,523,784	6,313,697	14.3%	35.2%
TOTAL SHAREHOLDERS' EQUITY	547,472	650,949	787,796	21.0%	43.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,215,902	6,174,733	7,101,493	15.0%	36.2%
				%-point	%-point
Gross loans/deposits	96.2%	102.8%	105.8%	3.0%	9.6%

On the asset side, cash, deposits and balances with the NBH decreased by 9.9% compared to December 31, 2005, however their volume increased in 4Q 2006, by 10%. On December 31, 2006 the volume of interbank placements was 37.3% higher y-o-y and by 6.1% in 4Q 2006.

Financial assets at fair value through profit and loss increased by 130.2% to HUF 110.6 billion. Within this securities for trading grew by 123.5% to HUF 84.9 billion y-o-y.

Available-for-sale securities (489.3 billion) grew by 4.4% in 4Q 2006, but were HUF 79.4 billion higher than a year earlier. This volume was by HUF 140.5 billion higher than the non-consolidated figure of the Bank, due to securities held by OTP Garancia Insurance, OTP Building Society and OTP banka Hrvatska and adjustment for mortgage bonds held by the parent bank.

Volume of consolidated loans, net of allowance for possible loan losses grew by 36.2% from HUF 3,191.3 billion on December 31, 2005 to HUF 4,346.8 billion as of December 31, 2006. This represented a 16.7% growth from September 30, 2006. The share of net loans in total assets reached 61.2%, and equalled to that of at the end of December 31, 2005.

Within consolidated gross business loan volume of HUF 4,477.4 billion, corporate loans represented 36% (HUF 1,610.1 billion; +34.7% y-o-y); retail loans 59.2% (HUF 2,649.1 billion; +34.8% y-o-y) and municipality loans 4.9% (HUF 218.3 billion; +60.5% y-o-y), respectively. Within retail loans housing loans stood at HUF

1,534.8 billion (+25.6% y-o-y); consumer loans at 1,114.3 billion (+49.9% y-o-y). 35.7% of aggregated total loans (HUF 1,651.6 billion) were granted by the foreign subsidiaries.

The loan growth (HUF 1,180 billion) of the 12 months period ending on December 31, 2006 was augmented by OTP Bank (before consolidation corporate loans grew by HUF +102 billion; retail loans by HUF +104 billion; municipality loans by HUF +79 billion, totally by HUF +285 billion), by DSK (corporate loans grew by HUF +49.5 billion; retail loans by HUF +20.4 billion; totally by HUF +70 billion), by OTP Mortgage Bank where 12 months loan book growth was HUF +58.6 billion, by car financing at Merkantil Bank (by HUF 60.4 billion), by OTP banka Hrvatska (retail loans grew by HUF +36.9 billion, corporate loans by HUF 10.1 billion; totally by HUF 46.8 billion) and by OBR (corporate loans grew by HUF 28 billion, retail loans by HUF 48.6 billion, totally by HUF 76.7 billion). The most significant loan increase was realized through the consolidation of the Ukrainian (HUF +368 billion) and Russian (HUF +216 billion) subsidiaries.

During 4Q 2006 gross loan volume grew by 16.4% or by HUF 630 billion. The loan volume of OTP Bank increased by HUF 4.1 billion or by tiny 0.2%. In this quarter the growth was created mainly by foreign subsidiaries, in particular by loan generation at the Ukrainian and Russian banks, but also at OBR (HUF 11 billion) and OBS (HUF 10.2 billion)

During 4Q 2006 consolidated corporate loans grew by HUF 336.7 billion or 26.4%; retail loans by HUF 278.6 billion or 11.8% (housing loans by HUF 157.9 billion or 11.5%, consumer loans by HUF 120.7 billion or 12.2%). Municipality loans also increased by 7.4% (HUF +15 billion) q-o-q.

During 4Q 2006 OTP approved loan applications with the value of HUF 56.5 billion (HUF 49.2 billion in 4Q 2005; HUF 49.6 billion in 3Q 2006) and disbursed loans of HUF 57.5 billion (HUF 52.5 billion in 4Q 2005; HUF 48.4 billion in 3Q 2006). HUF 34.8 billion housing loans were denominated in FX which represented 60.5% of total disbursement. HUF 35.5 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 29.9 billion loans¹ in the fourth quarter of 2006 (HUF 10.1 billion in 4Q 2005). Thus the increase of the outstanding loan volume is partly the result of volume growth, but also related to prepayments and final repayments. Their share in average housing loan volume outstanding was 1.6% in 4Q 2006, the same as in 3Q 2006, but by 0.4% higher than in 4Q 2005.

IFRS consolidated gross loan volume by business lines:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Corporate loans	1,195,374	1,273,386	1,610,078	26.4%	34.7%
Municipality loans	136,039	203,284	218,299	7.4%	60.5%
Retail loans	1,965,805	2,370,477	2,649,067	11.8%	34.8%
Housing loans	1,222,397	1,376,905	1,534,774	11.5%	25.6%
Consumer loans	743,408	993,573	1,114,294	12.2%	49.9%
Total	3,297,218	3,847,147	4,477,444	16.4%	35.8%

The quality of the loan book under IFRS deteriorated significantly, mainly due to the consolidation of the Ukrainian and Russian subsidiaries, but also due to the weaker corporate loan quality of OTP Bank. At the end of December 2006 performing portion represented 79.6% of total, 14.8% was to-be-monitored. Non-performing loans (NPLs) were 5.6% of total, by 130 bps higher than in the previous quarter. 59.2% of qualified loans and 55% of NPLs were in the books of foreign subsidiaries.

IFRS consolidated gross loan volume by qualified categories:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Performing loans	2,876,541	3,306,625	3,562,073	7.7%	23.8%
To-be-monitored loans	301,581	376,796	663,230	76.0%	119.9%
Below average	27,627	34,016	110,655	225.3%	300.5%
Doubtful	27,802	52,629	64,550	22.7%	132.2%
Bad	63,668	77,080	76,935	-0.2%	20.8%
Total receivables	3,297,218	3,847,147	4,477,444	16.4%	35.8%
QUALITY					
Total qualified	420,677	540,522	915,370	69.3%	117.6%
NPL	119,096	163,726	252,140	54.0%	111.7%
Qualified ratio	12.8%	14.0%	20.4%	6.4%	7.7%
NPL ratio	3.6%	4.3%	5.6%	1.4%	2.0%

¹ Loans granted in year 2000 or later.

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
COVERAGE					
Provision on NPL	89,613	105,172	112,712	7.2%	25.8%
Coverage on NPL	75.2%	64.2%	44.7%	-19.5%	-30.5%
Provision on qualified	101,354	118,714	124,417	4.8%	22.8%
Coverage on qualified	24.1%	22.0%	13.6%	-8.4%	-10.5%
Net loans	3,191,298	3,723,729	4,346,755	16.7%	36.2%

The consolidated loan loss provisions were HUF 130.7 billion of which HUF 124.4 billion was related to the qualified portfolio, representing 13.6% coverage over the qualified loans. HUF 112.7 billion provisioning covering HUF 252 billion NPLs represented 44.7% coverage ratio. During the fourth quarter performing loans grew by HUF 255.4 billion, qualified loans increased by HUF 374.8 billion (mainly due to the increase of to-be-monitored loans at OTP Bank, Merkantil Bank and to the increase of NPLs at OTP Bank, CJSC OTP Bank (Ukraine) and Investsberbank. NPLs increased by HUF 88.4 billion. Total provisions increased by HUF 7.3 billion during the fourth quarter of 2006.

Volume of securities held-to-maturity increased by 7.4% to HUF 268.3 billion y-o-y, but their volume dropped by 15.5% since September 30, 2006.

On the liability side, customer liabilities were HUF 4,231.3 billion, 23.4% higher than a year earlier and 57.3% higher than at the Bank. Customer deposits grew by HUF 487.9 billion or by 13% from the end of the second quarter. Customer deposits represented 59.6% of total liabilities (65.7% as at December 31, 2005) Out of total 25.9% of deposits came from corporate; 68.8% from retail and 5.2% from municipality sector customers.

Consolidated deposits by business lines:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Corporate deposits	662,214	852,147	1,097,155	28.8%	65.7%
Municipality deposits	203,111	283,267	221,313	-21.9%	9.0%
Retail deposits	2,562,869	2,607,906	2,912,790	11.7%	13.7%
Total	3,428,194	3,743,320	4,231,258	13.0%	23.4%

Deposits grew by HUF 803.1 billion in 12 months mostly at the parent bank (corporate and retail), at DSK (corporate and municipality), at OTP banka Hrvatska (corporate), at OTP Banka Slovensko (retail and corporate) and at OBR (corporate). Foreign subsidiaries collected 34.4% of aggregated deposits as at December 31, 2006 up from 24.6% a year earlier.

During 4Q 2006 corporate deposits of OTP Bank grew by HUF 245 billion, retail deposits by HUF 304.9 billion, respectively, while municipality deposits dropped by HUF 62.0 billion. Within foreign subsidiaries the deposits grew most significantly at OBR (+7.8% q-o-q and +62% y-o-y).

Volume of issued securities was 43.8% higher than a year earlier and reached HUF 781.3 billion. 4Q 2006 decrease was HUF 35.9 billion or -4.4%. The yearly growth was mainly due to the issuances of EUR 750 million denominated bonds by OTP Mortgage Bank.

OTP Bank also issued EUR 500 million Perpetual Upper Tier 2 capital in October, thus the consolidated subordinated capital volume rose from HUF 131.8 billion in 3Q 2006 to HUF 250.7 billion.

CONSOLIDATED IFRS STATEMENT OF OPERATIONS (PROFIT AND LOSS ACCOUNT)

HUF mn	2005 4Q	2006 3Q	2006 4Q	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Interest income	114,508	131,618	164,433	24.9%	43.6%	459,024	542,639	18.2%
Interest expense	34,473	24,704	61,425	148.6%	78.2%	161,799	188,263	16.4%
Net interest income	80,035	106,914	103,008	-3.7%	28.7%	297,225	354,376	19.2%
Net interest income without swap	76,385	81,866	81,860	0.0%	7.2%	290,641	320,770	10.4%
Provision for possible loan losses	6,431	9,159	11,408	24.6%	77.4%	28,042	29,856	6.5%
Net interest income after provision	73,604	97,756	91,600	-6.3%	24.5%	269,183	324,520	20.6%
Fees and commissions income	34,227	36,661	40,493	10.5%	18.3%	118,884	146,463	23.2%
Foreign exchange gains, net	559	-17,682	-13,581	-23.2%		3,879	-12,203	-414.6%
Gain on securities, net	789	4,040	2,313	-42.7%	193.1%	9,708	6,788	-30.1%
Gain on real estate transactions	257	600	104	-82.7%	-59.6%	96	1,392	
Dividend income	9	381	12	-96.8%	33.8%	672	901	34.1%
Insurance premiums	17,977	22,163	15,772	-28.8%	-12.3%	69,793	75,779	8.6%

HUF mn	2005 4Q	2006 3Q	2006 4Q	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Other non-interest income	2,509	10,651	7,583	-28.8%	202.2%	13,465	26,382	95.9%
Total non-interest income	56,327	56,814	52,695	-7.3%	-6.4%	216,497	245,501	13.4%
Fees and commissions expense	6,199	8,090	9,807	21.2%	58.2%	19,930	32,247	61.8%
Personnel expenses	27,851	27,962	29,654	6.1%	6.5%	95,235	106,741	12.1%
Depreciation	6,161	6,856	6,420	-6.4%	4.2%	21,897	26,201	19.7%
Insurance expenses	11,931	17,930	13,470	-24.9%	12.9%	58,468	60,934	4.2%
Other non-interest expenses	27,253	30,787	39,158	27.2%	43.7%	98,073	124,048	26.5%
from this: special banking tax	2,693	2,909	2,611	-10.2%	-3.0%	10,152	10,963	8.0%
Total non-interest expense	79,395	91,624	98,509	7.5%	24.1%	293,603	350,171	19.3%
Income before income taxes	50,536	62,946	45,786	-27.3%	-9.4%	192,077	219,850	14.5%
Income taxes	9,680	9,339	4,853	-48.0%	-49.9%	33,803	32,389	-4.2%
After tax profit	40,856	53,607	40,933	-23.6%	0.2%	158,274	187,461	18.4%
				%-point	%-point			
Total income (with net fees)	130,163	155,639	145,896	-6.3%	12.1%	493,792	567,630	15.0%
Operating cost	73,196	83,534	88,702	6.2%	21.2%	273,673	317,924	16.2%
Cost/income ratio	56.2%	53.7%	60.8%	7.1%	4.6%	55.4%	56.0%	0.6%
Net interest margin before provision	6.32%	7.18%	6.21%	-0.97%	-0.12%	6.34%	5.75%	-0.58%
Net interest margin without swap	6.03%	5.50%	4.93%	-0.57%	-1.10%	6.20%	5.21%	-0.99%
ROA	3.23%	3.60%	2.47%	-1.13%	-0.76%	3.38%	3.04%	-0.33%
ROE	30.5%	34.3%	22.8%	-11.6%	-7.7%	32.3%	28.1%	-4.2%

RESULTS OF FOURTH QUARTER OF 2006

IFRS consolidated pre-tax profit was HUF 45.8 billion, which represented a 27.3% increase over 4Q 2006, but falling short of the 4Q 2005 results by 9.4%. After-tax profit declined by HUF 12.7 billion or by 23.6% to HUF 40.9 billion in 4Q 2006 and remained basically flat y-o-y.

The 4Q 2006 consolidated IFRS net interest income of OTP Bank was HUF 103 billion, 28.7% higher than for 4Q 2005 but by 3.7% lower than in 3Q 2006. This was a result of 43.6% y-o-y increase in interest income and a significant 78.2% y-o-y growth in interest expenses. The q-o-q changes of interest income and interest expenses were 24.9 % and 148.6%, respectively.

Consolidated interest income amounted to HUF 164.4 billion. Increase in interest income from loans was 10.3% q-o-q and reached HUF 108.8 billion. Consolidated interest income from loans was by HUF 62.4 billion, or 134.5% above unconsolidated data. Interest income from interbank placements, from securities held-to-maturity and securities available-for-sale increased q-o-q by 164.7%, 13.1% and 21.0%, respectively. Such revenues from accounts held at NBH and other banks, as well as from trading securities dropped by 11.2% and 57.6%. In 4Q interest income without swaps amounted to HUF 134.9 billion, by HUF 12.3 billion or 10.0% higher q-o-q. Including the swap result, total interest income grew even more, by 24.9%.

Interest expense was HUF 61.4 billion, 148.6% higher than in 3Q 2006. Interest expenses paid for other banks were by 195.3% lower than in 4Q 2006. Disregarding the swap result the quarterly increase was 20.4%. Interest paid on customers' deposits increased by 30.3% to HUF 34.5 billion and was 32% higher than unconsolidated data. It increased by 67.8% compared to the fourth quarter of 2005 due to raising interest rates in Hungary and also the deposit campaigns at the end of the year. In the fourth quarter of 2005 interest expense on issued securities was 32.9% higher than a quarter earlier and was HUF 11 billion higher than at the parent bank.

The swap results on interbank transactions were HUF 29.6 billion, and there was also a swap gain of HUF 8.4 billion accounted as negative loss on swaps with financial institutions which resulted in a total net swap interest gain of HUF 21.1 billion compared to HUF 25 billion a quarter earlier.

Provisions for possible loan and placement losses were 24.6% higher than in 4Q 2006 reaching HUF 11.4 billion. Provisioning cost as a percentage of average gross loans reached 1.10% compared to 0.81% a year earlier and 0.97% in 4Q 2006.

Non-interest income was 6.4% lower than a year earlier and reached HUF 52.7 billion, a decrease of 7.3% q-o-q. Within non-interest revenues, fee and commission income increased by 10.5% (HUF 3.8 billion) compared to the second quarter of 2006. Consolidated fee and commission expenses grew by 21.2% during 4Q 2006. Net fees and commissions reached HUF 30.7 billion, which is 7.4% higher than in 4Q 2006 and 9.5% higher than in 4Q 2005. Net profit on securities trading was HUF 2.3 billion compared to HUF 4 billion in 3Q 2006 as a result of gains realised on securities portfolio of the Group. Net losses on foreign exchange

transactions were significant again, HUF 13.6 billion while the Bank reported a tiny consolidated HUF 0.6 billion a year ago on the same line. The losses were mainly related to the FX swap deals. The insurance premium reached HUF 15.8 billion, a decrease of 28.8% q-o-q and 12.3% y-o-y. Insurance expenses increased by 12.9% compared to 4Q 2005, but dropped by 24.9% q-o-q. Net insurance result amounted to HUF 2.3 billion and was by HUF 1.9 billion lower than a quarter earlier and by HUF 3.7 billion y-o-y. Other income increased by HUF 5.1 billion y-o-y, but dropped by HUF 3.1 billion q-o-q reaching HUF 7.6 billion. Because of their decrease non-interest income amounted to 33.8% of total income (-0.9%-points q-o-q, -7.5%-points y-o-y).

Consolidated non-interest expenses grew by 24.1% year-on-year to HUF 98.5 billion. The quarterly increase was 7.5%. Consolidated personnel expenses were 6.1% higher than a quarter earlier and 6.5% higher than in 4Q 2005. Depreciation in 4Q 2006 was 4.2% higher than in 4Q 2005, but 6.4% lower than in 3Q 2006.

Other non-interest expenses were HUF 39.2 billion, 43.7% and 27.2% higher than in 4Q 2005 and 3Q 2006, respectively. Within this, the Bank spent HUF 3.9 billion for marketing, HUF 2.5 billion for rental fees, HUF 0.9 billion for IT services. Municipality taxes and the special banking tax amounted to HUF 2.7 billion and HUF 2.6 billion in the fourth quarter, respectively. Consolidated cost to income ratio was 60.8%, 7.1%-points higher than in 3Q 2006, and 4.6%-points higher than a year before.

Net consolidated interest margin over average total assets (HUF 6,638.1 billion) was 6.21% during the fourth quarter of 2006, 12 bps and 97 bps below 4Q 2005 figure and 3Q 2006. Disregarding the effects of swaps net margin in 4Q 2006 was 4.93% which was 57 bps lower than 3Q 2006; and 110 bps lower than in 4Q 2005.

Consolidated ROAA was 2.47% (3.23% in 4Q 2005 and 3.60% in 3Q 2006), while consolidated ROAE reached 22.8% nominal (30.5% in 4Q 2005 and 34.5% in 3Q 2006). Basic earnings per share (EPS) reached HUF 156, HUF 1 above 4Q 2005, but by HUF 51 below 3Q 2006. Diluted EPS equalled to the non-diluted one.

PRELIMINARY RESULTS OF THE YEAR 2006

Cumulated IFRS consolidated pre-tax profit was HUF 219.9 billion, which represented a 14.5% increase over 2005. After-tax profit grew by HUF 29.2 billion or by 18.4% to HUF 187.5 billion.

The 2006 consolidated IFRS net interest income of OTP Bank was HUF 354.4 billion, 19.2% higher than one year before. This was a result of 18.2% y-o-y growth in interest income and 16.4% y-o-y decrease in interest expenses.

Consolidated interest income amounted to HUF 542.6 billion (+18.2% y-o-y). Within this, interest income from loans without swaps amounted to HUF 387 billion (+13.9% y-o-y), whereas interest income from swaps was also significant: HUF 62.9 billion (+91.9% y-o-y). Total interest expense was HUF 188.3 billion, 16.4% higher than in 2005. Within this, interest expenses paid for customers' deposit dropped from HUF 99.4 billion by 5.3% to HUF 104.6 billion. Interest expenses from swaps amounted to HUF 29.3 billion, and thus net swap profit reached HUF 33.6 billion, which exceeds more than five-times its volume of HUF 6.6 billion in 2005. Without swaps net interest income would be HUF 320.8 billion, 10.4% higher than one year before.

