



OTP Bank Rt.

**First Half 2001
Stock Exchange Report**

Budapest, 14 August 2001

OTP Bank's first half 2001 Stock Exchange Report contains the HAR non consolidated and consolidated first half 2001 balance sheet and profit and loss account for the 6 months ending 30 June 2001. For the sake of easier analysis by international investors, we present both the non-consolidated and consolidated figures in a format that is closer to the international format. 2001 data in the report are non-audited.

CHANGES IN THE ACCOUNTING RULES AFTER 1 JANUARY 2001

In the interest of the EU law harmonisation, the structure of financial statements (balance sheet, profit and loss statement) and in case of some items their contents also have significantly changed from the business year beginning at 1 January 2001. The changes are comprised in the Act C of 2000 about accounting and in the No. 250/2000 (XII. 24.) Government Order about the accounting and preparation of financial statements for financial institutions.

We present the first half 2001 stock exchange report in the structure of the new balance sheet and profit and loss statement, and the figures are in HUF millions. In the interest of comparability to the figures of the same period of previous year, we amended the base data accordingly. In our opinion as the result of corrections, the presented figures form appropriate base of comparative analysis.

The most significant changes, that also resulted in amendments, we summarise as follows:

- Commencing at 1 January 2001, the "Savings letter-deposit" must be reclassified from liabilities to customers to liabilities from issued securities.
- Within shareholders' equity, a new balance sheet line titled as fixed reserves contains the repurchase value of repurchased own shares.
- From 1 January 2001, as a new rule, diminution in value must be accounted after the outstandings, and all outstandings must be presented in the balance sheet at a value lowered by the diminution in value, i.e. at net value.
- According the past rule before 31 December 2000, each outstanding was presented at their original book value, i.e. at their gross value, and provisions made according to their classification were comprised in separate balance sheet rows.
- Note, that liability-side provisions shall still be generated for contingent and future liabilities.
- Incomes and expenses in connection with accounting of diminution in value and provisioning for contingent and future liabilities are presented in separate line in the profit and loss statement.
- The amount of purchased interest present in the price of interest bearing securities must be accounted as an interest income decreasing item. Until 31 December 2001 this was accounted into interest expenses.
- Operating costs were presented in one figure hitherto as Cost of financial and investment services. As a new rule this line of the profit and loss statement was split to lines titled "General management costs" and "Depreciation". From 1 January 2001, the sphere of personnel expenses was enlarged with employer contribution, vocational training contribution, rehabilitative employment contribution, disbursement personal income taxes and the items of health-care contributions.
- Among extraordinary income and expenses, only the items specifically mentioned in the Accounting Act are presented. All other items presented here in the past years are presented among other income and other expenses.

As of 1 June 2001 the content and the format of reporting of the credit institutions has changed. As a consequence despite of strong effort on the part of the bank to continue the estimation of the market shares according to the previous format, the data reported herein is not fully compatible and comparable market shares reported to earlier, therefore can only be construed as estimations with strong proximity level.

HIGHLIGHTS

OTP Bank's pre-tax profits for the first 6 months of 2001 were HUF22,077 million, 14.6% higher than in the same period in 2000. OTP Group's consolidated pre-tax profit was HUF27,196 million.

Over the 3 months period ending 30 June 2001, total Bank assets grew to HUF1,973,664 million or by 1.5%. This figure is 8.8% higher than a year earlier. Total assets for the group were HUF2,142,948 million on 30 June 2001, which represented a year-on-year growth of 10.5%, and it was 8.6% higher than total assets of the Bank.

FINANCIAL HIGHLIGHTS

Non-consolidated

	Six months ended 30 June		
	2000	2001	Change
Net income (HUF billion)	15,707	17,772	13.1%
Net income per common share (EPS) ¹			
Consolidated			
undiluted (HUF)	HUF727.15	HUF869.25	19.5%
diluted (HUF)	HUF678.46	HUF785.75	15.8%
Non-consolidated			
undiluted (HUF)	HUF593.28	HUF681.66	14.9%
diluted (HUF)	HUF560.96	HUF634.71	13.1%
Return on common equity (ROE) ²	29.3%	26.4%	-290 bp
Return on assets (ROA) ²	1.75%	1.82%	7 bp
Consolidated return on common equity (ROE) ²	32.2%	28.9%	-330 bp
Consolidated return on assets (ROA) ²	1.99%	2.09%	10 bp

	As at 30 June		
	2000	2001	Change
Total assets (HUF billion)	1,813.3	1,973.7	8.8%
Common equity (HUF billion)	113.7	141.7	24.6%

¹ Not considering the effects of extraordinary items of the HAR P&L

² Annualised

MAJOR NON-CONSOLIDATED FIGURES FOR THE FIRST 6 MONTHS OF 2001

OTP Bank's **pre-tax profit** for the first 6 months of 2001 was HUF22,077 million, a 14.6% increase from a year earlier. This profit was obtained by the subtraction of the HUF5,417 million of diminution in value and provisions from the HUF27,494 million operating income. Compared to the base period, this means a 13.5% increase in operating income and a 9.1% growth in diminution in value and provisioning expenses.