Provisions for possible loan and placement losses amounted to HUF 29.9 billion, 6.5% higher than in 2006. Provisioning cost as a percentage of average gross loans reached 0.77% compared to 0.95% a year earlier.

Non-interest income was 13.4% lower than a year earlier and reached HUF 245.5 billion. Within non-interest revenues, the fee and commission income increased by 23.2% to HUF 146.5 billion. The insurance premium reached HUF 75.8 billion, an increase of 8.6% y-o-y. Net losses on foreign exchange transactions grew significantly to HUF 12.2 billion compared to the gains of HUF 3.9 billion in 2005, net profit on securities trading decreased to HUF 6.8 billion. Because of the moderate growth of non-interest income their share in total income declined to 40.9% (-1.2%-points y-o-y).

Consolidated non-interest expenses grew by 19.3% year-on-year to HUF 350.2 billion. Consolidated personnel expenses were 12.1% higher than a year before and reached HUF 106.7 billion. Consolidated fee and commission expenses increased significantly by 61.8% to HUF 32.2 billion. Insurance expenses rose

slightly by 4.2% to HUF 61 billion, whereas other non-interest expenses increased substantially by 26.5% to HUF 124 billion.

Hence, net fees and commissions grew by 15.4% to HUF 114.2 billion and net insurance income grew to HUF 14.8 billion, an increase of 31% y-o-y. Consolidated cost-income ratio was 56.0%, 0.6%-points higher than a year before.

Net consolidated interest margin over average total assets (HUF 6,158.7 billion) was 5.75%, 58 bps below 2005. Disregarding the effects of swaps net margin in 2006 was lower: 5.21%, a decrease of 99 bps.

Consolidated ROAA was 3.04% (3.38% in 2005), while consolidated ROAE reached 28.1% (32.3% in 2005). Basic earnings per share (EPS) reached HUF 723, HUF 120 above 2005. Diluted EPS reached HUF 715.

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

	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Total assets	24.1%	24.4%	24.7%	0.3%	0.6%
Loans	21.4%	20.6%	20.6%	-0.1%	-0.9%
Retail	37.7%	35.0%	34.5%	-0.5%	-3.4%
Housing	46.4%	42.5%	41.7%	-0.9%	-4.7%
HUF	52.6%	51.6%	51.2%	-0.3%	-1.4%
FX	22.5%	23.3%	22.9%	-0.4%	0.3%
Consumer	24.4%	25.0%	24.9%	-0.1%	0.4%
Corporate	11.7%	11.2%	11.0%	-0.3%	-0.7%
Municipal	52.7%	53.4%	55.1%	1.6%	2.4%
Deposits	26.9%	24.4%	23.7%	-0.7%	-3.2%
Retail	34.7%	32.6%	32.4%	-0.2%	-2.3%
HUF	34.5%	32.1%	32.0%	-0.1%	-2.5%
FX	36.0%	36.1%	35.0%	-1.1%	-1.1%
Corporate	11.4%	10.2%	9.9%	-0.3%	-1.5%
Municipal	63.4%	68.1%	64.2%	-4.0%	0.8%

OTP BANK²

OTP Bank maintained its market position as the largest retail bank in Hungary and the largest bank by total assets. On December 31, 2006 total assets of the Bank were HUF 4,506.4 billion, by 25.4% higher than a year earlier. According to IFRS the Bank realized HUF 98.5 billion interest income and HUF 37.2 billion interest expenses, thus net interest income was HUF 61.4 billion. In the course of the last quarter OTP Bank reached HUF 51.1 billion profit after tax, +80.6% y-o-y.

Selected balanced sheet data of OTP Bank IFRS balanced sheet:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	379,249	434,930	429,325	-1.3%	13.2%
Placements with other banks	393,659	523,256	657,939	25.7%	67.1%
Financial assets at fair value	34,054	70,433	61,085	-13.3%	79.4%
Securities for sale and trading	371,433	364,047	348,859	-4.2%	-6.1%
Gross loans	1,497,670	1,778,551	1,782,699	0.2%	19.0%
Provisions	-22,162	-28,641	-31,021	8.3%	40.0%
Net loans	1,475,508	1,749,910	1,751,678	0.1%	18.7%
Investments	223,881	241,110	583,298	141.9%	160.5%
Securities held-to-maturity	521,797	551,606	504,111	-8.6%	-3.4%
Intangible assets	105,569	81,287	100,721	23.9%	-4.6%
Other assets	87,723	103,537	69,395	-33.0%	-20.9%
ASSETS	3,592,872	4,120,117	4,506,410	9.4%	25.4%
Liabilities to credit institutions	255,211	508,131	557,857	9.8%	118.6%
Deposits from customers	2,506,457	2,606,345	2,690,098	3.2%	7.3%
Issued securities	202,267	218,995	202,050	-7.7%	-0.1%
Other liabilities	108,615	126,471	137,934	9.1%	27.0%
Subordinated loans	47,023	131,774	247,865	88.1%	427.1%
LIABILITIES	3,119,573	3,591,716	3,835,804	6.8%	23.0%
TOTAL SHAREHOLDERS' EQUITY	473,299	528,401	670,606	26.9%	41.7%

² The Bank's IFRS unconsolidated condensed financial statements are available on the website of OTP Bank (www.otpbank.hu) and the Budapest Stock Exchange (www.bse.hu).

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,592,872	4,120,117	4,506,410	9.4%	25.4%
				%-point	%-point
Gross loans to deposits	59.8%	68.2%	66.3%	-2.0%	6.5%

In the fourth quarter of 2006 total assets were HUF 4,506.4 billion (+9.4% q-o-q; +25.4% y-o-y), of which gross loan volume represented 39.6% (3Q 2006: 43.2%), while liabilities to customers amounted to 59.7% (3Q 2006: 63.3%). The structure of the gross loan portfolio remained stable during the last quarter. Retail loans reached HUF 567.9 billion, representing 31.9% of total loans (3Q 2006: 31.2%). The volume of the corporate loans was HUF 1,004.6 billion, exceeded 56.4% of total loans (3Q 2006: 57.8%). Share of municipality loans was 11.8%, an increase of 7.2% q-o-q and 60.3% y-o-y.

The quality of loan portfolio slightly deteriorated in 4Q 2006. Qualified loans represented 5.4% of the total loans (3Q 2006: 5.9%), while NPL ratio was 3.2% (3Q 2006: 2.7%). The volume of provisions increased by HUF 2,380 million over the previous quarter, as a result the coverage on qualified loans stood at 32.2%, and the NPL coverage was 48.9% compared to 50.6% at the end of September 2006.

On December 31, 2006 the volume of securities within total assets reached HUF 889.0 billion, representing 19.7%. More than half of them, 56.7% were mortgage bonds, 29.6% were government securities. 56.7% of the securities were held-to-maturity, 39.2% of the securities were classified as securities available-for-sale. Securities held for trading represented 4.1% of the portfolio, and mainly (91.5%) comprised government securities.

At the end of the fourth quarter consumer deposits amounted to HUF 2,690.1 billion, within retail loans representing 67.4%, corporate loans 26.3%, while municipality loans 6.3% respectively. The volume of corporate and municipality loans grew on a yearly base (corporate loans: 49.5% y-o-y; municipality loans: 3.9% y-o-y). Meanwhile, retail loans decreased by 3.1% because of the significant outflow of deposits, as a consequence of market changes caused by tax revisions and the alterations of households' savings portfolio. Deposit actions were taken in 4Q 2006, and it was able to counterweight the decrease of the deposit volumes, so during the last quarter the volumes of retail deposits increased by 4.3% q-o-q and by 0.4% over the same period a year earlier. The gross loan to deposit ratio of the Bank was 66.3% at the end of December, by 6.5% higher than 12 months earlier.

Within the liabilities of the Bank the volume of subordinated loans grew significantly: in September OTP Bank issued fixed rated subordinated bonds in a total value of EUR 300 million and it was followed by an Upper Tier 2 (perpetual NC10) transaction in November with a total value of EUR 500 million. In the first 10 years it pays a fix 5.875% coupon p.a. and 3 months Euribor + 300 bps thereafter.

Also, with the aim of improving the capital position of the Bank, it sold its own shares to Opus Securities S.A. (an SPV). Out of its own stock the Bank sold 10 million shares, whereas OTP Fund Management sold 4.5 million pieces on the back of which the SPV issued exchangeable bonds (Income Certificate Exchangeable for Shares, ICES) with the total value of EUR 514 million. The ICES are without maturity and between the first 5 to 10 years they can be exchanged into OTP shares. The security is callable after 10 years, carrying a fix coupon of 3.95% in the first ten years and 3 months Euribor + 300 bps thereafter. The ICES transaction had no direct P&L impact at the Bank (the gain being realized at OTP Fund Management has been transferred to the Bank in a form of cash given free of charge), however it did result in a HUF 42 billion increase of own equity.

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

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Interest income	68,499	80,395	98,547	22.6%	43.9%	281,403	331,917	18.0%
Interest inc. swap on loans	-12	255	461	80.6%		945	897	-5.1%
Interest inc. swap on interbank loans	7,281	7,856	22,188	182.4%	204.7%	28,786	52,666	83.0%
Interest expense	22,099	13,734	37,196	170.8%	68.3%	112,763	128,703	14.1%
Interest exp. swap on interbank deposits	3,780	-12,357	2,642	-121.4%	-30.1%	22,348	24,924	11.5%
Interest exp. swap on deposits	45	-183	1,528	-934.8%		123	2,312	
Net interest income	46,400	66,661	61,350	-8.0%	32.2%	168,640	203,215	20.5%
Net interest income (without swaps)	42,956	46,010	42,871	-6.8%	-0.2%	161,380	176,888	9.6%
Provision for possible loan losses	3,760	6,075	7,818	28.7%	107.9%	16,435	25,443	54.8%
Net interest income after provision	42,640	60,587	53,533	-11.6%	25.5%	152,205	177,772	16.8%
Fees and commissions income	36,998	37,750	38,581	2.2%	4.3%	136,264	147,668	8.4%
Foreign exchange gains, net	124	-16,447	-15,860	-3.6%		1,603	-14,465	
Gain on securities, net	-1,668	3,322	954	-71.3%	-157.2%	3,103	870	-71.9%

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Other non-interest income	1,067	12,159	27,186	123.6%		17,450	61,178	250.6%
Total non-interest income	36,522	36,784	50,861	38.3%	39.3%	158,420	195,252	23.2%
Fees and commissions expense	4,498	5,411	6,545	21.0%	45.5%	13,840	21,162	52.9%
Personnel expenses	16,552	17,074	17,949	5.1%	8.4%	62,437	65,406	4.8%
Depreciation	4,395	4,663	3,943	-15.4%	-10.3%	15,244	17,391	14.1%
Other non-interest expenses	19,486	19,819	25,839	30.4%	32.6%	63,302	81,091	28.1%
Total non-interest expense	44,931	46,966	54,276	15.6%	20.8%	154,823	185,050	19.5%
Income before income taxes	34,231	50,405	50,117	-0.6%	46.4%	155,801	187,973	20.6%
Income taxes	5,983	6,822	-1,083	-115.9%	-118.1%	22,804	16,605	-27.2%
Deferred taxes	-47	-321	99	-130.8%	-311.1%	149	828	454.0%
After tax profit	28,294	43,903	51,102	16.4%	80.6%	132,848	170,539	28.4%
				%-point	%-point			%-point
Total income (with net fees)	78,425	98,035	105,666	7.8%	34.7%	313,220	377,304	20.5%
Operating cost	40,434	41,555	47,732	14.9%	18.0%	140,983	163,888	16.2%
Cost/income ratio	51.6%	42.4%	45.2%	2.8%	-6.4%	45.0%	43.4%	-1.6%
Net interest margin (before provisioning)	5.32%	6.60%	5.69%	-0.91%	0.37%	5.07%	5.02%	-0.06%
Net interest margin (before provisioning and swaps)	4.93%	4.56%	3.98%	-0.58%	-0.95%	6.47%	5.82%	-0.65%
ROA	3.25%	4.35%	4.74%	0.39%	1.49%	4.00%	4.21%	0.21%
ROE	24.1%	34.9%	34.1%	-0.8%	10.0%	30.8%	29.8%	-1.0%

In the fourth quarter of 2006 IFRS pre-tax profit of the Bank was HUF 50.1 billion, which represented a decrease of 0.6% over 3Q 2006 and an improvement of 46.4.0% over 4Q 2005. During the fourth quarter OTP Bank reached HUF 61.4 billion net interest income, by 8.0 lower than in 3Q 2006, while non-interest income increased by 38.3% q-o-q. Compared to the same period a year earlier net interest income expanded by 32.2%, while non-interest income were by 39.3% higher than in the base period. Within interest income interest receivables on loans were by 27.6% higher q-o-q, within interest expenses interest paid on customer deposits increased by 67.0%. The volume of net swap within interest income was substantial (HUF 18.5 billion), a quarter before it was HUF 20.6 billion. Net interest margin based on average total asset was 5.69%, which represented an increase of 91 bps. Net interest margin without swaps was 3.98%, 0.58%-points lower than a quarter earlier.

Non-interest income was HUF 50.9 billion, with fees and commission income reaching HUF 38.6 billion a growth of 2.2% q-o-q, and a growth of 4.3% on a yearly base. Commision income decreased by 0.9% on a quarterly base reaching HUF 32.0 billion, -1.4% over the same period a year earlier.

There were some changes in the components of non-interest income compared to the previous quarter. Within net gain on foreign exchange transactions increased from HUF -16.4 billion to -15.8, while gain on securities dropped by HUF 2.4 billion. A significant portion of other non-interest income revenues came from domestic subsidiaries in the form of cash given free of charge (in total HUF 26.8 billion). Within that HUF 21.9 billion has been transferred by OTP Fund Management as a gain on own shares sale.

Non-interest expenses were HUF 54.3 billion, by 15.6% higher on a quarterly base, and by 20.8% higher over the same period a year earlier. Within that fees and commission expenses represented 12.1%, personal expenses 33.1%, other non-interest income 47.6%, while depreciation was 7.2%, respectively. The special banking tax was accounted as other non-interest expenses, resulted HUF 2.6 billion in the fourth quarter, 10.3% lower than in 3Q 2006.

On December 31, 2006 OTP Bank realised HUF 51.1 billion profit after tax, with an increase of 16.4% q-o-q and 80.6% y-o-y. Disregarding the impact of one-off transfers from subsidiaries (cash given free of charge), the 4Q after-tax earnings of the Bank would be HUF 24.3 billion, a decrease of 14.2% over 2005 corresponding period.

The cost to income ratio was 45.2% (+2.8%-points q-o-q, -6.4%-points y-o-y). OTP Bank's non-consolidated return on average assets (ROA) was 4.74%, return on equity (ROE) was 34.1%.

In 2006 OTP Bank realised HUF 188 billion profit before tax (+20.6% y-o-y). Net interest income was by 20.5% higher than the figure of the base period, driven by 18,0% increase of interest income, while interest expenses increased slightly by 14.1%. Non-interest income of OTP Bank showed an increase of 23.2% during the year of 2006, mainly due to the above mentioned transactions. Due to the fair value adjustment the net securities result was by 71.9% lower than in 2005. FX gain and loss result also showed a significant change compared to last year: its loss of HUF 14.5 billion was by HUF 16 billion worse than a year ago due to adjustments of derivative transactions. Non-interest expenses exceeded 2005 figures by 19.5%, within

that personal expenses represented 35.3% in total (3Q 2006: 36.3%), while fee and commission income comprised 11.4% (3Q 2006: 11.2%), respectively.

Cost to income ratio was 43.4%, which was significantly lower than the consolidated OTP Group level of 56.0%. In 2006 annualized ROA was 4.21% (consolidated ROA was 3.04%), and ROE was 29.8% (consolidated ROE was 28.0%).

Market shares of OTP Bank showed the following

	31/12/2005	31/03/2006	30/06/2006	30/09/2006	31/12/2006
Deposits	25.6%	24.1%	23.9%	23.1%	22.4%
Retail deposits	32.7%	31.5%	31.4%	30.5%	30.3%
HUF deposits	32.3%	30.8%	30.6%	29.6%	29.5%
FX deposits	36.1%	36.6%	36.9%	36.3%	35.0%
Corporate deposits	11.3%	9.8%	10.4%	10.0%	9.7%
Municipal deposits	63.4%	70.9%	63.3%	68.1%	64.2%
Loans	12.6%	12.5%	12.2%	12.4%	12.3%
Retail loans	12.7%	12.2%	12.2%	12.3%	12.2%
Housing loans	9.3%	8.9%	9.2%	9.2%	9.3%
Consumer loans	17.9%	16.9%	16.3%	16.3%	16.2%
Corporate loans	11.3%	11.3%	10.7%	10.8%	10.5%
Municipal loans	52.7%	51.8%	52.2%	53.4%	55.0%
Total Assets	18.1%	18.0%	17.4%	17.9%	18.9%

At the end of December 2006 the market share of OTP Bank was 18.9% in total assets, share in retail deposits was 30.3% in the sector of credit institutions. The Bank held 29.5% of HUF deposits and 35.0% of FX retail deposits. The market share in housing loans was 9.3%, while the share in consumer loans declined to 16.2%.

The number of retail current accounts was 3,118 thousand at the end of December 2006. The number of issued retail bank cards exceeded 3,850 thousand on December 31, 2006, within that the number of debit cards reached 3,675 thousand. The number of credit cards was more than 243 thousand on December 31, 2006; their proportion in total issued cards was 5.9% (3Q 2006: 5.5%). Including corporate and FX based cards, the total number of cards reached 4.093 thousand.

The number of the Bank's ATMs grew from 1500 a year earlier to 1,887 (3Q 2006: 1,830) due to the purchase of Eurobank's ATM network. The number of transactions executed by the Bank's card owners through the Bank's ATMs, reached 78,2 million in 2006, while the turnover of these transactions was HUF 2,404 billion, an increase of 3.6% and of 12.8%, respectively over December 31, 2005. The number of POS terminals on December 31, 2006 stood at 27,259, by 1,726 more y-o-y. The number of purchases on POS terminals at merchants was more than 83 million with a total value of HUF 704 billion. At the end of December 2006 the number of contracted customers for OTPdirekt telephone banking, mobile banking and internet banking service was almost 1,3 million. The Bank operated 408 branches, 2 branches less q-o-q. Number of employees was 8,169; by 270 people more than a year earlier, and by 95 people more q-o-q.

CAPITAL ADEQUACY (BASED ON HAR)

The HAR **shareholders' equity** of OTP Bank was HUF 553.8 billion on December 31, 2006, by HUF 146.2 billion higher than a year earlier. The growth was a result of a growth of HUF 18.7 billion in general reserves, as well as HUF 107.6 billion retained earnings, a HUF 58.5 billion growth in balance sheet profit. Non-consolidated book value of one share with face value of HUF 100 was HUF 1.978 on December 31, 2006.

The guarantee capital of the Bank stood at HUF 264,617 million or HUF 270,605 million including profit for the period, of which tier 2 capital amounted to HUF 242,283 million. With risk weighted assets of HUF 2,729.9 billion (an increase of 33.1% y-o-y) the **capital adequacy ratio** – calculated according to the Hungarian regulations – reached 9.69%, higher than 8% required by the Banking Act. The ratio calculated with 4Q 2006 profit was 9.91%

IFRS REPORTS OF THE MAIN SUBSIDIARIES

OTP MORTGAGE BANK

On December 31, 2006 total assets of OTP Mortgage Bank were HUF 1,075 billion; the Bank realized an IFRS based after-tax profit of HUF 2,070 million. In 2006 the Bank had an after-tax profit of HUF 3,009 million.