With 19.5% calculated taxes **post-tax profit** was HUF17,772 million, 13.1% higher than in the first 6 months of 2000.

After having generated the HUF1,777 million of general reserves and the dividend fund for the period, the Bank's **retained earnings** for the first 6 months were HUF12,393 million, an increase of 8.4% over the same period a year earlier.

Undiluted earning per share¹ for the period was HUF681.66, **diluted**² **EPS** was HUF634.71 which is 14.9% and 13.1% higher than for the first 6 months of 2000. US dollar equivalents are USD 2.34 and USD 2.18 respectively, based on the central banks average middle exchange rate between 1 January and 30 June 2001 (291.76 HUF/USD).

¹ Calculation method of undiluted earnings per share: post-tax profit/(ordinary shares -shareholders' equity)

² Calculation method of diluted earnings per share: (post-tax profit+preference dividend)/(ordinary shares+preference shares).

Annualised return on average equity for the period was 26.4%, on average assets 1.82%. ROA has risen, while the real ROE of 16% has been within the projected range for 2001.

NET INTEREST INCOME

The bank's **net interest income** for the first 6 months of 2001 was HUF47.9 billion, 17.2% higher than in 2000. The net interest income was a result of HUF95.8 billion interest income (2.9% increase) and HUF47.9 billion interest expenses (8.3% decrease).

During the second quarter interest earned on average assets reached 10.8%, which is lower than in 1Q 2001 but higher than during 2Q 2000. The funding cost declined further and in both 1Q and 2Q was lower than during the same period in 2000.

During 1H 2001 interest earned on average assets represented 10.99% rate a decline from 11.23% in 2000 and interest paid represented 5.63% rate a fall from 6.48%. The interest spread between the yields of average interest bearing liabilities and interest earning assets was 5.36% approx. 61 b.p. higher than a year earlier. Interest margin on average total assets was 5.04% an increase of 50 b.p. from H1 2000. Net interest income grew because liability yield fell faster than asset yield, higher yielding assets grew faster than total, foreign currency position of the balance sheet changed and mandatory reserve level dropped due to regulatory changes.

Within the interest income, compared to the first half of 2000, incomes from retail and corporate accounts and from securities increased. Interest earned on interbank accounts was lower partially due to the decline of the proportion of HUF placements. The NBH deposits of the bank were significantly lower and government and NBH security stock grew. In the retail business the interest yield of assets declined by approx. 1.66 percentage points due to expansion in the housing lending coupled with fall of interest rates on new housing loans. In municipal lending, with 15.9% growth in volume the interest income grew by 1.9%.

During 1H 2001 the Bank continued its conservative approach to its total FX position and decreased it during the second quarter especially after the widening of the HUF band by the NBH. The balance sheet position switched from net short to net long during the second quarter due to increased volumes and more active derivative markets.

In the first half of 2001 the decline in interest paid was significantly fast. Despite growth in volumes, interest expenses declined on retail and corporate accounts.

QUALITY OF LOAN PORTFOLIO, PROVISIONS

The quality of the loan portfolio improved slightly in the second quarter. Qualified portion of total receivables represented 4.7%, while it was 4.9% on 31 March 2001. While increase in total loans was 1.4%, no problem loans grew faster or by 1.5% and growth of qualified portion was limited to 0.5%. Within this, bad loans increased by 45.8%, to be monitored loans by 41.1%, and volume of doubtful and below average loans was 28.6%, and 65% lower resp., than on 31 March 2001.

The Bank's receivables and their qualification for 30 June 2001 were as follows (in HUF million):

	Total	Distribution (%)
Total of loans:	933,337	100.00
Performing	889,664	95.3
Qualified	43,673	4.7
Provision	25,832	
Coverage ratio	933,337	

While the total outstanding of the Bank increased by 19.6% since 30 June 2000, (within this customer receivables grew by 19.8%) the total qualified outstanding was 20.4% lower (within this decline of customer receivables was similar). As a result, the proportion of qualified receivables was 120 bp lower than one year earlier. Doubtful loans were 36.5% lower than a year earlier all other categories increased. For HUF43.7 billion qualified outstanding, total provisions were HUF25.8 billion resulting in coverage ratio of 59.1% (58.8% in the end of June 2000, 56.2% in the end of December 2000).