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

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	64,554	58	59	2.3%	-99.9%
Placements with other banks	2,611	94,773	35,945	-62.1%	
Trading securities	26,495	154,060	107,805	-30.0%	306.9%
Gross loans	849,252	903,756	907,845	0.5%	6.9%
Provisions	-202	-106	-82	-23.3%	-59.6%
Net loans	849,050	903,650	907,764	0.5%	6.9%
Intangible assets	322	312	354	13.6%	10.0%
Other assets	13,040	35,730	22,887	-35.9%	75.5%
ASSETS	956,072	1,188,582	1,074,846	-9.6%	12.4%
Liabilities to credit institutions	42,396	29,733	1,653	-94.4%	
Issued securities	812,700	1,057,675	987,871	-6.6%	21.6%
Other liabilities	64,038	59,387	46,048	-22.5%	-28.1%
LIABILITIES	919,133	1,146,795	1,035,572	-9.7%	12.7%
TOTAL SHAREHOLDERS' EQUITY	36,939	41,787	39,274	-6.0%	6.3%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	956,072	1,188,582	1,074,846	-9.6%	12.4%
				%-point	%-point
Loans to mortgage bonds	104.5%	85.4%	91.9%	6.5%	-12.6%

The Bank's receivables from customers exceeded HUF 907 billion. It was by 6.9% higher than a year earlier and represented a moderate quarterly growth of 0.5%. The loan volume at the Bank grew by HUF 4.1 billion in 4Q. Out of the outstanding loan book HUF 422.8 billion was the portion of loans originated under subsidy conditions being effective before June 2003, and roughly HUF 343.3 billion were loans with modified conditions after June 2003 or later. By December 31, 2006 the volume of FX-linked (99% CHF) loans reached HUF 104.6 billion. The volume of FX home equity loans represented HUF 33.9 billion, while HUF 3.3 billion has been originated for agricultural developments.

In the total loan book the portion of loans due over 30 days represented 1.3%, within that the share of NPL stood at 0.03%, basically unchanged q-o-q. The total volume of past due loans comprised HUF 36 billion on which – according to the repurchase guarantee – OTP Bank made up to 10% provisioning.

The number of loan contracts with the Bank reached almost 255 thousands with an average size of HUF 3.5 million/contract (a decline of HUF 0.6 million). Meanwhile, by December 31, 2006, the face value of mortgage bonds issued by the Bank reached HUF 987.9 billion, the dominant portion (99%) had longer than 1 year maturity. In 4Q 2006 OTP Mortgage Bank financed itself from the local bond markets issuing retail targeted covered bonds. By December 31, 2006 the total outstanding volume of covered mortgage bonds grew by 21.6% compared to the corresponding period of last year, despite of buying back HUF 35 billion covered bonds from OTP Bank in November. The ratio of mortgage loans to mortgage bonds stood at 91.9%. The volume of placements with other banks and liabilities to credit institutions dropped by HUF 58.8 billion, however on a yearly base it grew by HUF 33.3 billion due to a repo transaction with OTP Bank.

Selected IFRS results data of OTP Mortgage Bank:

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Interest income	29,939	29,795	35,113	17.8%	17.3%	120,732	121,644	0.8%
Interest expense	18,914	17,489	25,246	44.4%	33.5%	73,237	78,641	7.4%
Net interest income	11,025	12,306	9,867	-19.8%	-10.5%	47,495	43,003	-9.5%
Net interest income (without swaps)	10,927	10,217	9,735	-4.7%	-10.9%	48,634	41,796	-14.1%
Provision for possible loan losses	33	-37	-25	-33.8%	-174.7%	182	-120	-166.1%
Net interest income after provision	10,992	12,344	9,891	-19.9%	-10.0%	47,313	43,123	-8.9%
Fees and commissions income	3,680	790	770	-2.4%	-79.1%	14,971	2,687	-82.0%
Foreign exchange gains, net	-369	-1,188	58	-104.9%	-115.8%	-371	111	-129.8%
Gain on securities, net	227	-28	1,495	%	559.4%	-137	1,383	
Other non-interest income	-23	8	2	-70.8%	-110.1%	72	49	-31.7%
Total non-interest income	3,515	-418	2,326	-656.2%	-33.8%	14,535	4,230	-70.9%

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Fees and commissions expense	13,542	8,698	8,782	1.0%	-35.1%	52,183	34,106	-34.6%
Personnel expenses	151	391	135	-65.6%	-10.7%	683	954	39.7%
Depreciation	34	38	20	-47.2%	-41.8%	125	115	-8.4%
Other non-interest expenses	-262	4,055	459	-88.7%	-275.3%	2,057	7,147	247.5%
Total non-interest expense	13,465	13,182	9,396	-28.7%	-30.2%	55,048	42,322	-23.1%
Income before income taxes	1,042	-1,256	2,822	-324.7%	170.7%	6,799	5,031	-26.0%
Income taxes	176	463	1,448	212.8%	721.3%	1,605	1,911	19.1%
Deferred taxes	-53	89	69	-22.9%	-228.6%	-53	112	-309.8%
After tax profit	920	-1,465	2,070	-241.3%	125.2%	5,248	3,009	-42.7%
				%-point	%-point			%-point
Total income (with net fees)	998	3,190	3,411	6.9%	241.6%	9,847	13,127	33.3%
Operating cost	-77	4,483	614	-86.3%	-897.1%	2,865	8,216	186.8%
Cost/income ratio	-7.7%	140.5%	18.0%	-122.6%	25.7%	29.1%	62.6%	33.5%
Net interest margin (before provisioning)	4.70%	4.35%	3.49%	-0.87%	-1.22%	5.18%	4.23%	-0.94%
Net interest margin (before provisioning and swaps)	4.66%	3.61%	3.44%	-0.17%	-1.22%	5.30%	4.12%	-1.18%
ROA	0.39%	-0.52%	0.73%	1.25%	0.34%	0.57%	0.30%	-0.28%
ROE	10.6%	-14.5%	20.4%	34.9%	9.9%	14.0%	7.9%	-6.1%

In the fourth quarter of 2006 interest revenues grew by 17.8%, while interest expenditures increased more significantly by 44.4%, thus the net interest income of HUF 9.9 billion represented a decline of 19.8% q-o-q and 10.5% y-o-y, respectively. The net interest margin of the bank was 3.49%, a decrease of 87 bps q-o-q (-122 bps on 4Q 2005). The swap adjusted margin declined both on q-o-q and y-o-y base by 17 bps and 122 bps, respectively.

During the course of 4Q 2006 OTP Mortgage Bank paid out roughly HUF 13.1 billion in forms of fees and commissions (-2.4% q-o-q) to OTP Bank. The value creation (fees and commissions paid to OTP Bank + earning before tax), which is a more relevant indicator of the Mortgage Bank profitability reached HUF 15.9 billion, by 1.7% higher than in 3Q 2006.

In 2006 the net interest income (HUF 43 billion) dropped by 9.5 % as a consequence of higher than expected prepayment volume from the high-margin loan portfolio. Non-interest revenues declined significantly, by 71% compared to the base period, less so the non-interest expenditures (-23.1%). The net interest margin on average assets was 4.23%, by 95 bps less than a year ago. In 2006 ROE stood at 7.9% (-6.1% y-o-y) and the ROA was 0.3% (-0.28% y-o-y).

DSK GROUP

During 4Q 2006 DSK Bank maintained its leading position on the retail market and total assets in Bulgaria. On December 31, 2006 total consolidated IFRS assets of DSK reached HUF 779.4 billion (BGN 6,042 million), of which 67.2%, HUF 523.8 billion were customer deposits. Gross loans amounted to HUF 454.4 billion, 58.3% of total assets.

During 4Q 2006 DSK realized HUF 8.8 billion pre-tax profit and in the year 2006 it reached HUF 27.8 billion, an increase of 41.7% over the corresponding period of 2005.

Consolidated IFRS Balance Sheet of DSK:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	15,410	16,682	26,874	61.1%	74.4%
Placements with other banks	106,986	223,833	227,039	1.4%	112.2%
Financial assets at fair value	40,765	10,791	8,721	-19.2%	-78.6%
Trading securities	0	27,061	24,407		
Gross loans	384,436	459,426	454,394	-1.1%	18.2%
Provisions	-10,902	-17,338	-16,765	-3.3%	53.8%
Net loans	373,534	442,088	437,629	-1.0%	17.2%
Investments	2,412	2,927	3,210	9.7%	33.1%
Securities held-to-maturity	18,652	23,259	21,184	-8.9%	13.6%
Intangible assets	21,047	24,881	23,781	-4.4%	13.0%
Other assets	4,617	8,527	6,519	-23.5%	41.2%
ASSETS	583,423	780,049	779,363	-0.1%	33.6%
Liabilities to credit institutions	67,627	148,485	150,265	1.2%	122.2%
Deposits from customers	432,352	524,425	523,770	-0.1%	21.1%
Issued securities	0	0	0		
Other liabilities	12,201	14,747	13,435	-8.9%	10.1%
Subordinated loans	0	0	0		

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
LIABILITIES	512,180	687,657	687,470	0.0%	34.2%
TOTAL SHAREHOLDERS' EQUITY	71,243	92,392	91,893	-0.5%	29.0%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	583,423	780,049	779,363	-0.1%	33.6%
				%-point	%-point
Gross loans to deposits	88.9%	87.6%	86.8%	-0.9%	-2.2%

On December 31, 2006 IFRS total assets of DSK were 0.1% lower than at the end of September 2006 and 33.6% above the figure of December 31, 2005. Gross loans decreased by 1.1% q-o-q, but grew 18.2% y-o-y. The decline is mainly the result of another securitization in the consumer loans portfolio (BGN 143 million) through Asset Management AD SPV. Thus the retail loans decreased by 4.5% q-o-q, but grew by 6.8% y-o-y. Within the retail loans housing loans grew by 8.4% (+69.8% y-o-y), consumer loans dropped by 11.6% (-14.6% y-o-y) Retail loan volume amounted to HUF 322 billion, representing 70.9% of total loans. Corporate loans represented 29.1% of total loan volume. They grew by 8.2% (+59.9% y-o-y) and their volume reached HUF 132.2 billion. The volume of corporate loans purchased by OTP Bank decreased from BGN 220 million to BGN 194 million q-o-q, while the volume of loans transferred to SPV grew from BGN 459 million to BGN 602 million, respectively. The amount of mortgage loans being co-financed and kept in OTP Bank's book reached BGN 2.2 million. Including the sold and co-financed loans, volume of DSK's gross loans reached HUF 557.4 billion, an increase of 0.5% q-o-q and 36% y-o-y.

The quality of loan portfolio remained good. Share of qualified loans did not change, they represented 5.2%. Adjusted by loans booked outside DSK balance sheet – of which 98.7% are performing – 4.5% versus 5.5% in 3Q 2006. NPL ratio was 3.7% (3Q 2006: 3.9%). Again, calculated with loans sold, the ratio is 3.2% vs. 3.4% in the previous quarter. The coverage on qualified loans stood at 55.1%, the NPL coverage was 72.2%. The quality of DSK loan book is significantly better than the consolidated average of OTP Group (share of qualified: 20.4%, NPL ratio: 5.6%). Because of prudential reasons, DSK creates provisions even on performing loans, the volume of which stood at HUF 3.7 billion at the end of December 2006.

Customer deposits were HUF 523.8 billion representing a slight decrease of 0.1% q-o-q, but a steady y-o-y growth of 21.1%. The proportion of retail deposits in total deposits was 82.3% (on September 30, 2006 84.2%). Loan to deposit ratio of DSK changed to 86.8% from 88.9% at the end of December 31, 2005 (including sold and securitized loans the ratio changed from 94.7% to 106.4%).

Consolidated IFRS P&L of DSK:

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Interest income	11,762	13,966	13,641	-2.3%	16.0%	43,726	52,422	19.9%
Interest expense	2,609	3,835	3,977	3.7%	52.5%	9,427	13,857	47.0%
Net interest income	9,153	10,132	9,664	-4.6%	5.6%	34,298	38,565	12.4%
Provision for possible loan losses	1,300	1,986	809	-59.3%	-37.7%	5,151	6,190	20.2%
Net interest income after provision	7,854	8,145	8,855	8.7%	12.7%	29,147	32,375	11.1%
Fees and commissions income	3,501	4,015	4,178	4.1%	19.3%	9,618	15,279	58.9%
Foreign exchange gains, net	123	169	171	1.1%	39.3%	459	584	27.2%
Gain on securities, net	-41	412	385	-6.6%		301	927	208.0%
Other non-interest income	396	153	432	182.6%	9.1%	1,171	973	-16.9%
Total non-interest income	3,979	4,749	5,167	8.8%	29.8%	11,549	17,763	53.8%
Fees and commissions expense	218	221	352	59.8%	61.8%	660	973	47.3%
Personnel expenses	4,325	2,474	2,079	-16.0%	-51.9%	8,878	8,609	-3.0%
Depreciation	648	648	699	7.8%	7.8%	2,481	2,526	1.8%
Other non-interest expenses	1,499	2,956	2,138	-27.7%	42.6%	9,075	10,266	13.1%
Total non-interest expense	6,690	6,299	5,269	-16.4%	-21.2%	21,095	22,373	6.1%
Income before income taxes	5,142	6,595	8,752	32.7%	70.2%	19,601	27,766	41.7%
Income taxes	875	978	1,284	31.3%	46.6%	3,064	4,142	35.2%
Deferred taxes	-34	0	0			-34	0	
After tax profit	4,301	5,617	7,469	33.0%	73.6%	16,572	23,624	42.6%
				%-point	%-point			%-point
Total income (with net fees)	12,914	14,660	14,478	-1.2%	12.1%	45,187	55,356	22.5%
Operating cost	6,472	6,079	4,916	-19.1%	-24.0%	20,435	21,400	4.7%
Cost/income ratio	50.1%	41.5%	34.0%	-7.5%	-16.2%	45.2%	38.7%	-6.6%
Net interest margin (before provisioning)	6.58%	5.34%	4.96%	-0.38%	-1.62%	6.90%	5.66%	-1.24%
ROA	3.09%	2.96%	3.83%	0.87%	0.74%	3.33%	3.47%	0.13%
ROE	25.1%	24.7%	32.4%	7.8%	7.3%	26.3%	29.0%	2.6%

In 4Q 2006 DSK Bank realised HUF 8.8 billion consolidated profit before taxation, which was by 32.7% higher q-o-q and by 70.2% higher than in 4Q 2005. As a result HUF of 13.6 billion interest revenue and HUF 4 billion interest expenditure the net interest income reached HUF 9.7 billion. It was by 4.6% lower than in 3Q

2006, while non-interest income grew by 8.8%. Compared to the fourth quarter of 2005, volumes increased by 5.6% and 29.8%, respectively. The reason why the growth of net interest income lagged behind the expansion of loans while non-interest income increased rapidly is the sale of growing volume of consumer loan portfolio. Interest income being realized on that portfolio is kept by the Asset Management AD SPV, whereas the company pays fees to DSK Bank.

Net interest margin of DSK was 4.96% in 4Q 2006, representing a decrease of 38 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 NIM would be 5.59%, while the decline of the margin would be only 22 bps.

Non-interest expenses amounted to HUF 5.3 billion in 4Q 2006, 16.4% and 21.2% higher than in 3Q 2006 and 4Q 2005, respectively. Within this fee and commission income expenses decreased by 59.8% q-o-q and personnel expenses decreased by 16%, respectively. Their volume of HUF 2.1 billion represented a decrease of 51.9% compared to the 4Q 2005.

After tax profit was HUF 7.5 billion, which is an increase of 33% q-o-q, and 73.6% y-o-y, respectively. Cost to income ratio of DSK Group moderated to 34% (-7.5%-points q-o-q and -16.2%-points y-o-y). In 4Q DSK had ROA of 3.83% and ROE of 32.4%.

In 2006 DSK group captured HUF 27.8 billion pre-tax profit, an increase of 41.7% y-o-y. Within that period the IFR based interest income amounted to HUF 52.4 billion, with HUF 13.9 billion interest expenditure, thus the net interest income reached HUF 38.6 billion. Net interest income grew by 12.4%, non-interest revenues increased by 47% compared to 2005. Fee and commission income of DSK group increased very dynamically (58.9%, while adjusted with fees received from the sale of loans it would be 24.9%) due to increasing revenues from loan and card transactions.

In that period the net interest margin of DSK was 5.66%, which is a decline of 124 bps. If adjusting the figures with the results of the loan transfers, as well as the HUF exchange rate change, the corrected NIM would be 5.82%, thus the y-o-y decline would be 128 bps.

Non-interest expenses grew by 6.1% y-o-y, reaching HUF 22.4 billion. Within that fee and commission expenditure grew by 47.3%, personal expenses decreased by 3% and amounted to HUF 8.6 billion.

Profit after tax was HUF 23.6 billion, an increase of 42.6% y-o-y. Cost to income ratio of the group stood at 38.7% (-6.6% y-o-y). The DSK group reached ROA of 3.47% (+0.13% y-o-y) and ROE of 29% (+2.6% y-o-y).

Evolution of DSK Bank's market shares:

	31/12/2005	31/03/2006	30/06/2006	30/09/2006	31/12/2006
Deposits	14.8%	15.8%	15.8%	15.6%	14.9%
Retail deposits	24.1%	23.5%	22.9%	22.8%	21.8%
BGN deposits	38.9%	38.3%	37.1%	36.6%	35.2%
FX deposits	11.3%	11.2%	11.0%	11.3%	11.3%
Corporate deposits	6.7%	7.4%	7.2%	7.1%	7.2%
Municipal deposits	12.0%	9.4%	10.0%	8.7%	9.7%
Loans	16.2%	16.2%	17.4%	17.0%	16.6%
Retail loans	37.7%	37.2%	36.3%	33.6%	33.0%
Housing loans	30.3%	29.6%	29.2%	29.5%	28.6%
Consumer loans	45.7%	40.8%	39.9%	35.6%	35.7%
Corporate loans	5.4%	6.9%	7.7%	7.3%	7.3%
Municipal loans	4.6%	2.8%	2.7%	1.5%	1.8%
Total Assets	13.6%	14.8%	14.2%	14.4%	14.4%

At the end of December 2006 the market share of DSK Bank was 14.4% by total assets, higher by 0.8% than on December 31, 2005 and unchanged q-o-q. Share on retail deposits was 21.8%, of which the Bank holds 35.2% of BGN deposits and 11.3% of FX retail deposits. The market share by housing loans declined to 28.6%, while share in consumer loans was 35.7%.

The number of current accounts increased by almost 180 thousand to over 1 million. The number of debit cards issued reached 1,169 thousand which translates into a growth of 11.9% q-o-q (+125 thousand); number of credit cards grew from 70 thousands to 107 thousand. The number of card transactions was close to 4.8 million (4.5 million ATM cash withdrawals and 303 thousands POS purchase), the volume of transactions reached BGN 471 million (+13.5% q-o-q, +40.6% y-o-y).

During 4Q 2006 the number of ATMs of the Bank grew from 594 to 640 and the number of POS terminals operated by the Bank increased from 1,586 to 1,727 (+8.9%). The Bank operated 366 branches, an increase of 5 unit q-o-q. The number of employees at DSK Group was 4,103 by 55 people more than at the end of 4Q 2005, and by 29 people more q-o-q.

Out of the fully consolidated subsidiaries of DSK total assets of **POK DSK-Rodina AD** stood at BGN 7.9 million on December 31, 2006. The results of 4Q 2006 were BGN 1,138 thousand. Wealth of the two compulsory and a voluntary pension funds managed grew by 50% to BGN 95.3 million on a yearly base; the number of insured individuals exceeded 236 thousand (+13.8% y-o-y).

Total assets of **DSK Tours EOOD** reached BNG 9.5 million at the end of the period; the pre-tax loss of the company was BGN 135 thousand. **DSK Trans Security EOOD** is fully owned by DSK Tours. Total assets of the company were BGN 2.5 million on December 31, 2006, the pre-tax earning of 4Q 2006 was BGN 55 thousand.

Total assets of **DSK Asset Management EAD** amounted BGN 902 thousand, losses of 2006 were BGN 207 thousand. Net asset value of managed funds stood at BGN 35.7 million (+168.7% q-o-q), while total assets under management reached BGN 43.3 million (+119.2% q-o-q). The market share of DSK Asset Management grew from 6.6% to 11.7% to the end of December 2006.

The total assets of **DSK Leasing** and **DSK Auto Leasing** amounted to BGN 82.2 million and BGN 11.8 million, respectively. Their profit after tax was BGN 1 million and BGN 163.8 thousands in 2006.

OTP BANKA HRVATSKA

On December 31, 2006 total assets of OTP banka Hrvatska d.d. reached HUF 364.3 billion (HRK 10.6 billion); its pre-tax earnings were HUF 1,070 million (HRK 30.3 million).

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

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	3,424	3,624	9,047	149.6%	164.2%
Placements with other banks	87,322	109,249	110,297	1.0%	26.3%
Trading securities	40,241	39,244	32,843	-16.3%	-18.4%
Gross loans	150,499	198,285	197,364	-0.5%	31.1%
Provisions	-259	-2,037	-2,287	12.3%	782.8%
Net loans	150,240	196,248	195,077	-0.6%	29.8%
Investments	2,739	2,600	2,635	1.3%	-3.8%
Securities held-to-maturity	555	599	553	-7.8%	-0.4%
Intangible assets	8,873	9,836	9,280	-5.7%	4.6%
Other assets	4,781	5,393	4,527	-16.1%	-5.3%
ASSETS	298,175	366,793	364,259	-0.7%	22.2%
Liabilities to credit institutions	28,400	38,020	49,874	31.2%	75.6%
Deposits from customers	232,496	289,187	275,705	-4.7%	18.6%
Other liabilities	4,781	7,624	8,052	5.6%	68.4%
Subordinated loans	0	0	0		
LIABILITIES	267,604	334,831	333,630	-0.4%	24.7%
TOTAL SHAREHOLDERS' EQUITY	30,571	31,962	30,628	-4.2%	0.2%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	298,175	366,793	364,259	-0.7%	22.2%
				%-point	%-point
Gross loans to deposits	64.7%	68.6%	71.6%	3.0%	6.9%

On December 31, 2006 out of total assets, 54.2% or HUF 197.4 billion were customer receivables, and 30.3% or HUF 110.3 billion were interbank receivables. The gross loan volume decreased by 0.5% (+31.1% y-o-y), while the customer deposits declined by 4.7% in the fourth quarter (+18.6% y-o-y). Gross loans to deposits ratio increased to 71.6% from 68.6% on September 30, 2006.

Out of total deposits the share of retail deposits declined marginally from 83.4% at end of September 2006 to 80.9% by December 31, 2006. Corporate deposits (HUF 48 billion) represented 17.3% of the total volume (3Q 2006: 14.5%).

Composition of gross loan portfolio remained stable. Within that the volume of retail loans dropped by 0.7% q-o-q reaching HUF 126.9 billion, its share in the total loan book decreased from 64.5% to 64.3% at end of

4Q 2006. Corporate loans represented 35.4% of the total book, their volume increased by 1.5% reaching HUF 69.9 billion. During the fourth quarter the gross loan volume moderated by 0.5%, which caused mainly by the strengthening of HUF. At the end of 4Q 2006 the gross loan volume stood at HRK 5,749 million, which was 7.4% higher than the level of the third quarter.

The quality of the loan book remained good, with the qualified portion slightly growing from 1.7% to 1.8%; NPLs increased from 1.4% to 1.5%. The coverage of the qualified book improved reaching 42.5% (3Q 2006: 40.1%) The reason behind the growth of provisions was partially related to changes in relevant guidelines of the Croatian Central Bank and also to the loan volume growth.

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

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Interest income	4,151	4,992	4,881	-2.2%	17.6%	11,535	18,594	61.2%
Interest expense	1,521	2,028	2,142	5.6%	40.8%	4,159	7,455	79.3%
Net interest income	2,630	2,964	2,739	-7.6%	4.2%	7,376	11,139	51.0%
Provision for possible loan losses	-32	476	411	-13.6%		253	2,125	738.4%
Net interest income after provision	2,662	2,488	2,328	-6.4%	-12.6%	7,123	9,015	26.6%
Fees and commissions income	924	1,146	988	-13.8%	7.0%	2,620	4,048	54.5%
Foreign exchange gains, net	235	371	291	-21.5%	24.0%	910	1,144	25.7%
Gain on securities, net	7	3	46		581.1%	-162	137	-185.1%
Other non-interest income	106	423	422	-0.2%	297.7%	548	2,209	303.1%
Total non-interest income	1,272	1,944	1,747	-10.1%	37.4%	3,917	7,538	92.5%
Fees and commissions expense	329	451	336	-25.4%	2.1%	1,019	1,480	45.1%
Personnel expenses	1,165	1,172	1,057	-9.8%	-9.3%	3,342	4,710	40.9%
Depreciation	138	196	213	8.4%	54.6%	416	767	84.3%
Other non-interest expenses	1,225	1,538	1,399	-9.1%	14.2%	3,145	5,215	65.8%
Total non-interest expense	2,857	3,357	3,005	-10.5%	5.2%	7,923	12,172	53.6%
Income before income taxes	1,077	1,075	1,070	-0.5%	-0.6%	3,117	4,381	40.6%
Income taxes	571	219	218	-0.4%	-61.9%	982	893	-9.0%
After tax profit	506	856	852	-0.5%	68.4%	2,135	3,488	63.4%
				%-point	%-point			%-point
Total income (with net fees)	3,572	4,457	4,150	-6.9%	16.2%	10,274	17,198	67.4%
Operating cost	2,528	2,906	2,669	-8.2%	5.6%	6,903	10,692	54.9%
Cost/income ratio	70.8%	65.2%	64.3%	-0.9%	-6.4%	67.2%	62.2%	-5.0%
Net interest margin (before provisioning)	3.60%	3.27%	3.00%	-0.27%	-0.61%	2.67%	3.36%	0.70%
ROA	0.69%	0.94%	0.93%	-0.01%	0.24%	0.77%	1.05%	0.28%
ROE	7.2%	10.6%	10.9%	0.3%	3.7%	8.0%	11.4%	3.4%

In the fourth quarter of 2006 the net interest income of the Bank was 7.6% lower q-o-q, the net interest margin based on average total assets was 3.0%, a decline of 27 bps q-o-q.

Non-interest income decreased by 10.1% over the 4Q 2006. Within that there was a significant net gain on securities portfolio (HUF +43 million) as a result of positive re-adjustment of its value. Non-interest expenses moderated by 10.5% q-o-q. The cost to income ratio decreased by 0.9%-point and reached 64.3%.

In 4Q 2006 the after tax profit was HUF 852 million, which was 0.5% lower than at the end of September 2006, but by 68.4% exceeded the figure of December 2005.

In 2006 OTP banka Hrvatska reached HUF 3,488 million profit after taxation, which was by 63.4% higher than in the same period a year earlier (2005: HUF 2,135 million). Net interest income was by 51% higher than in 2005, despite of interest expenses almost doubling. Compared to 2005; non-interest income increased by 92.5%, with fees and commissions income growing by 54.5%. Non-interest expenses were higher by 53.6% y-o-y, with the volume of personnel expenses increasing by HUF 1,368 million, the volume of depreciation by HUF 351 million, and the volume of non-interest expenses by HUF 2,070 million, respectively. The interest margin based on average total asset represented 3.36%, which was by 70 bps higher than a year earlier.

Looking at the significant growth dynamics of P&L figures in 2006, one should consider that in 2005 OTP did not consolidate the results of 1Q 2006 of OTP banka Hrvatska, thus the base period includes only the last three quarters figures.

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

	31/12/2005	31/03/2006	30/06/2006	30/09/2006	31/12/2006
Deposits	4.1%	4.5%	4.6%	4.5%	4.5%
Retail deposits	5.5%	5.5%	5.5%	5.5%	5.5%

	31/12/2005	31/03/2006	30/06/2006	30/09/2006	31/12/2006
HRK deposits	4.0%	4.1%	4.0%	3.8%	3.9%
FX deposits	6.0%	6.0%	6.1%	6.4%	6.3%
Corporate deposits	2.1%	1.8%	2.2%	2.2%	2.5%
Municipal deposits	3.3%	3.4%	3.0%	3.1%	3.2%
Loans	3.1%	3.1%	3.2%	3.2%	3.2%
Retail loans	3.8%	3.9%	3.9%	3.9%	3.9%
Housing loans	4.6%	4.6%	4.9%	4.8%	4.8%
Consumer loans	3.4%	3.4%	3.4%	3.4%	3.4%
Corporate loans	2.9%	2.8%	3.0%	2.9%	2.8%
Municipal loans	0.2%	0.1%	0.3%	0.3%	0.3%
Total Assets	3.4%	3.5%	3.4%	3.5%	3.5%

OTP banka Hrvatska has approximately 390 thousands customers, handled 289 thousands retail accounts. The number of cards issued by the Bank since end of 4Q 2005 grew by 10.1% to 373 thousands, within that the number of credit cards exceeded 29 thousands, which shows a 35.3% y-o-y growth.

On December 31, 2006 OBH operated 96 branches (4Q 2005: 90), had 99 ATMs (4Q 2005: 88) and 998 POS terminals (4Q 2005: 748). The number of employees reached 992 people, 13 people decrease y-o-y and 14 people increase q-o-q.

Out of the subsidiaries of OBH; **OTP invest d.o.o.** currently manages 3 open-end funds (OTP Money market, OTP Euro Bond and OTP Balanced) and also 1 closed-end fund (Velebit). The fund management realized HRK 718 thousand income from management fee in the fourth quarter of 2006. In this period the assets under management grew significantly, reaching HRK 79.1 million. OTP invest d.o.o. realised after tax loss of HRK 2.28 million at the end of 2006.

OTP nekretnine d.o.o. realised profit-after-tax was HRK 11.3 thousand in 2006.

OTP BANKA SLOVENSKO

On December 31, 2006 OBS's IFRS total assets were HUF 325.3 billion representing a 23.8% growth compared to December 31, 2005. Pre-tax profits were HUF 813 million.

Main balance sheet data of OBS according to IFRS:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	5,135	4,103	4,503	9.7%	-12.3%
Placements with other banks	32,301	97,096	94,676	-2.5%	193.1%
Financial assets at fair value	3,852	169	703	315.4%	-81.7%
Gross loans	189,940	179,707	189,901	5.7%	0.0%
Provisions	-1,986	-3,461	-3,693	6.7%	86.0%
Net loans	187,954	176,245	186,208	5.7%	-0.9%
Investments	784	823	874	6.3%	11.4%
Securities held-to-maturity	26,148	29,604	29,442	-0.5%	12.6%
Intangible assets	5,191	5,851	6,564	12.2%	26.5%
Other assets	1,494	1,737	2,340	34.7%	56.6%
ASSETS	262,858	315,628	325,310	3.1%	23.8%
Liabilities to credit institutions	51,013	36,764	47,650	29.6%	-6.6%
Deposits from customers	151,851	199,184	190,304	-4.5%	25.3%
Issued securities	38,744	54,179	57,090	5.4%	47.4%
Other liabilities	4,123	5,999	9,957	66.0%	141.5%
Subordinated loans	0	0	0		
LIABILITIES	245,731	296,127	305,001	3.0%	24.1%
TOTAL SHAREHOLDERS' EQUITY	17,128	19,500	20,309	4.1%	18.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	262,858	315,628	325,310	3.1%	23.8%
				%-point	%-point
Gross loans to deposits	125.1%	90.2%	99.8%	9.6%	-25.3%

Total assets of OBS grew by 3.1% q-o-q. Gross loans (HUF 190 billion) to assets ratio dropped to 58.4% (vs. 72.3% a year ago). The volume of total loans basically remained unchanged y-o-y. Deposits to total liabilities grew to 58.5% from 57.8% as of December 31, 2005; their volume decreased by 4.5% q-o-q, however grew by 25.3% y-o-y. Loans to deposits ratio stood at 99.8% on December 31, 2006, by 25.3%-points lower than a year earlier. Shareholders' equity increased by 18.6% to HUF 20.3 billion during the year.

At the end of December 2006, deposits stood at HUF 190.3 billion (SKK 26 billion); of which retail deposits represented 42.3%, HUF 80.6 billion (+5.4% increase q-o-q). Corporate deposit of HUF 86 billion represented 45.2% of total deposits, whereas the volume of deposits from municipalities amounted to HUF 23.7 billion.

Volume of issued securities grew by 5.4% q-o-q to HUF 57.1 billion representing 17.5% of total liabilities (from 14.7% as at December 31, 2005).

Out of total loans, corporate lending represented 66.4%, their volume increased by 6.2% q-o-q (-11.5% y-o-y). The reason of that particular decline was the repayment of a single corporate loan. The retail lending book grew by 3.9% on a quarterly base, with housing loans increasing by 3.2% and consumer loans by 6.6%, respectively. They represented 30.6% of gross loan book.

Qualified loans/total loans ratio decreased from 4.7% to 4.4%, due to the improvement in the NPL category. The coverage of the qualified portfolio and NPLs stood equally at 38.8%.

By December 31, the capital adequacy ratio of the Bank stood at 10.25% with RWA being at SKK 23,901 million and adjusted capital reaching SKK 2,451 million.

Main P&L data of OBS in IFRS:

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Interest income	2,781	4,032	4,305	6.8%	54.8%	10,088	14,815	46.9%
Interest expense	1,517	2,054	2,224	8.3%	46.6%	4,686	7,238	54.5%
Net interest income	1,264	1,979	2,081	5.2%	64.6%	5,401	7,576	40.3%
Provision for possible loan losses	-408	81	215	166.3%	-152.8%	997	1,500	50.4%
Net interest income after provision	1,672	1,898	1,866	-1.7%	11.6%	4,404	6,077	38.0%
Fees and commissions income	640	663	751	13.2%	17.4%	2,253	2,603	15.5%
Foreign exchange gains, net	324	153	150	-1.4%	-53.6%	456	700	53.7%
Gain on securities, net	-21	-79	-183	132.2%	757.4%	73	-434	-697.4%
Other non-interest income	-154	104	454	335.9%	-395.1%	3,521	1,289	-63.4%
Total non-interest income	788	841	1,172	39.3%	48.6%	6,303	4,158	-34.0%
Fees and commissions expense	186	178	187	4.9%	0.3%	558	667	19.6%
Personnel expenses	919	997	968	-2.9%	5.4%	2,723	3,533	29.8%
Depreciation	148	206	230	11.9%	55.6%	708	780	10.2%
Other non-interest expenses	851	730	842	15.4%	-1.1%	5,345	3,227	-39.6%
Total non-interest expense	2,104	2,111	2,227	5.5%	5.8%	9,335	8,208	-12.1%
Income before income taxes	356	628	813	29.4%	128.3%	1,373	2,030	47.9%
Income taxes	0	0	0			0	0	
Deferred taxes	0	0	0			0	0	
After tax profit	356	628	813	29.4%	128.3%	1,373	2,030	47.9%
				%-point	%-point			%-point
Total income (with net fees)	1,866	2,642	3,066	16.1%	64.3%	11,146	11,067	-0.7%
Operating cost	1,918	1,933	2,041	5.6%	6.4%	8,777	7,541	-14.1%
Cost/income ratio	102.8%	73.2%	66.6%	-6.6%	-36.2%	78.7%	68.1%	-10.6%
Net interest margin (before provisioning)	2.00%	2.50%	2.60%	0.10%	0.60%	2.26%	2.58%	0.32%
ROA	0.56%	0.79%	1.01%	0.22%	0.45%	0.57%	0.69%	0.12%
ROE	8.6%	13.1%	16.3%	3.3%	7.8%	8.6%	10.8%	2.3%

In **4Q 2006** OBS reached HUF 813 million profit before tax, which is by 29.4% higher than in 4Q 2006, and by 128.3% than a year ago. Net interest income grew by 5.2% q-o-q, and by 64.6% y-o-y. Based on average total assets, the net interest margin was 2.60%, an improvement of 60 bps y-o-y and 10 bps q-o-q.

Non-interest revenues decreased by 39.3%, of which fee and commission income increased by 13.2% q-o-q. Net fee and commission income was 16.2% higher than in the 3Q 2006. Non-interest expenses grew by 5.5% q-o-q and by 5.8% y-o-y. Within that category personal expenses decreased by 2.9% q-o-q and grew by 5.4% y-o-y. Cost to income ratio in 4Q 2006 declined to 66.6%, by 36.2%-points less than a year ago. Return on average assets reached 1.01% and return on equity was 16.3%.

In **2006** OBS realized HUF 7.6 billion net interest income, +40.3% y-o-y. Non-interest revenues were by 34% lower than a year ago, while non-interest expenses dropped by 12.1%. Earnings before tax reached HUF 2,030 million, 47.9% higher than a year ago. Cost-to-income ratio declined to 68.1% (-10.6% y-o-y), ROE was 10.8% and ROA stood at 0.69%.

Market shares of the Bank showed the following:

	31/12/2005	31/03/2006	30/06/2006	30/09/2006	31/12/2006
Deposits	3.2%	2.7%	2.9%	2.9%	2.8%
Retail deposits	2.4%	2.4%	2.4%	2.5%	2.6%
SKK deposits	2.5%	2.5%	2.5%	2.6%	2.6%
FX deposits	2.0%	2.1%	2.1%	2.1%	1.9%
Corporate deposits	2.8%	2.7%	3.0%	2.9%	2.9%
Municipal deposits	3.5%	3.7%	3.7%	4.3%	3.4%
Securities issued	9.3%	9.4%	9.8%	8.9%	8.7%
Loans	5.3%	5.3%	4.1%	4.0%	4.0%
Retail loans	3.9%	3.9%	3.8%	3.7%	3.6%
Corporate loans	6.2%	6.2%	4.3%	4.2%	4.1%
Municipal loans	2.0%	2.1%	2.7%	2.8%	4.9%
Total Assets	2.8%	2.9%	2.9%	3.1%	3.0%

In terms of market share the Bank's position in total assets decreased by 0.1% q-o-q, but grew by 0.2% y-o-y, respectively. Due to a corporate exposure prepayment the bank lost 0.1% in total loans y-o-y, while in case of deposits, compared to the previous quarter it lost 0.1% q-o-q and 0.4% y-o-y.

Number of retail current accounts amounted to 95.2 thousands, grew by 2,700 thousand y-o-y. The number of cards issued was over 102.5 thousands and the Bank operated 112 ATMs (4Q 2005: 110), 441 POS terminals (4Q 2005: 487) and had 86 branches at the end of December 2006 (4Q 2005: 78). At the end of the period number of employees reached 772 people, by 8 people more than a year earlier.

Amongst the subsidiaries of the Bank, **OTP Leasing, a.s.** is specialized in car financing and entered into 5,571 new contracts in 4Q 2006. At the end of December 2006 the company had total assets of HUF 29.3 million and it had a loss of HUF 289.3 million.

OTP Faktoring Slovensko, a.s. by end of December 2006 had total assets of HUF 6.3 billion, pre-tax profits were close to HUF 12 million.

OTP BANK ROMANIA

Total assets of OTP Bank Romania reached HUF 193.5 billion on December 31, 2006 (RON 2.6 million), which was by more than 250% higher than a year before. Starting from a low basis, OBR was the fastest growing bank in Romania in 2006. Placements with other banks represented 37% of total assets while customer loans comprised 52%. Out of placements with other banks, mandatory reserves kept with the National Bank of Romania comprised 92% of total.

IFRS condensed balance sheet of OTP Bank Romania:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	1,444	3,325	2,930	-11.9%	102.9%
Placements with other banks	14,426	51,063	72,902	42.8%	405.4%
Trading securities	662	447	472	5.6%	-28.7%
Gross loans	24,565	90,233	101,295	12.3%	312.3%
Provisions	-463	-1,406	-928	-34.0%	100.4%
Net loans	24,102	88,827	100,366	13.0%	316.4%
Investments	35	588	588	0.0%	1561.7%
Securities held-to-maturity	9,553	39	560		-94.1%
Intangible assets	3,872	9,077	9,409	3.7%	143.0%
Other assets	1,130	651	6,247	859.1%	452.6%
ASSETS	55,225	154,017	193,474	25.6%	250.3%
Liabilities to credit institutions	15,482	86,881	125,555	44.5%	711.0%
Deposits from customers	25,329	38,039	41,022	7.8%	62.0%
Issued securities	0	0	0		
Other liabilities	683	2,266	1,550	-31.6%	126.9%
Subordinated loans	0	0	0		
LIABILITIES	41,495	127,187	168,127	32.2%	305.2%
TOTAL SHAREHOLDERS' EQUITY	13,731	26,830	25,347	-5.5%	84.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	55,225	154,017	193,474	25.6%	250.3%
				%-point	%-point
Gross loans to deposits	97.0%	237.2%	246.9%	9.7%	149.9%

In Romania there was a strong growth in retail loans in 2006. Loan volume to households increased significantly, more dynamically than corporate credits. OBR managed to grow in both segment quicker than the market. Volume of retail loans reached HUF 51.1 billion as at December 30, 2006, being twenty-times higher than a year before (+7.1% q-o-q). FX-based loans comprise 73.2% of the total retail portfolio and 60.5% of corporate credits, respectively. Proportion of FX-based loans nevertheless was showing a downward trend: the same ratios were 90% and 64% at the end of 3Q 2006. This is a general phenomenon in Romanian banking sector, where National Bank of Romania tries to halt the further expansion of FX-based loans by different measures.

Within retail lending consumer loans grew most dynamically: their volume increased by 27.3% to HUF 34.6 billion during the last quarter. Volume of mortgage lending rose by 8.1%, however – because of lending restrictions of National Bank of Romania – OTP Hungary took over a mortgage loan portfolio amounting of HUF 5.7 billion from OBR. Thus, there were only HUF 16.5 billion mortgage loans left in OBR's balance sheet, which is by 20% lower than in 3Q. Consequently, mortgage loans (left in the BS) accounted for 32.3% of the retail portfolio. Corporate loans grew by 126.7% y-o-y (q-o-q: +18.1%) to HUF 50.2 billion. Since OBR's growing dynamic exceeded the market in all segment, the Bank improved its market shares in 2006: in corporate lending from 0.82% to 1.24%, in consumer lending from 0.17% to 1.59% and most significantly in mortgage lending from almost zero to 3.75%.

Rate of qualified loans decreased from 82.0% to 69.3% q-o-q, and it showed an improvement of 4.4%-points also y-o-y. (This high proportion of qualified loans – especially compared to other OTP Group members – can be attributed to the special Romanian regulation, less so to weak portfolio quality). Total volume of NPL jumped by 35.7% in 4Q 2006, thus the NPL ratio amounted to 3.6% compared to 3.0% as at September 30, 2006. (However, this additional growth concentrated exclusively in the "below average" category, in the worse categories there was no such increase.) Provisions for NPL increased by more than three-times, thus the coverage ratio of NPL rose from 1.4% to 3.6%. These low coverage ratios are to be explained by Romanian regulation specialities (i.e. provisions only have to be made for uncollateralized parts of non-performing loans).

The volume of customer deposits grew to HUF 41.0 billion (+7.8% q-o-q). Out of total, retail deposits comprised 45%, while corporate deposits represented 55%. This high proportion of the latter was characteristic for OBR also at the end of 2005. However, the growth of customer deposits failed to fund the increase of the credit portfolio (gross loans to deposits increased from 97.0% to 246.9%), thus the Bank had to take interbank loans, mostly from its parent institution. OBR's equity accounted for HUF 25.4 billion on December 31, 2006, (-5.5% q-o-q, +84.6% y-o-y).

IFRS profit and loss accounts of OTP Bank Romania:

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005 P	2006 P	Y-o-Y
Interest income	597	1,842	2,326	26.3%	289.7%	3,706	6,147	65.9%
Interest expense	321	773	1,163	50.4%	262.7%	2,104	2,718	29.2%
Net interest income	276	1,069	1,163	8.8%	321.0%	1,602	3,429	114.1%
Provision for possible loan losses	405	502	-463	-192.1%	-214.3%	777	383	-50.7%
Net interest income after provision	-129	567	1,626	187.1%	-1364.8%	825	3,046	269.3%
Fees and commissions income	225	519	714	37.5%	216.8%	1,021	1,937	89.6%
Foreign exchange gains, net	254	506	320	-36.8%	26.0%	502	1,314	161.6%
Gain on securities, net	0	0	283			0	283	
Other non-interest income	230	365	-283	-177.6%	-223.0%	327	233	-28.8%
Total non-interest income	709	1,390	1,033	-25.7%	45.7%	1,851	3,767	103.5%
Fees and commissions expense	26	206	319	54.8%	1143.5%	118	697	488.2%
Personnel expenses	662	894	1,296	45.0%	95.8%	2,099	3,875	84.6%
Depreciation	145	275	303	10.1%	109.0%	462	977	111.5%
Other non-interest expenses	947	931	1,260	35.3%	33.1%	2,178	3,747	72.0%
Total non-interest expense	1,779	2,306	3,178	37.8%	78.6%	4,858	9,295	91.3%
Income before income taxes	-1,198	-350	-518	48.0%	-56.8%	-2,182	-2,482	13.7%
Income taxes	0	0	0					
Deferred taxes	-82	-16	110	-793.7%	-235.3%	-60	147	-344.1%
After tax profit	-1,117	-334	-629	88.2%	-43.7%	-2,122	-2,630	23.9%
				%-point	%-point			%-point
Total income (with net fees)	960	2,253	1,878	-16.6%	95.6%	3,334	6,499	94.9%
Operating cost	1,753	2,100	2,859	36.1%	63.0%	4,739	8,598	81.4%
Cost/income ratio	182.7%	93.2%	152.2%	59.0%	-30.4%	142.2%	132.3%	-9.9%
Net interest margin (before provisioning)	1.99%	3.24%	2.68%	-0.56%	0.69%	3.21%	2.76%	-0.45%
ROA	-8.04%	-1.01%	-1.45%	-0.44%	6.59%	-4.25%	-2.11%	2.14%
ROE	-31.0%	-5.8%	-9.6%	-3.9%	21.3%	-19.8%	-13.5%	6.4%

On a quarterly base, a 26.3% higher interest income and 50.4% higher expenditure resulted in higher net interest income (+8.8% q-o-q). The net interest margin stood at 2.68% which is an increase of 56 bps over the quarter. Because of some write backs, provisions for loan losses became positive and amounted to HUF 463 million. As FX based retail loans somewhat declined and incomes from FX conversion became also smaller, and the net foreign exchange gains decreased by 36.8% q-o-q.

Operating costs rose significantly, by 36.1%, personnel expenses expanded by 45.0%. The Bank had a pre-tax loss for the last three months of HUF 518 million (RON 7 million), which was 48,0% deterioration compared to 3Q 2006.

On a yearly base, OBR's interest income increased by 289.7% and interest expenses by 262.7%, thus net interest income expanded by 321.0% during the last 12 months. Provision for possible losses shrank by 50% to HUF 383 million. Net fee income increased by HUF 337 million, however personnel costs jumped by HUF 1,776 million. Loss before taxes showed a slight rise of 13.7% to HUF 2.5 billion.

Estimated market shares of OTP Bank Romania are:³

	31/12/2005	31/03/2006	30/06/2006	30/09/2006	31/12/2006
Deposits	0.49%	0.43%	0.48%	0.56%	0.56%
Retail deposits	0.47%	0.43%	0.51%	0.60%	0.57%
RON deposits	0.44%	0.37%	0.42%	0.50%	0.49%
FX deposits	0.51%	0.55%	0.68%	0.78%	0.71%
Corporate deposits	0.51%	0.43%	0.45%	0.52%	0.55%
Loans	0.59%	0.69%	1.02%	1.38%	1.57%
Retail loans	0.17%	0.47%	1.11%	1.75%	2.04%
housing loans	0.16%	0.68%	1.67%	3.69%	3.75%
consumer loans	0.17%	0.41%	0.96%	1.25%	1.59%
Corporate loans	0.82%	0.82%	0.96%	1.11%	1.24%
Total Assets	0.6%	0.7%	1.0%	1.3%	1.5%

Customer accounts run by the Bank grew by 20.1% q-o-q, from 71.0 thousands to 85.3 thousands; number of retail clients increased from 55.0 thousands to 68.8 thousands (+25.1% q-o-q), number of corporate clients grew from 7,853 to 8,418 (+7.2% q-o-q). During the period the bank continued the distribution of retail credit cards and corporate cards. Including them the number of issued cards grew from 18,665 thousand to 33,380 q-o-q. On December 31, 2006 OTP Bank Romania operated 66 branches, (opening 13 new ones in 4Q 2006), had 75 ATMs and the number of employees reached 795 (by 320 more than one year before).

CJSC OTP BANK

OTP Bank completed the acquisition of RBUA (Raiffeisenbank Ukraine) on November 20, 2006. According to the sale and purchase agreement OTP Bank acquired the 100% ownership of the Bank for EUR 650 million. On November 7, 2006 the name of the Bank has been changed to CJSC (Closed Joint Stock Company) OTP Bank.

Main balance sheet items

HUF mn	31/12/2006
Cash and bank	10,545
Placements with other banks	43,683
Trading securities	4,295
Gross loans	367,856
Provisions	-2,708
Net loans	365,148
Investments	9
Securities held-to-maturity	0
Intangible assets	4,677
Other assets	2,735
ASSETS	431,092
Liabilities to credit institutions	227,659
Deposits from customers	147,026
Other liabilities	19,349

³ Market shares of previous quarters – due to the more adequate information about the Romanian market – have been modified subsequently, so there can be some nicety over the previously published data.

HUF mn	31/12/2006
Subordinated loans	-6,498
LIABILITIES	387,537
TOTAL SHAREHOLDERS' EQUITY	43,555
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	431,092
	%-point
Gross loans to deposits	250.2%

CJSC OTP Bank was included into the consolidated financial statements in the fourth quarter of 2006. At the end of December, 2006 total assets of the Bank were HUF 431.1 billion, customer loans represented 85.3%, and placements with other banks were 10.1% of total assets. The volume of customer deposits lagged behind the volume of loans, practically, due to the financing policy of the former parent company. Typically, the attracting of deposit taking did not enjoy priority on the Ukrainian market, and as a consequence deposits from customers were only 34.1% of total assets.

At the end of December, 2006 retail loans represented 44.8% of total loan portfolio, while corporate loans were 55.2%. The content of deposit was similar to loans, retail deposits comprised 48.3% of total, while corporate deposits reached 51.6%.

IFRS profit and loss accounts of CJSC OTP Bank

HUF mn	4Q 2006
Interest income	7,599
Interest expense	3,254
Net interest income	4,345
Provision for possible loan losses	2,728
Net interest income after provision	1,617
Fees and commissions income	768
Foreign exchange gains, net	323
Gain on securities, net	-15
Other non-interest income	4,052
Total non-interest income	5,128
Fees and commissions expense	149
Personnel expenses	1,177
Depreciation	163
Other non-interest expenses	1,267
Total non-interest expense	2,756
Income before income taxes	3,990
Income taxes	1,223
After tax profit	2,767
	%-point
Total income (with net fees)	9,324
Operating cost	2,606
Cost/income ratio	28.0%
Net interest margin (before provisioning)	6.05%
ROA	3.85%
ROE	38.1%

Because of the timing of acquisition in the consolidated profit and loss account only the performance of November and December was taken into account. In the last two months of 2006 CJSC OTP Bank realized HUF 7.6 billion interest income, and HUF 3.3 billion as interest expenses, thus net interest income reached HUF 4.3 billion. Pre tax profit of the Bank was HUF 4.0 billion, and after tax profit was HUF 2.8 billion. In the consolidated period cost to income ratio was 28.0%, ROE was 38.1%, and ROA was 3.85%.

Evolution of CJSC OTP Bank's market shares:

	31/12/2006
Deposits	2.1%
Retail deposits	1.8%
HRK deposits	0.8%
FX deposits	2.8%
Corporate deposits	2.6%
Loans	4.0%
Retail loans	5.4%
Housing loans	11.9%
Consumer loans	2.3%
Corporate loans	3.2%
Total Assets	3.5%

At the end of December 2006 the market share of CJSC OTP Bank was 3.5% in total assets, and 2.1% in retail deposits, within the Bank had a 2.8% share of FX deposit market. CJSC OTP Bank had a prominent market share in case of housing loans, it reached 11.9%.

In the fourth quarter of 2006 the Bank operated 65 branches, and 49 ATMs. The number of employees was 2,021 on the 31 December, 2006.

INVESTSBERBANK

OTP Bank closed the acquisition of Investsberbank on 30 October, 2006. OTP Bank acquired 96.4% share of Investsberbank Group and the purchase price was EUR 375 million.

On 31 December, 2006 total assets of Investsberbank were HUF 330.1 billion, and gross loans represented 65.4% of the total assets. The volume of gross loans amounted to HUF 215.9 billion, within that corporate loans were 54.0% (HUF 116.6 billion), retail loans – mainly consumer loans (99%) – were 45.3% (97.8%). Deposits from customers represented 76.8% of total liabilities, within the volume of retail deposits reached HUF 168.3 billion (66.3%), the volume of corporate loans was HUF 85.4 billion (33.7%). Total shareholders' equity of the Bank was HUF 39.4 billion at the end of December, 2006.

The number of employees at Investsberbank was 5.328.

SUBSIDIARIES IN SERBIA

Among its Serbian subsidiaries, OTP Group consolidated Niška banka in 2Q 2006, Zepter banka partially (only with balance sheet) in 4Q 2006, Kulska banka will be consolidated in the first quarter of 2007.

Niška banka – consolidated the first but being the smallest acquisition in Serbia – had total assets of HUF 11.4 billion as at December 30, 2006. However its credit portfolio reached only HUF 3 billion (-2.2% q-o-q). 54.2% of the total loan outstanding volume was provided to retail customers, shares of qualified loans and non-performing loans within the total credit portfolio reached 21.2% and 8.7%, respectively. These ratios improved somewhat q-o-q.

Having an interest income of HUF 502 million and interest expense equal to HUF 92 million, the Bank's net interest income accounted to HUF 410 million. Income before tax was HUF -152 million in the last 3 months of 2006, taking the whole period since the consolidation (last 9 months of the year) pre tax profit was HUF -95 million.

IFRS condensed balance sheet of Niška banka:

HUF mn	30/09/2006	31/12/2006	Q-o-Q
Cash and bank	306	231	-24.3%
Placements with other banks	3,647	4,402	20.7%
Trading securities	265	181	-31.9%
Gross loans	2,912	2,848	-2.2%
Provisions	-158	-174	9.6%
Net loans	2,753	2,675	-2.9%
Intangible assets	3,894	3,688	-5.3%
Other assets	201	173	-13.7%
ASSETS	11,100	11,363	2.4%
Liabilities to credit institutions	975	1,498	53.7%
Deposits from customers	4,859	4,900	0.8%
Issued securities	0	0	
Other liabilities	596	605	1.5%
Subordinated loans	0	0	
LIABILITIES	6,430	7,003	8.9%
TOTAL SHAREHOLDERS' EQUITY	4,671	4,360	-6.6%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,100	11,363	2.4%
			%-point
Gross loans to deposits	59.9%	58.1%	-1.8%

IFRS profit and loss accounts of Niška banka:

HUF mn	3Q 2006	4Q 2006	Q-o-Q	4M-12M
Interest income	236	502	112.4%	959
Interest expense	44	92	110.6%	170
Net interest income	192	410	112.9%	790
Provision for possible loan losses	-21	23	-209.8%	166
Net interest income after provision	214	386	80.7%	623
Fees and commissions income	160	159	-0.7%	456
Foreign exchange gains, net	9	25	187.9%	51
Gain on securities, net	0	2		5
Other non-interest income	21	69	225.4%	312
Total non-interest income	190	255	34.3%	824
Fees and commissions expense	22	21	-4.5%	62
Personnel expenses	440	354	-19.4%	1,208
Depreciation	42	41	-3.9%	121
Other non-interest expenses	-112	377	-437.1%	152
Total non-interest expense	392	793	102.4%	1,543
Income before income taxes	12	-152		-95
Income taxes	0	0		0
Deferred taxes	0	0		0
After tax profit	12	-152		-95
			%-point	
Total income (with net fees)	360	644	78.6%	1,552
Operating cost	370	772	108.7%	1,480
Cost/income ratio	102.6%	119.9%	17.3%	95.4%
Net interest margin (before provisioning)	6.87%	14.59%	7.72%	7.22%
ROA	0.42%	-5.40%	-5.82%	-0.87%
ROE	1.0%	-13.4%	-14.5%	-2.2%

Estimated market shares of Niška banka are:

	30/06/2006	30/09/2006	31/12/2006
Deposits	0.30%	0.30%	0.31%
Retail deposits	0.39%	0.32%	0.33%
LCY deposits	1.99%	1.53%	1.72%
FX deposits	0.25%	0.22%	0.21%
Corporate deposits	0.25%	0.29%	0.30%
Municipal deposits	0.14%	0.14%	0.08%
Loans	0.14%	0.16%	0.14%
Retail loans	0.28%	0.26%	0.24%
Housing loans	0.00%	0.00%	0.00%
Consumer loans	0.28%	0.26%	0.24%
Corporate loans	0.08%	0.10%	0.09%
Municipal loans	0.62%	0.53%	0.00%
Total Assets	0.38%	0.33%	0.28%

Niška banka had a number of customers of 96 thousands, of which 92 thousands are retail customer. The Bank operated 26 branches, 8 ATM and 334 POS. Number of employees reached 403 as at December 31, 2006.

Zepter banka had total assets of HUF 23.3 million and gross loan volume of HUF 12.8 million. More than half of the credit portfolio was provided to corporate clients (mainly to SMEs), the proportion of consumer loans accounted for 40%. Qualified loans amounted to 9.1% of the whole portfolio, NPL reached 2.1%. Deposits from customers counted to 76% of total liabilities, to HUF 17.7 million, thus loans to deposits ratio exceeded 72.2%.

Zepter banka operated 21 branches, 19 ATM and had 252 employees as at December 31, 2006.

MERKANTIL GROUP

The aggregated balance sheet total of Merkantil Group exceeded HUF 336 billion on December 31, 2006. Aggregated after tax profit of the Group reached HUF 6.9 billion, which is an increase of 7.8% over 4Q 2005.

Aggregated, non-consolidated IFRS Balance Sheet:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	4,887	7,160	9,335	30.4%	91.0%
Placements with other banks	2,817	5,801	744	-87.2%	-73.6%
Financial assets at fair value	427	2,935	4,833	64.7%	1031.6%
Trading securities	0	0	0		
Gross loans	229,655	269,864	253,855	-5.9%	10.5%
Provisions	-15,268	-18,358	-16,698	-9.0%	9.4%
Net loans	214,387	251,506	237,157	-5.7%	10.6%
Investments	2,187	2,267	2,393	5.6%	9.4%
Securities held-to-maturity	2,853	1,403	1,403	0.0%	-50.8%
Intangible assets	2,301	24,802	7,842	-68.4%	240.9%
Other assets	23,369	58,157	72,636	24.9%	210.8%
o/w: Receivables due to leasing	16,262	45,316	61,361	35.4%	277.3%
ASSETS	253,227	354,029	336,343	-5.0%	32.8%
Liabilities to credit institutions	181,516	252,667	254,939	0.9%	40.4%
Deposits from customers	4,688	6,965	7,188	3.2%	53.3%
Issued securities	35,016	33,091	30,892	-6.6%	-11.8%
Other liabilities	8,573	31,666	11,416	-63.9%	33.2%
Subordinated loans	600	1,700	1,700	0.0%	183.3%
LIABILITIES	230,394	326,089	306,135	-6.1%	32.9%
TOTAL SHAREHOLDERS' EQUITY	22,833	27,941	30,208	8.1%	32.3%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	253,227	354,029	336,343	-5.0%	32.8%

Aggregated, non-consolidated total assets of Merkantil Group decreased by 5.0% to HUF 336.3 billion at 4Q 2006. This was caused mainly by decline of Merkantil Car's loan volume. However, looking the whole year of 2006, the growth of assets was 32.8%. which was counterbalanced by the increase of 40.4% of obligations to credit institution on the liability side.

Total credit portfolio of the Merkantil Group accounted for HUF 253.9 billion on December 31, 2006, showing a y-o-y increase of HUF 24.2 billion (+10.5% y-o-y). Provisioning grew on a yearly base (+9.4%), but declined on a quarterly (-9.0%). Proportion of qualified loans remained high (88.1% and 97.1% for Merkantil Bank and Merkantil Car, respectively), but it is a result of Merkantil Bank's and Car's prudent provisioning policy under which FX loans and dealer finances are classified as 'to-be-monitored' even if there are no signs of deteriorating credit quality. Coverage on NPL did not changed significantly neither in case of Merkantil Bank (4Q: 74.4%) nor in case of Merkantil Car (4Q: 84.8%).

Merkantil Group's core activity, the car-financing faced adverse developments in 2006: members of the Hungarian Leasing Assisiation witnessed a 2.5%-decrease of the outstanding loan volume. In spite of that, members of Merkantil Group managed to increase by 10% their aggregated car-financing portfolio, which amounted to HUF 227.6 billion as at December 30, 2006. However, number of contracts rose only by 4.6%, thus loan/car ratio grew from HUF 1.1 million to HUF 1.2 million. Moderating market dynamic affected more the number of new contracts: it decreased by 21.6% to 49,071 compared to 2005. Out of the new contracts 94.3% were FX loans, 1.1% being HUF based loans, 3.8% were financial leasing and 0.8% being leases, respectively. The total volume of new deals in the fourth quarter reached HUF 24.2 billion (+13.5% q-o-q).

Beside the loan portfolio, leasing and renting claims accounted as "other assets" grew significantly (from HUF 16.3 million to HUF 61.4 million in 2006), this assets were booked in the balance statements of Merkantil Lease and other project finance companies.

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

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005 P	2006 P	Y-o-Y
Interest income	6,529	9,931	10,559	6.3%	61.7%	24,555	35,439	44.3%
Interest expense	1,551	3,056	3,548	16.1%	128.7%	5,561	11,408	105.1%
Net interest income	4,978	6,875	7,012	2.0%	40.9%	18,994	24,030	26.5%
Net interest income (without swaps)	4,645	4,561	4,500	-1.3%	-3.1%	18,336	17,974	-2.0%
Provision for possible loan losses	1,572	870	-1,444			4,670	1,785	-61.8%
Net interest income after provision	3,406	6,005	8,456	40.8%	148.3%	14,323	22,246	55.3%
Fees and commissions income	336	385	475	23.4%	41.3%	1,265	1,690	33.6%
Foreign exchange gains, net	73	-2,250	-1,562	-30.6%		413	-3,393	
Gain on securities, net	52	0	0			52	0	
Other non-interest income	1,019	1,510	808	-46.5%	-20.7%	2,968	5,027	69.4%
Total non-interest income	1,481	-356	-279	-21.7%	-118.8%	4,697	3,324	-29.2%
Fees and commissions expense	765	900	1,006	11.9%	31.6%	2,789	3,912	40.3%
Personnel expenses	503	609	552	-9.3%	9.8%	2,189	2,414	10.3%
Depreciation	81	140	89	-36.7%	9.7%	205	429	109.5%

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005 P	2006 P	Y-o-Y
Other non-interest expenses	1,335	2,385	3,260	36.7%	144.2%	5,204	9,338	79.4%
Total non-interest expense	2,684	4,034	4,908	21.7%	82.9%	10,388	16,094	54.9%
Income before income taxes	2,203	1,615	3,270	102.4%	48.4%	8,633	9,476	9.8%
Income taxes	673	655	993	51.6%	47.6%	2,288	2,632	15.1%
Deferred taxes	-2	47	9	-79.9%	-497.8%	-7	-7	
After tax profit	1,533	913	2,267	148.2%	47.9%	6,352	6,850	7.8%
				%-point	%-point			%-point
Total income (with net fees)	5,694	5,619	5,727	1.9%	0.6%	20,902	23,442	12.2%
Operating cost	1,919	3,134	3,901	24.5%	103.3%	7,599	12,182	60.3%
Cost/income ratio	33.7%	55.8%	68.1%	12.4%	34.4%	36.4%	52.0%	15.6%
Net interest margin (before provisioning)	8.05%	8.03%	8.13%	0.10%	0.08%	8.43%	8.15%	-0.28%
Net interest margin (before provisioning and swaps)	7.51%	5.32%	5.21%	-0.11%	-2.29%	8.14%	6.10%	-2.04%
ROA	2.48%	1.07%	2.63%	1.56%	0.15%	2.82%	2.32%	-0.50%
ROE	28.1%	13.3%	31.2%	17.9%	3.1%	32.7%	25.8%	-6.9%

In 4Q 2006 the aggregated pre-tax profit of the Group was HUF 3.3 billion (-48.4% q-o-q). Provisioning costs became negative in the last quarter of 2006, because OTP Faktoring took over non-performing loans of more than HUF 2.1 billion from Merkantil Bank and Merkantil Car, and thus provisions for those loans could be written off. However, this transaction did not influence the consolidated results of OTP Group, it only improved P&L of Merkantil Group.

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

As a result of higher interest income (+6.3% q-o-q) and higher interest expenditures (+16.1% q-o-q), net interest income grew to HUF 7.0 billion (+2.0% q-o-q). However, without swaps the growth of net interest income would be negative: -1.3%. Net interest margin without swaps dropped by 231 bps to 5.21%.

Non-interest revenues decreased to HUF -1.7 billion and became negative compared to 4Q 2005, this was also caused by the accounting of swaps. Non-interest expenses rose by 82.9%, Both on the non-interest revenue and on the expense side changes were influenced significantly by intra-group transfers of financial assets. (From Merkantil Car to Merkantil Bank, and from Merkantil Bank to OTP Hungary – however, these revenues and expenses disappear in consolidation).

In 2006 the aggregated pre-tax profit of the Group was HUF 9.5 billion (+9.8% y-o-y), and its after tax earnings reached HUF 6.9 billion (+7.8% y-o-y). Factors mentioned above – i.e. provision write-offs, distorting effect of swaps, intra-group transfers – influenced also the whole year P&L. Net interest income without swaps deteriorated by 2.0%, net interest margin dropped by 204 bps to 6.10%. Provision for possible loan losses dropped to its third. Non-interest revenues declined by 29.2%, whereas non-interest expense increased by 54.9%. Consequently, the aggregated cost to income ratio of the Group in 2006 (52.0%) exceeded that of last year by 15.6%-points.

Return on equity of the Group in the year 2006 deteriorated significantly, by 6.9%-points to 25.8% y-o-y. The ROA also decreased by 50 bps to 2.32%.

Main IFRS financial data of Merkantil Group members on December 31, 2006 and 4Q 2006:

Balance sheet:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries ⁴	Aggregated
Cash and bank	7,048	713	575	999	9,335
Placements with other banks	744	0	0	0	744
Financial assets at fair value	4,833	0	0	0	4,833
Trading securities	0	0	0	0	0

⁴ NIMO 2002 Kft., a Merkantil Inga, az SPLC Asset Management and six further project company. Belonged this group also SPLC Lease, but it was merged into Merkantil Lease in 4Q 2006.

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries ⁴	Aggregated
Gross loans	186,470	67,375	0	10	253,855
Provisions	-8,412	-8,286	0	0	-16,698
Net loans	178,059	59,088	0	10	237,157
Investments	1,631	718	21	23	2,393
Securities held-to-maturity	1,403	0	0	0	1,403
Intangible assets	525	25	2,277	5,015	7,842
Other assets	6,978	18,238	34,348	13,072	72,636
ASSETS	201,221	78,782	37,221	19,119	336,343
Liabilities to credit institutions	136,319	69,503	33,943	15,174	254,939
Deposits from customers	6,245	943	0	0	7,188
Issued securities	30,892	0	0	0	30,892
Other liabilities	5,616	1,825	1,858	2,117	11,416
Subordinated loans	1,700	0	0	0	1,700
LIABILITIES	180,772	72,271	35,801	17,291	306,135
TOTAL SHAREHOLDERS' EQUITY	20,449	6,512	1,419	1,828	30,208
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	201,221	78,782	37,221	19,119	336,343

P&L:

HUF mn	Merkantil Bank	Merkantil Car	Merkantil Lease	Other Merkantil subsidiaries	Aggregated
Interest income	7,454	2,385	1,108	-388	10,559
Interest expense	2,427	511	991	-381	3,548
Net interest income	5,028	1,874	117	-6	7,012
Provision for possible loan losses	-470	-1,017	0	42	-1,444
Net interest income after provision	5,497	2,891	117	-49	8,456
Fees and commissions income	212	263	0	0	475
Foreign exchange gains, net	-1,824	74	229	-41	-1,562
Gain on securities, net	0	0	0	0	0
Other non-interest income	1,306	-1,036	345	194	808
Total non-interest income	-306	-699	574	152	-279
Fees and commissions expense	810	193	3	1	1,006
Personnel expenses	405	118	27	2	552
Depreciation	21	1	26	41	89
Other non-interest expenses	1,605	1,312	302	41	3,260
Total non-interest expense	2,841	1,624	358	85	4,908
Income before income taxes	2,350	568	332	19	3,270
Income taxes	532	479	-16	-2	993
Deferred taxes	0	0	13	-4	9
After tax profit	1,818	89	335	25	2,267

On December 31, 2006 Merkantil Bank had total assets of HUF 201.2 billion (+0.9% q-o-q, +47.2% y-o-y), and IFRS pre-tax profits of HUF 2.4 billion (+94.5% q-o-q, +144.9% y-o-y). This improved profit stemmed partially from provision write offs (amounting to more than HUF 850 million) and financial assets received from Merkantil Car, (however, financial assets given to OTP Bank Hungary had a negative impact on the Bank's profit somewhat). After-tax profits reached HUF 6.8 billion (+141.3% y-o-y).

Within total assets outstanding balance of car loans reached HUF 153.9 billion, an increase of 8.8% q-o-q (+57.8% y-o-y). Number of FX-linked contracts grew by more than 41 thousands, while HUF-based contracts lagged behind 4Q 2005 figures by 12 thousands. The volume of HUF-based loans originated amounted to HUF 15.7 billion representing 11.3% of total car loans.

Within the loan portfolio the NPL portion decreased to 5.2% (3Q 2006: 5.5%); at the same time in line with the Bank's prudent monitoring policy, due to the growing volume of FX-linked loans, the ratio of 'to-be-monitored' category increased slightly from 80.4% to 82.9%.

On the liability side 'Stabil' and 'Mobil' deposits represented HUF 30.9 billion and c/a deposits HUF 4.7 billion, respectively. The rest of the asset side financing needs was covered by interbank liabilities (HUF 136.3 billion), bulk of which has been provided by OTP Bank. Merkantil Bank's shareholders' equity grew by 20.5% to HUF 38.2 billion y-o-y.

In 2006 net interest income before provision exceeded HUF 15.3 billion (HUF 9.3 billion without swaps) and total revenues neared HUF 13.5 billion (HUF 7.4 billion without swaps). The cost to income ratio improved significantly to 38.3% from 43.9% a year earlier. ROA was 3.34% and ROE 32.0% in 2006.

IFRS total assets of **Merkantil Car** dropped from HUF 113.1 billion (4Q 2005) to HUF 78.8 billion at the end of September 2006, pre-tax profit of the period reached HUF 2.4 million (-58.2% y-o-y). Number of new deals in 2006 was 1,618 compared to 13.8 thousands in 2005. This tendency was in line with prior business plans, according to which Merkantil Bank became responsible for all new FX car-loans, whereas Merkantil Car merely continues to manage its previous FX deals.

The net volume of car-leasing and loans declined by 19.4% and reached HUF 67.4 billion over the previous quarter. The company's shareholders' equity grew by 16.5% reaching HUF 6.5 billion by December 31, 2006.

Net interest income was HUF 8.5 billion, a decrease of 26.9% y-o-y. Cost to income ratio grew to 67.4% (+41.4% y-o-y), while the ROA stood at 0.96%; and ROE at 15.3% in 2006.

The most important issue on regarding other Merkantil companies is that SPLC Lease melt into Merkantil Lease, thus assets of SPLC Lease have been transferred to Merkantil Lease's balance sheet, causing an increase of HUF 13 billion in Merkantil Lease's total assets (which amounted to HUF 37.2 billion as at December 31, 2006).

Merkantil Group members excluding Merkantil Lease – operating primarily in real estate leasing – had total assets of HUF 19.1 billion (after a significant decrease, since assets of SPLC-Lease have been taken by Merkantil Lease). Contribution of these companies to the Group's earnings remained negative: their aggregated loss before tax accounted for HUF 113 million in 2006.

OTP GARANCIA INSURANCE

OTP Garancia Insurance pre-tax profit for 4Q 2006 reached HUF 7.2 billion, which was by 7.4% higher than in 4Q 2005. Premium income was 5.5% higher than in 4Q 2005 and accounted for HUF 75.6 billion (4Q 2005: HUF 71.7 billion).

Despite of shrinking market share, OTP Garancia Insurance managed to maintain its market position: it still continued to be the fourth biggest company in terms of total revenues with 9.7% market share, while in the life business it is ranked as No.2 with 10.9% of total market. In non-life business the company gained No.3 position with 8.5% of markets.

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

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	79	43	4,013		
Trading securities	137,238	161,746	164,883	1.9%	20.1%
Investments	8,037	9,603	11,440	19.1%	42.3%
Intangible assets	3,820	3,528	3,571	1.2%	-6.5%
Other assets	4,975	7,250	5,277	-27.2%	6.1%
ASSETS	157,225	182,170	189,253	3.9%	20.4%
Insurance reserves	131,116	156,514	161,627	3.3%	23.3%
Other liabilities	4,773	5,863	4,949	-15.6%	3.7%
LIABILITIES	135,889	162,377	166,577	2.6%	22.6%
TOTAL SHAREHOLDERS' EQUITY	21,336	19,792	22,676	14.6%	6.3%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	157,225	182,170	189,253	3.9%	20.4%

Total assets grew by 3.9% y-o-y reaching HUF 189.3 billion at the end of December 2006 versus HUF 182.2 billion a year ago.

Insurance technical reserves were at HUF 161.6 billion, of which increase in 4Q 2006 exceeded HUF 5 billion. Reserves of unit linked policies grew by HUF 4.1 billion (+3.4% q-o-q) and reached HUF 120.8 billion (a yearly growth of HUF 23.8 billion, +24.6%).

Shareholders' equity reached HUF 22.7 billion, a level being by 14.6% higher q-o-q and by 6.3% y-o-y. The company meets excess solvency requirements of the Hungarian regulations.

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

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Interest income	2,490.0	2,084.0	3,443.0	65.2%	38.3%	8,280.1	10,484.7	26.6%
Interest expense	0.2	0.4	0.3	-35.6%	32.2%	0.7	1.1	71.3%
Net interest income	2,489.8	2,083.6	3,442.7	65.2%	38.3%	8,279.4	10,483.6	26.6%
Fees and commissions income	169.9	608.0	617.7	1.6%	263.7%	472.8	2,098.9	344.0%
Foreign exchange gains, net	-11.5	-7.5	12.2	-263.3%	-206.0%	-5.2	1.7	-133.2%
Gain on securities, net	37.4	519.1	196.5	-62.1%	425.8%	5,836.6	2,412.4	-58.7%
Insurance premiums	18,442.5	22,056.9	15,782.9	-28.4%	-14.4%	71,659.2	75,599.6	5.5%
Life	11,995.3	14,085.4	9,130.7	-35.2%	-23.9%	44,305.7	45,712.8	3.2%
Non-life	6,447.2	7,971.5	6,632.1	-16.8%	2.9%	27,353.5	29,866.8	9.2%
Other non-interest income	66.0	85.1	96.6	13.4%	46.3%	712.2	815.9	14.6%
Total non-interest income	18,704.3	23,261.6	16,705.8	-28.2%	-10.7%	78,675.6	80,928.6	2.9%
Fees and commissions expense	581.8	1,305.2	1,338.2	2.5%	130.0%	3,356.1	5,045.0	50.3%
Personnel expenses	2,378.0	2,169.4	2,547.3	17.4%	7.1%	8,026.2	8,790.0	9.5%
Depreciation	136.6	151.5	156.3	3.2%	14.4%	518.5	597.4	15.2%
Insurance expenses	12,592.5	18,030.4	13,587.8	-24.6%	7.9%	59,699.5	61,245.3	2.6%
Life	10,797.7	13,371.5	9,835.7	-26.4%	-8.9%	46,644.5	45,510.4	-2.4%
Non-life	1,794.7	4,658.9	3,752.1	-19.5%	109.1%	13,054.9	15,735.0	20.5%
Other non-interest expenses	2,072.6	1,719.3	1,548.0	-10.0%	-25.3%	7,419.3	7,025.4	-5.3%
Total non-interest expense	17,761.5	23,375.8	19,177.5	-18.0%	8.0%	79,019.4	82,703.1	4.7%
Income before income taxes	3,432.6	1,969.4	971.0	-50.7%	-71.7%	7,935.6	8,709.0	9.7%
Income taxes	407.9	409.5	272.2	-33.5%	-33.3%	1,128.1	1,507.2	33.6%
Deferred taxes	103.8	0.0	-80.0			103.8	0.0	
After tax profit	2,920.9	1,559.9	778.8	-50.1%	-73.3%	6,703.7	7,201.8	7.4%
				%-point	%-point			%-point
Net insurance result	5,850	4,026	2,195	-45.5%	-62.5%	11,960	14,354	20.0%
ROA	7.53%	3.52%	1.68%	-1.84%	-5.86%	4.90%	4.16%	-0.74%
ROE	53.2%	32.6%	14.7%	-17.9%	-38.5%	40.1%	32.7%	-7.3%

During 4Q 2006 net interest income grew substantially, by 65.2% (HUF 1.4 billion), at the same time the net result of securities gain was HUF 196.5 million vs. HUF 519.1 million in the previous quarter.

Insurance premium reached HUF 15.8 billion, a quarterly improvement of 28.4% (14.4% y-o-y). The decline is mainly the result of a weaker volume in single payment life insurance contracts. Insurance expenses amounted to HUF 13.6 billion, being less by 24.6% q-o-q, but being higher by 7.9% y-o-y. The net insurance result (reserves) was HUF 2.2 billion, by 45.5% lower q-o-q. Net premiums in life and banking insurance reached HUF 9.1 billion; insurance premiums in non-life segment amounted to HUF 6.6 billion. Insurance damages in the non-life business grew by 11%, and by 5.5% in the life-business, respectively, thus their total amount reached HUF 8.5 billion in 4Q.

The combined ratio in 4Q 2006 was 99.24%, with 97.31% in life insurance and 101.89% in non-life business.

In 4Q the Company accumulated HUF 971 million earnings before tax, by 71.7% less than a year ago, and by 50.7% lower q-o-q. The reason for the decline is the lower insurance premium income and the seasonality of insurance expenses. The Company reached a ROE of 14.7% versus 53.2% a year ago, its ROA stood at 1.68% versus 7.53%.

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

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Damages	-5,097	-8,569	-7,963	-7.1%	56.2%	-27,263	-29,851	9.5%
Expenses	-4,615	-4,386	-5,125	16.9%	11.0%	-17,132	-18,251	6.5%
Changes in insurance reserves	-8,131	-9,347	-5,113	-45.3%	-37.1%	-33,085	-30,511	-7.8%
Gross premium income	18,443	22,057	15,783	-28.4%	-14.4%	71,659	75,600	5.5%
Result of investments	64	1,670	2,538	52.0%		8,308	6,292	-24.3%
				%-point	%-point			%-point
Combined ratio (%)	96.41%	93.54%	99.24%	5.71%	2.84%	96.53%	95.66%	-0.87%

In the year 2006 gross premium income reached HUF 75.6 billion, an increase of 5.5% y-o-y, whereas insurance expenses (HUF 61.2 billion) expanded only by 2.6% compared to 4Q 2005. The net insurance income was HUF 14.4 billion exceeding by 20% the corresponding period of 2005. Life insurance premium reached HUF 45.7 billion, an increase of 3.2% y-o-y, non-life insurance premium grew by 9.2%, amounting to HUF 29.9 billion. Insurance expenses in the life insurance sector were HUF 45.5% (-2.4% y-o-y) and HUF 15.2 billion in the non-life sector (+16.6 y-o-y).

The Company's yearly profit before tax amounted to HUF 8.7 billion (+9.7% y-o-y), its profit after tax stood at HUF 7.2 billion (+7.4% y-o-y). The Company reached a ROE of 32.7% vs. 40.1% a year ago. Its ROA declined to 4.16% from 4.9% y-o-y. The combined ratio was 95.66% with 98.30% for life-business and 91.62% for non-life business, respectively.

The Company had a network of 170 branches and – together with OTP Bank's own network – through its agents (3,953 people) distribute its products. By the end of 4Q the Company had a total staff of 2,610 people.

Foreign insurance companies belonging to OTP Garancia Insurance (OTP Garancia zivotna poistovna, a.s. and OTP Garancia poistovna, a.s. in Slovakia, DSK Garancia Life Insurance Co. AD and DSK Garancia Insurance Co. AD in Bulgaria, and Asigurarea CECCAR-ROMAS S.A. in Romania) had a total loss of HUF 287.6 million in the fourth quarter, and a loss of HUF 859.3 million regarding the aggregated values of 2006.

OTP Garancia poist'ovna, a.s. had a gross fee revenue of HUF 402.8 million in 2006. The company posted negative result of HUF 208.9 million.

OTP Garancia zivotna poist'ovna, a.s., in 2006 the life insurance company posted a negative result of HUF 205.1 million, after having a fee revenue of HUF 370.4 million.

DSK Garancia Life had assets of HUF 1,506.3 million. By the end of the fourth quarter insurance reserves decreased to HUF 290.7 million (-18% q-o-q). The company's insurance revenue amounted to HUF 637.6 million, whereas insurance expenses reached HUF 290.7 million. The Company posted a negative result of HUF -172 million after tax in 2006.

DSK Garancia Insurance started its operation only in the fourth quarter 2005, its fee income reached HUF 229.8 million in the year 2006. The company posted a negative result of HUF 136.2 million in 2006.

Az **OTP Garancia Asigurari** had assets of HUF 2,574.3 million at the end of 2006, insurance reserves amounted to HUF 373.2 million. Insurance revenues reached HUF 906.2 million and the Company posted a negative result HUF 137.1 million in 2006.

OTP FUND MANAGEMENT

IFRS pre-tax profit of OTP Fund Management for 4Q 2006 was HUF 6.2 billion. After tax profit reached HUF 1.3 billion, an increase of 14.1% compared to 2005. Total assets exceeded HUF 14 billion and shareholders' equity was close to HUF 11.2 billion.

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

Balance sheet:

HUF mn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
Cash and bank	1	2	1	-38.1%	-16.7%
Trading securities	3,291	4,645	11,512	147.8%	249.8%
Investments	6,065	6,092	763	-87.5%	-87.4%
Intangible assets	39	29	33	13.7%	-14.1%
Other assets	2,122	1,570	1,682	7.2%	-20.7%
ASSETS	11,519	12,339	13,991	13.4%	21.5%
LIABILITIES	1,262	2,480	2,771	11.8%	119.5%
TOTAL SHAREHOLDERS' EQUITY	10,256	9,859	11,220	13.8%	9.4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,519	12,339	13,991	13.4%	21.5%

P&L:

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Net interest income	1	0	18			2	18	
Fees and commissions income	3,705	2,890	3,101	7.3%	-16.3%	11,278	11,936	5.8%
Foreign exchange gains, net	0	0	-2			0	1	
Gain on securities, net	58	41	26,691			140	26,782	
Other non-interest income	0	0	1	66.7%	21.1%	2	4	75.6%
Total non-interest income	3,764	2,932	29,790	916.0%	691.4%	11,420	38,724	239.1%
Fees and commissions expense	1,759	1,272	1,326	4.3%	-24.6%	5,544	5,447	-1.7%
Personnel expenses	104	79	88	11.5%	-15.3%	352	354	0.8%

HUF mn	4Q 2005	3Q 2006	4Q 2006	Q-o-Q	Y-o-Y	2005	2006 P	Y-o-Y
Depreciation	6	4	4	-4.6%	-30.1%	19	17	-12.9%
Other non-interest expenses	477	189	22,167			876	22,731	
Total non-interest expense	2,346	1,545	23,585			6,791	28,549	
Income before income taxes	1,420	1,388	6,223			4,631	10,193	
Income taxes	270	234	4,911			777	5,548	
After tax profit	1,150	1,153	1,312	13.8%	14.1%	3,853	4,645	20.5%
				%-point	%-point			%-point
Total income (with net fees)	2,006	1,660	28,482			5,878	33,295	
Operating cost	587	272	22,259			1,247	23,102	
Cost/income ratio	29.2%	16.4%	78.2%	61.7%	48.9%	21.2%	69.4%	48.2%
ROA	42.2%	39.7%	39.9%	0.2%	-2.3%	38.3%	36.4%	-1.9%
ROE	47.5%	49.8%	49.8%	0.0%	2.3%	46.4%	43.3%	-3.1%

Results of OTP Fund Management were significantly influenced, by an Income Certificates Exchangeable for Shares (ICES) transaction, through which 4.5 million shares owned by OTP Fund Management have been sold. The Company realised a significant capital gain on this transaction, which was mainly transferred to OTP Bank. A rest of the capital gain, amounted to HUF 4.6 billion, have been left in OTP Fund Management and have been invested into securities. This stand-alone transaction significantly affected OTP Fund Management's last quarter P&L.

In the fourth quarter of 2006 total assets of OTP Fund Management grew by 13.4% q-o-q and 21.5% y-o-y, respectively. Investments decreased materially because of the ICES issuance, however volume of trading securities grew somewhat because of the reason mentioned above. Not considering the effects of the ICES issuance, OTP Fund Management would have a pre-tax profit of HUF 1,621 million (+16.8% q-o-q, +14.2% y-o-y). The after tax profit was not influenced by the ICES issuance, because of the transfer of a portion of the price gain. Thus after tax earnings increased by 13.8% q-o-q.

Fees and commission income accounted for HUF 3,101 million (+7.3% q-o-q -16.3% y-o-y). Non-interest revenues were significantly influenced by the price gain of HUF 26.5 billion stemming from the ICES issuance. Apart from this, non-interest revenues increased by 10.9% q-o-q to HUF 3,250 million, but declined by 13.7% y-o-y. Non-interest expenditures amounted to HUF 23.6 billion, of which HUF 21.9 billion occurred once again because of the ICES. Beside of this, non-interest expenditures rose by 6.7% q-o-q (-29.8% y-o-y). The cost to income ratio of the company jumped to 78.2%, disregarding the ICES to 16.5% in 4Q 2006.

In 2006 OTP Fund Management realised approximately HUF 10.2 billion income before taxation and an after-tax profit of HUF 4.6 billion, which means an increase of 23.6% on a yearly base. Before tax profit without ICES would have amounted to HUF 5.6 billion (+20.7% y-o-y). Non-interest income reached HUF 38.7 billion, whereas non-interest expenditures accounted for HUF 28.5 billion.

Fee and commission income rose by 5.8%. The company charged HUF 8.6 billion management fee (2005: HUF 2.2 billion), which is approximately 1.5% on the average net asset value of the funds. Fee and commission expenses declined by HUF 97 million, personal expenses and depreciation remained basically the same. Disregarding the ICES issue, fees and commissions amounted to 98% of total non-interest revenues, whereas fee and commission expenses were 82.4% of all non-interest expenditures.

Cost income ratio of the OTP Fund Management was 69.4%, without ICES 17.2%, representing an increase of 0.4%-point over 2005. OTP Fund Management realised 36.4% return on assets (2005: 38.3%), while return on equity was 43.3% (2005: 46.4%).

Net asset value of OTP Funds:

HUF bn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q		Y-o-Y	
				HUF bn	%	HUF bn	%
MONEY MARKET	35.3	177.7	187.3	9.6	5.4%	151.9	430.0%
OPTIMA	411.9	154.5	136.5	-17.9	-11.6%	-275.4	-66.9%
PALETTA	9.4	12.2	12.3	0.1	0.7%	3.0	31.5%
QUALITY	48.5	69.2	75.8	6.5	9.4%	27.3	56.2%
OTP-UBS Fund of Funds	25.5	37.7	37.5	-0.2	-0.5%	12.0	46.9%
MAXIMA	21.7	9.1	8.7	-0.4	-4.9%	-13.0	-59.9%
EURO	2.9	4.4	6.4	2.0	44.9%	3.6	125.5%
US DOLLAR	1.2	1.6	1.6	0.0	-2.1%	0.4	34.6%
FANTASIA (closed-ended)	1.3	1.4	1.5	0.1	7.7%	0.2	12.8%
ALFA (closed-ended)	5.3	5.2	5.6	0.4	7.9%	0.3	5.7%
PRIZMA (closed-ended)	4.9	5.0	5.2	0.1	2.1%	0.2	4.3%
LINEA		6.9	7.1	0.2	2.4%		

HUF bn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q		Y-o-Y	
				HUF bn	%	HUF bn	%
QUALITY PLUSZ		3.7	3.9	0.1	3.7%		
Exclusive Institutional Equity Fund	12.2	22.5	25.8	3.3	14.6%	13.5	110.4%
Central-European Equity Fund	0.2	0.3	0.4	0.2	57.6%	0.2	113.6%
ASIA		5.3	6.5	1.2	23.0%		
GLOBAL		5.4	6.0	0.5	9.6%		
ABSOLUT HOZAM (YIELD)		8.3	10.1	1.9	22.4%		
LINEA II (closed-ended)			0.8				
QUALITY PLUSZ II (closed-ended)			0.3				
BUX ETF			1.3				
Other			1.9				
Total	580.4	530.6	542.3	11.7	2.2%	-38.1	-6.6%

The net asset value of the funds managed by OTP Fund Management stood at HUF 542.3 billion at the end of December 2006 vs HUF 530.6 billion (+2.2% q-o-q, -6.6% y-o-y). Before the increase of the capital gain tax from 0% to 20% by the government last September, most of Hungarian fund managers introduced new funds, and made heavy advertisement campaigns. During this period, OTP Fund Management lost market share, because it did not introduce new products, and its leading product OPTIMA lost attractiveness because of the increasing interest rates.

In the last quarter of 2006, market of security funds only increased by 1% (HUF +20.3 billion) compared to 17% (HUF 281.7 billion) in 3Q 2006. Despite of these adverse market conditions, OTP Fund Management was able to increase its market shares by 0.3%-points to 27.6% in 4Q 2006.

The most significant volume was managed under money market funds (4Q 2006: HUF 195.3 billion; +9.9% q-o-q), however the popularity of equity funds grew, too. (4Q 2006: HUF 113.7 billion; +6.0% q-o-q). The position of the bond funds was unfavourable, their volume decreased by HUF 22.9 billion (13.5% q-o-q) over the last period. Net asset value of OPTIMA Fund comprised 25.2% of total value under management versus 71.0% a year ago. At the same time a significant volume of assets were repositioned into the Money Market Fund, as a result its net asset value reached HUF 187.3 billion, which was 5.4% higher than a quarter earlier. The company introduced its new index-linked BUX ETF fund, which attracted more than HUF 1.3 billion in the last quarter.

Evolution of Assets under Management:

HUF bn	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
OTP Investment Funds	580.4	530.6	542.3	2.2%	-6.6%
Pension Funds	405.8	478.0	518.6	8.5%	27.8%
OTP Private Pension Fund	315.7	378.4	412.4	9.0%	30.6%
OTP Voluntary Pension Fund	77.8	84.6	90.6	7.2%	16.5%
OTP Quantum Pension Fund		0.6	0.6	11.9%	
OTP Health Care Fund	2.8	3.6	3.9	6.8%	36.3%
Other pension funds	9.5	10.9	11.1	2.0%	16.5%
Other Institutional Investors	110.7	119.3	134.3	12.6%	21.4%
Assets under management, total	1,096.9	1,127.9	1,195.3	6.0%	9.0%

Pension fund assets grew from HUF 478.0 billion to HUF 518.6 billion (+8.5% q-o-q). Other institutional funds under management increased to HUF 134.3 billion, an increase of 21.4% y-o-y and 12.6% q-o-q, respectively. Total assets under management (incl. pension funds, mutual funds and other type of institutional funds) amounted to HUF 1,195.3 billion (+9.0% y-o-y).

STAFF LEVEL AT OTP GROUP

The closing staff number of the whole group was 26,869 persons as of December 30, 2006, during the fourth quarter the staff increased by 8,004 persons. Year-on-year growth was 8,892 persons due to the consolidation of CJSC OTP Bank (+2,021 persons), Investsberbank (+5,438 persons) and Zepter banka (+252 persons).

The closing number of OTP Bank staff was 8.169 on December 30, 2006, 270 more than at the end of December, 2005 and 95 persons more than at the end of September 2006. In the fourth quarter of 2006 the staff in the branch network increased by 153 people, in the headquarters the number of staff decreased by 58 persons.

	31/12/2005	30/09/2006	31/12/2006	Q-o-Q	Y-o-Y
OTP Bank					
Closing staff (persons)	7,899	8,074	8,169	1.2%	3.4%
Average staff (persons)	7,842	7,969	8,017	0.6%	2.2%
Per capita total assets (HUF mn)	454.9	510.4	562.1	10.1%	23.6%
Per capita profit after tax quarterly (HUF mn)	3.6	5.5	6.4	15.9%	77.1%
GROUP					
Closing staff (persons)	17,977	18,865	26,869	42.4%	49.5%
Average staff (persons)	17,669	18,733	24,551	31.1%	38.9%
Per capita total assets (HUF mn)	290.1	327.3	289.3	-11.6%	-0.3%
Per capita profit after tax quarterly (HUF mn)	2.3	2.9	1.7	-42.5%	-27.5%

PERSONAL AND ORGANIZATIONAL CHANGES DURING THE FOURTH QUARTER OF 2006 AT OTP BANK PLC.

In the fourth quarter of 2006 Pap Gyula Deputy Director, the Head of IT and Logistics Division was relieved from his position – with honourable mention of his work – by the Chairman and CEO of OTP Bank as from October 1, 2006, and Ákos Takáts was appointed to run the IT and Logistics Division, after having the required permissions. The Supervisory Board, the Board of Directors and the auditor of the Bank did not change.

Budapest, February 13, 2007

OTP Bank Plc.

FINANCIAL DATA

NON-CONSOLIDATED AND CONSOLIDATED IFRS BALANCE SHEET

in HUF million	OTP Bank			Consolidated		
	31/12/2006	31/12/2005	change	31/12/2006	31/12/2005	change
Cash, due from banks and balances with the National Bank of Hungary	429,325	379,249	13.2%	531,071	483,191	9.9%
Placements with other banks, net of allowance for possible placement losses	657,939	393,659	67.1%	602,602	438,768	37.3%
Financial assets at fair value through profit and loss	61,085	34,054	79.4%	110,610	48,054	130.2%
Securities held-for-trading	36,075	23,943	50.7%	84,866	37,973	123.5%
Fair value adjustment of derivative financial instruments	25,010	10,111	147.4%	25,744	10,081	155.4%
Securities available-for-sale	348,859	371,433	-6.1%	489,311	409,945	19.4%
Loans, net of allowance for possible loan losses	1,751,678	1,475,508	18.7%	4,346,756	3,191,298	36.2%
Accrued interest receivable	44,398	41,276	7.6%	53,447	37,870	41.1%
Investments in subsidiaries	583,298	223,881	160.5%	70,938	12,357	474.1%
Securities held-to-maturity	504,111	521,797	-3.4%	268,280	289,803	-7.4%
Premises, equipment and intangible assets, net	100,721	105,569	-4.6%	464,732	233,245	99.2%
Other assets	24,996	46,447	-46.2%	163,745	71,371	129.4%
TOTAL ASSETS	4,506,410	3,592,873	25.4%	7,101,492	5,215,902	36.2%
Due to banks and deposits from the National Bank of Hungary and other banks	557,857	255,211	118.6%	661,198	364,124	81.6%
Deposits from customers	2,690,098	2,506,457	7.3%	4,231,258	3,428,193	23.4%
Liabilities from issued securities	202,050	202,267	-0.1%	781,316	543,460	43.8%
Accrued interest payable	16,124	5,735	181.2%	45,919	24,902	84.4%
Other liabilities	121,810	102,881	18.4%	343,279	260,728	31.7%
Subordinated bonds and loans	247,865	47,023	427.1%	250,726	47,023	433.2%
TOTAL LIABILITIES	3,835,804	3,119,574	23.0%	6,313,696	4,668,430	35.2%
SHARE CAPITAL	28,000	28,000	0.0%	28,000	28,000	0.0%
RETAINED EARNINGS AND RESERVES	644,352	486,051	32.6%	820,362	572,567	43.3%
Retained earnings and reserves without earnings	473,812	353,203	34.1%	632,947	414,332	52.8%
Reserves	452,636	330,574	36.9%	480,097	396,359	21.1%
Fair value adjustment of securities available-for-sale and of derivative financial instruments recognised directly through equity	7,146	10,699	-33.2%	3,309	6,043	-45.2%
Fair value adjustment of share based payments	14,030	11,930	17.6%	14,030	11,930	17.6%
Retained earnings	170,540	132,848	28.4%	187,415	158,235	18.4%
TREASURY SHARES	-1,746	-40,752	95.7%	-63,716	-53,586	18.9%
MINORITY INTEREST				3150	491	
TOTAL SHAREHOLDERS' EQUITY	670,606	473,299	41.7%	787,796	547,472	43.9%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,506,410	3,592,873	25.4%	7,101,492	5,215,902	36.2%

NON-CONSOLIDATED AND CONSOLIDATED IFRS PROFIT AND LOSS ACCOUNT

in HUF million	OTP Bank			Consolidated		
	2006 P	2005	change	2006 P	2005	change
Loans	167,058	147,368	13.4%	387,909	340,793	13.8%
Interest income without swap	166,161	146,423	13.5%	387,012	339,848	13.9%
Results of swaps	897	945	-5.1%	897	945	-5.1%
Placements with other banks	73,005	36,961	97.5%	78,971	43,734	80.6%
Interest income without swap	20,339	8,175	148.8%	16,988	11,907	42.7%
Results of swaps	52,666	28,786	83.0%	61,983	31,827	94.7%
Due from banks and balances with the National Bank of Hungary	24,053	27,957	-14.0%	25,914	29,174	-11.2%
Securities held-for-trading	2,189	2,108	3.8%	2,605	2,708	-3.8%
Securities available-for-sale	25,485	27,742	-8.1%	28,761	25,235	14.0%
Securities held-to-maturity	40,128	39,266	2.2%	18,479	17,380	6.3%
Total Interest Income	331,918	281,402	18.0%	542,639	459,024	18.2%
Due to banks and deposits from the National Bank of Hungary and other banks	36,492	27,989	30.4%	40,769	34,501	18.2%
Interest expenses without swap	11,567	5,641	105.1%	13,807	8,436	63.7%
Losses of swaps	24,925	22,348	11.5%	26,962	26,065	3.4%
Deposits from customers	81,167	81,504	-0.4%	106,953	99,526	7.5%
Interest expenses without swap	78,855	81,381	-3.1%	104,641	99,403	5.3%
Losses of swaps	2,312	123		2,312	123	
Liabilities from issued securities	6,672	1,677	297.9%	35,944	25,959	38.5%
Subordinated bonds and loans	4,372	1,593	174.5%	4,465	1,636	172.9%
Other entrepreneurs				132	177	-25.4%
Total Interest Expense	128,703	112,763	14.1%	188,263	161,799	16.4%
NET INTEREST INCOME	203,215	168,639	20.5%	354,376	297,225	19.2%
Provision for possible loan losses	25,443	16,436	54.8%	29,793	28,043	6.2%
Provision for possible placement losses	0	-1		62	-1	
Provision for possible loan and placement losses	25,443	16,435	54.8%	29,855	28,042	6.5%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	177,772	152,204	16.8%	324,521	269,183	20.6%
Fees and commissions	147,668	136,264	8.4%	146,463	118,884	23.2%
Foreign exchange gains and losses, net	14,465	1,603		-12,203	3,879	
Gains and losses on securities, net	870	3,103	-72.0%	6,788	9,708	-30.1%
Gains and losses on real estate transactions, net	77	-28	-375.0%	1,392	96	
Dividend income and gains and losses of associated companies	16,252	13,937	16.6%	901	672	34.1%
Insurance premiums				75,778	69,793	8.6%
Other	44,849	3,541		26,382	13,465	95.9%
Total Non-Interest Income	195,251	158,420	23.2%	245,501	216,497	13.4%
Fees and commissions	21,163	13,840	52.9%	32,249	19,930	61.8%
Personnel expenses	65,405	62,437	4.8%	106,741	95,235	12.1%
Depreciation and amortization	17,391	15,244	14.1%	26,201	21,897	19.7%
Insurance expenses				60,934	58,468	4.2%
Other	81,091	63,301	28.1%	124,047	98,073	26.5%
Total Non-Interest Expense	185,050	154,822	19.5%	350,172	293,603	19.3%
INCOME BEFORE INCOME TAXES	187,973	155,802	20.6%	219,850	192,077	14.5%
Income taxes	17,433	22,954	-24.1%	32,389	33,803	-4.2%
INCOME AFTER INCOME TAXES	170,540	132,848	28.4%	187,461	158,274	18.4%
Minority interest				-46	-39	17.9%
NET INCOME	170,540	132,848	28.4%	187,415	158,235	18.4%

Number 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	10,950,848	10,190,888	22,000
Subsidiaries	7,914,020	7,248,560	7,248,560	7,248,560	2,098,560
TOTAL	18,292,271	18,591,018	18,199,408	17,439,448	2,120,560

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	7,844	7,899	8,169
Consolidated	17,989	17,977	26,869

Senior officers, strategic employees and their shareholding of OTP shares

Type ¹	Name	Position	No. of shares held
IT	Dr. Sándor Csányi ²	Chairman and CEO	200,000
IT	Dr. Zoltán Spéder ³	Deputy Chairman and CEO	0
IT	Mr. Mihály Baumstark	member	50,000
IT	Dr. Tibor Bíró	member	46,000
IT	Mr. Péter Braun	member	651,905
IT	Dr. István Kocsis	member	83,500
IT	Mr. Csaba Lantos	member, Deputy CEO	80,116
IT	Dr. Sándor Pintér	member	25,350
IT	Dr. Antal Pongrácz	Member, Deputy CEO	260,000
IT	Dr. László Utassy	member	70,000
IT	Dr. József Vörös	member	115,000
FB	Mr. Tibor Tolnay	Chairman	80,580
FB	Dr. Gábor Horváth	member	30,000
FB	Mr. Antal Kovács	member	40,000
FB	Dr. Gábor Nagy	member	130,000
FB	Ms. Klára Vécsei	member	3,000
SP	Dr. István Gresca	Deputy CEO	63,758
SP	Mr. Géza Lenk	Deputy CEO	100,000
SP	Mr. Ákos Takáts	Deputy CEO	143,347
SP	Mr. László Wolf	Deputy CEO	829,640
TOTAL No. of shares held by management:			3,002,196

¹ Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)

² Number of OTP shares owned by Mr. Csányi directly or indirectly: 3,302,000

³ Number of OTP shares owned by Mr. Spéder directly or indirectly: 1,548,400

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	January 1, 2006		Qty	December 31, 2006		Qty
%	%	%		%		
Domestic institution/company	3.0%	5.3%	8,464,187	7.3%	11.9%	20,532,012
Foreign institution/company	84.4%	85.4%	236,344,426	86.1%	79.7%	241,020,631
Domestic individual	1.2%	2.0%	3,227,700	1.0%	1.7%	2,856,043
Foreign individual	0.0%	0.0%	3,350	0.0%	0.0%	52,842
Employees, senior officers	3.1%	5.4%	8,632,146	3.0%	4.9%	8,391,992
Treasury shares	6.5%	0.0%	18,292,271	0.8%	0.0%	2,120,560
Government held owner ⁴	0.3%	0.5%	835,921	0.3%	0.5%	825,920
International Development Institutions ⁵	1.5%	1.5%	4,200,000	1.5%	1.4%	4,200,000
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	100.0%	100.0%	280,000,001	100.0%	100.0%	280,000,000

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

² Ownership ratio

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

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

⁵ E.g.: EBRD, EIB, etc

SUPPLEMENTARY DATA

MAIN BALANCE SHEET ITEMS OF OTP GROUP MEMBERS

in HUF billion	December 31, 2005				December 31, 2006				Y-o-Y			
	Gross loans	Assets	Deposits	Equity	Gross loans	Assets	Deposits	Equity	Gross loans	Assets	Deposits	Equity
OTP Bank Plc.	1,498	3,593	2,506	473	1,783	4,506	2,690	671	19.0%	25.4%	7.3%	41.8%
OTP Mortgage Bank Ltd.	849	956	0	35	908	1,075	0	39	6.9%	12.4%		11.4%
Merkantil Bank Ltd.	126	137	5	15	186	201	6	20	48.0%	47.2%	36.0%	38.2%
OTP Building Society Ltd.	6	87	79	6	4	107	100	4	-33.0%	23.6%	27.1%	-27.9%
DSK Group	384	583	432	71	454	779	524	92	18.2%	33.6%	21.1%	28.9%
OTP banka Hrvatska group	153	300	232	31	197	364	276	31	29.2%	21.4%	18.6%	-0.1%
OTP Banka Slovensko, a.s.	192	263	152	17	190	325	190	20	-1.3%	23.7%	25.3%	18.6%
OTP Bank Romania S.A.	25	55	25	14	101	193	41	25	312.3%	250.2%	62.0%	84.4%
Niska banka a. d.					3	11	5	4				
CJSC OTP Bank (Ukraine)					368	431	147	44				
Investsberbank					216	330	254	39				
Zepter banka a.d.					13	23	18	5				
OTP Garancia Insurance Ltd.	0	156	0	21	0	189	0	23	-100.0%	21.0%		9.5%
Merkantil Car Ltd.	104	113	0	5	67	79	1	7	-35.0%	-30.2%	868.8%	18.4%
OTP Fund Management Ltd.	0	12	0	10	0	14	0	11		21.6%		9.3%
OTP Leasing, a.s.	20	23	0	0	26	29	0	0	31.8%	26.7%		-149.9%
OTP Real Estate Ltd.	0	20	0	7	0	20	0	6		-3.7%		-17.2%
OTP Factoring Ltd.	14	12	0	3	16	18	0	4	20.0%	58.0%		17.3%
OTP Faktoring Slovensko, a.s.	3	4	1	0	5	6	0	0	60.3%	69.2%		9.8%
HIF Ltd.	14	14	0	2	1	2	0	1	-96.2%	-89.4%		-30.2%
Other subsidiaries	0	30	0	27	78	241	0	33		698.7%		24.1%
Subsidiaries total	1,890	2,765	926	265	2,834	4,440	1,561	409	49.9%	60.6%	68.6%	54.5%
Group total (aggregated)	3,388	6,358	3,432	738	4,617	8,946	4,252	1,079	36.3%	40.7%	23.9%	46.3%
Consolidated	3,302	5,217	3,428	547	4,477	7,101	4,231	788	35.6%	36.1%	23.4%	44.0%
Foreign subsidiaries	791	1,243	843	135	1,652	2,580	1,454	265	108.8%	107.6%	72.5%	96.3%
Share of foreign subsidiaries	23.9%	23.8%	24.6%	24.7%	36.9%	36.3%	34.4%	33.7%	12.9%	12.5%	9.8%	9.0%

MAIN P&L DATA OF OTP GROUP MEMBERS:

in HUF million	2005						2006 P						Y-o-Y						
	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit	Net Interest Income	Provisions	Other incomes	Other expenses	Pre-tax profit	After tax profit	
OTP Bank Plc.	168,638	16,435	158,417	154,777	155,843	132,889	203,215	25,443	195,252	185,050	187,973	170,539	20.5%	54.8%	23.3%	19.6%	20.6%	28.3%	
OTP Mortgage Bank Ltd.	48,310	182	15,074	56,287	6,916	5,320	43,003	-120	4,230	42,322	5,031	3,009	-11.0%	-166.1%	-71.9%	-24.8%	-27.2%	-43.4%	
Merkantil Bank Ltd.	7,294	2,202	2,723	5,008	2,807	2,612	15,319	1,482	1,259	8,257	6,838	5,648	110.0%	-32.7%	-53.8%	64.9%	143.6%	116.2%	
OTP Building Society Ltd.	3,499	0	1,855	3,533	1,821	1,391	3,760	-9	1,942	4,926	785	487	7.4%		4.7%	39.4%	-56.9%	-65.0%	
DSK Group	34,298	5,151	11,549	21,073	19,622	16,634	38,565	6,190	17,763	22,373	27,766	23,624	12.4%	20.2%	53.8%	6.2%	41.5%	42.0%	
OTP banka Hrvatska group	7,297	348	4,412	7,829	3,532	2,508	11,139	2,125	7,538	12,172	4,381	3,488	52.6%	510.2%	70.9%	55.5%	24.0%	39.1%	
OTP Banka Slovensko, a.s.	5,520	931	6,186	9,402	1,373	1,373	7,576	1,500	4,158	8,208	2,030	2,030	37.3%	61.0%	-32.8%	-12.7%	47.9%	47.9%	
OTP Bank Romania S.A.	1,602	777	1,874	4,878	-2,180	-2,122	3,429	383	3,767	9,295	-2,482	-2,630	114.1%	-50.7%	101.0%	90.5%	13.9%	23.9%	
CJSC OTP Bank (Ukraine)							790	166	824	1,543	-95	-95							
Investsberbank							4,345	2,728	5,128	2,756	3,990	2,767							
Zepter banka a.d.							0	0	0	0	0	0							
Niska banka a. d.							0	0	0	0	0	0							
OTP Garancia Insurance Ltd.	7,934	0	79,135	79,818	7,251	6,080	10,484	0	80,929	82,703	8,709	7,202	32.1%		2.3%	3.6%	20.1%	18.4%	
Merkantil Car Ltd.	11,646	2,878	675	3,890	5,553	3,550	8,495	241	281	6,179	2,356	924	-27.1%	-91.6%	-58.4%	58.8%	-57.6%	-74.0%	
OTP Fund Management Ltd.	0	0	11,415	6,781	4,635	3,858	18	0	38,724	28,549	10,193	4,645	3845.0%		239.2%	321.0%	119.9%	20.4%	
OTP Leasing, a.s.	891	706	1,253	1,375	64	47	1,383	403	505	1,775	-289	-381	55.2%	-42.9%	-59.7%	29.1%	-552.1%	-915.9%	
OTP Real Estate Ltd.	-58	0	3,847	2,679	1,110	934	-34	0	2,779	2,995	-251	-314	-41.8%		-27.8%	11.8%	-122.6%	-133.6%	
OTP Factoring Ltd.	-365	639	4,018	2,019	995	568	-463	-344	9,327	6,779	2,429	1,411	26.9%	-153.8%	132.1%	235.7%	144.2%	148.4%	
OTP Faktoring Slovensko, a.s.	142	20	54	139	37	28	210	48	276	427	12	0	48.5%	142.7%	410.3%	206.6%	-68.2%	-99.4%	
HIF Ltd.	523	8	68	386	197	136	364	-105	56	382	143	124	-30.3%		-18.2%	-1.0%	-27.5%	-9.0%	
Other subsidiaries	249	0	6,449	5,766	932	804	4,168	2,400	19,638	19,910	1,496	37			204.5%	245.3%	60.4%	-95.4%	
Subsidiaries total	128,783	13,842	150,588	210,864	54,665	43,721	152,552	17,087	199,124	261,551	73,041	51,973	18.5%	23.4%	32.2%	24.0%	33.6%	18.9%	
Group total (aggregated)	297,421	30,277	309,005	365,641	210,508	176,610	355,767	42,530	394,376	446,602	261,014	222,513	19.6%	40.5%	27.6%	22.1%	24.0%	26.0%	
Consolidated	296,918	28,608	217,796	294,157	191,949	158,325	354,376	29,856	245,501	350,171	219,850	187,461	19.4%	4.4%	12.7%	19.0%	14.5%	18.4%	
Foreign subsidiaries	50,273	7,941	25,395	45,083	22,645	18,603	69,756	15,773	42,912	64,646	32,251	25,725	38.8%	98.6%	69.0%	43.4%	42.4%	38.3%	
Share of foreign subsidiaries	16.9%	27.8%	11.7%	15.3%	11.8%	11.7%	19.7%	52.8%	17.5%	18.5%	14.7%	13.7%	2.8%	25.1%	5.8%	3.1%	2.9%	2.0%	

NON-CONSOLIDATED HAR BALANCE SHEETS

in HUF million	OTP Bank		
	31/12/2005	31/12/2006	change
1. Cash in hand, balances with central banks	379,250	429,325	13.2%
2. Treasury bills	327,610	262,471	-19.9%
3. Loans and advances to credit institutions	386,640	657,638	70.1%
4. Loans and advances to customers	1,485,409	1,781,003	19.9%
5. Debt securities including fixed-income securities	566,959	611,182	7.8%
6. Shares and other variable-yield securities	7,743	7,842	1.3%
7. Shares and participating interest as financial fixed assets	742	737	-0.7%
8. Shares and participating interest in affiliated undertakings	149,199	295,775	98.2%
9. Intangible assets	79,416	264,699	233.3%
10. Tangible assets	74,579	68,544	-8.1%
11. Own shares	40,752	1,746	-95.7%
12. Other assets	44,177	18,372	-58.4%
13. Prepayments and accrued income	54,537	71,222	30.6%
TOTAL ASSETS	3,597,013	4,470,556	24.3%
From this: - CURENT ASSETS	1,520,400	1,457,951	-4.1%
- FIXED ASSETS	2,022,076	2,941,383	45.5%
1. Liabilities to credit institutions	254,209	557,857	119.4%
2. Liabilities to customers	2,483,165	2,685,000	8.1%
3. Liabilities from issued debt securities	242,424	228,159	-5.9%
4. Other liabilities	104,640	95,210	-9.0%
5. Accruals and deferred income	23,899	39,428	65.0%
6. Provisions	34,087	62,966	84.7%
7. Subordinated liabilities	47,023	248,143	427.7%
8. Subscribed capital	28,000	28,000	0.0%
9. Subscribed but unpaid capital (-)	0	0	
10. Capital reserves	52	52	0.0%
11. General reserves	65,642	84,325	28.5%
12. Retained earnings (accumulated profit reserve) (+)	202,544	310,177	53.1%
13. Legal reserves	41,977	3,414	-91.9%
14. Revaluation reserve	0	0	
15. Profit or loss for the financial year according to the balance sheet (+)	69,351	127,825	84.3%
16. Difference from exchange rate (+,-)	0	0	
TOTAL LIABILITIES	3,597,013	4,470,556	24.3%
From this: - SHORT-TERM LIABILITIES	2,706,784	3,068,900	13.4%
- LONG-TERM LIABILITIES	424,677	745,469	75.5%
- EQUITY (CAPITAL AND RESERVES)	407,566	553,793	35.9%

NON-CONSOLIDATED HAR PROFIT AND LOSS ACCOUNT

in HUF million	OTP Bank		
	2005	2006 P	change
1. Interest received and interest-type income	280,288	318,373	13.6%
2. Interest paid and interest-type expenses	109,953	128,560	16.9%
Interest difference	170,335	189,813	11.4%
3. Incomes from securities	13,937	16,252	16.6%
4. Fees and Commission received	135,452	146,691	8.3%
5. Fees and Commission paid	13,571	20,925	54.2%
6. Profit or loss from financial transactions	8,594	17,154	99.6%
7. Other incomes from business	194,061	245,554	26.5%
8. General administration expenses	94,942	103,240	8.7%
9. Depreciation and amortization	21,712	23,304	7.3%
10. Other expenses from business	229,594	269,774	17.5%
11. Write-off of loans and provision for contingent and future liabilities	13,863	28,990	109.1%
12. Reversal of write-off of loans and credit for contingent and future liabilities	15,827	17,726	12.0%
12/A. Difference between the creation and write-off of general risk provision	-4,065	-8,488	108.8%
13. Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company	2,158	749	-65.3%
14. Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company	2,153	2,467	14.6%
15. Result of ordinary business activities	160,454	180,187	12.3%
Including: - RESULT OF FINANCIAL AND INVESTMENT SERVICES	159,372	176,851	11.0%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	1,082	3,336	208.3%
16. Extraordinary revenues	1,864	44,703	
17. Extraordinary expenses	1,069	11,600	985.1%
18. Extraordinary profit or loss	795	33,103	
19. Profit or loss before tax	161,249	213,290	32.3%
20. Tax liabilities	22,903	26,460	15.5%
21. After-tax profit or loss	138,346	186,830	35.0%
22. Formation and utilization of general reserves (±)	-13,835	-18,683	35.0%
23. Use of accumulated profit reserve for dividends and profit-sharings	0	0	
24. Dividends and profit-sharings paid (approved)	55,160	40,322	-26.9%
25. Balance-sheet profit or loss figure	69,351	127,825	84.3%

SELECTED NON-CONSOLIDATED FINANCIAL DATA

in HUF million	OTP Bank		
	2005	2006 P	change
Interest from interbank accounts	57,035	73,155	28.3%
Interest from retail accounts	81,785	92,409	13.0%
Interest from corporate accounts	53,628	63,862	19.1%
Interest from municipal accounts	9,916	11,971	20.7%
Interest from bonds	69,537	68,059	-2.1%
Interest from mandatory reserves	8,387	8,917	6.3%
Total interest income	280,288	318,373	13.6%
Interest to interbank accounts	25,449	38,336	50.6%
Interest on retail accounts	60,756	50,939	-16.2%
Interest on corporate accounts	14,194	22,284	57.0%
Interest on municipal accounts	6,292	6,046	-3.9%
Interest on bonds	1,670	6,583	294.2%
Interest on subordinated loan	1,592	4,372	174.6%
Total interest expense	109,953	128,560	16.9%
Net interest income	170,335	189,813	11.4%
Fees & commissions income	136,290	147,761	8.4%
Fees & commissions paid	13,571	20,925	54.2%
Net fees & commissions	122,719	126,836	3.4%
Securities trading	9,333	26,808	187.2%
Forex trading	3,180	-6,254	-296.7%
Losses/Gains on property transactions	6	95	
Other	3,503	76,162	
Non-interest income	138,741	223,647	61.2%
<i>Ratio of non-interest income</i>	<i>44.9%</i>	<i>54.1%</i>	<i>9.2%</i>
Total income	309,076	413,460	33.8%
Personnel costs	54,929	59,389	8.1%
Depreciation	12,712	14,304	12.5%
Other costs	59,671	69,273	16.1%
Operating costs	127,312	142,966	12.3%
<i>Cost/income ratio</i>	<i>41.2%</i>	<i>34.6%</i>	<i>-6.6%</i>
Operating income	181,764	270,494	48.8%
Diminution in value, provisions and loan losses	16,064	54,256	237.7%
Dividend received	13,937	16,252	16.6%
Accounting for acquisition goodwill	-8,237	-8,237	0.0%
Special financial institution tax for the year 2005	-10,151	-10,963	8.0%
Pre-tax profit	161,249	213,290	32.3%
Taxes	22,903	26,460	15.5%
Tax rate	14.2%	12.4%	-1.8%
After tax profits	138,346	186,830	35.0%

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