The proportion of retail business line in the qualified portfolio was 31.3%, 0.7% higher than 3 months earlier. Since 31 March 2001 the share of the corporate business in the qualified portfolio declined by 1.5% to 68.2%. At the same time 65.3% of the provisions was generated in the corporate and 33.8% in the retail business. Quality of the municipal portfolio remained outstanding.

The provisioning and loan losses on customer receivables for the first half 2001 was HUF33,587 million (a decrease of 11.7% from a year earlier) and the Bank also generated the required general risk (HUF937 million) provisions and released the exchange rate risk and country risk provisions generated at the end of 2000. Provisioning represented 1.14% of average customer receivables on an annualised basis as opposed to 1.55% during first half 2000.

In 1H 2001 the provision demand was caused partly by the current account related loans and partly for the housing loans with conditions between 1989 and 1994. In connection with the Hajdu-BÉT exposure no provision was generated. In the corporate business slight increase in provisioning concurred with decline in total provisions in part due to write back resulting from the decrease in the exposure to Hajdu-Bet.

The breakdown of receivables, qualified loans and provisions by businesses were as below:

30 June 2000

	Retail	Commercial banking	Interbank	Municipal
Total	21.7%	43.8%	27.4%	7.1%
No problem	20.8%	42.7%	29.0%	7.5%
Qualified	37.1%	61.9%	0.5%	0.4%
Provisions	34.9%	63.6%	0.9%	0.6%

30 June 2001

	Retail	Commercial banking	Interbank	Municipal
Total	22.7%	43.7%	27.3%	6.3%
No problem	22.3%	42.5%	28.6%	6.6%
Qualified	31.3%	68.2%	0.4%	0.2%
Provisions	33.8%	65.3%	0.7%	0.3%

At the end of the first half of 2001, the receivables in connection with Hajdu-Bét and the provisions generated after them developed as follows:

	31 March 2001			30 June 2001		
	Capital	Provisions	Coverage	Capital	Coverage	Provisions
Old loans	5,118,389	3,326,954	65.0%	4,604,177	2,992,715	65.0%
New loans				2,524,094	252,409	10.0%
Total loans	5,118,389	3,326,954	65.0%	7,128,271	3,245,124	45.5%
Total investments	2,694,670	2,694,670	100.0%	2,694,670	2,694,670	100.0%
Total off-balance sheet	438,660	221,657	50.5%	688,692	181,234	26.3%
Total Hajdu-Bét Group	8,251,719	6,243,279	75.7%	10,511,633	6,121,029	58.2%
Hortobágy-Nyírmada -investment	400	400	100.0%	400	400	100.0%
OTP Ingatlan International	3,894,914	2,531,694	65.0%	3,714,914	2,906,354	78.2%
Air Invest Asset Management	1,950,000	1,950,000	100.0%	1,950,000	1,950,000	100.0%
Risk exposures in connection with Hajdu-Bét	14,496,633	11,124,975	76.6%	16,576,547	11,377,383	68.6%

During the second quarter Hajdu-Bet finished repaying the loan resulted from the exchange of interest to loans at the end of 2000 and received fresh loans of HUF2.5 bn to finance first quality customer receivables. The bank has qualified its loans to OTP Real Estate International as bad moving them from doubtful and generated new provisions for them.

NON-INTEREST INCOME

During first 6 months of 2001 non-interest income increased by 2.5% over the same period in 2000, and reached HUF19,569 million. Net fees and commissions represented HUF18,223 million, a 23.7% increase (fees and commissions received increased by 19.8, fees and commissions paid were 0.1% lower). Within fee income the rapid increase of the card business continued further, the HUF6,328 million income in the first 6 months of 2001 was 42.3% higher than in the same period of 2000. Within this the transaction fees from

cash withdrawals increased dynamically by 42.1%. Fee income from the retail current accounts increased by 17.3% as compared to the first half of 2000 and approached HUF3.6 billion. Because of the higher lending activity the fees on loans also grew, from the HUF loans by 56% and from the FX loans declined by 29.2%.

Net loss on securities trading in the first half were HUF1,626 compared to HUF2,283 million gains in the first 6 months of 2000. After splitting the trading and investment portfolio, the loss was generated partly by the government bonds in the trading portfolio and partly by the investment portfolio and the one-time loss time-proportionately accounted on the part of the portfolio maturing in 2001 and later according to the new rules valid from 1 January 2001. At the same time the Bank could increase its interest income from the bond portfolio.

Foreign exchange gains reached HUF2,390 almost 76% higher than for the first half 2000. The change was largely due to the change in the re-evaluation difference resulting from change in the FX position of the Bank's balance sheet. The Bank held a short average FX position in its balance sheet. The change (decline) in the profits resulting from the shift in FX position is estimated at HUF230 million which was counterbalanced by the HUF1,532 million increase in the spread of FX trading. Losses on real estate transactions in the first half were lower.

Non-interest income represented 29% of total income, slightly lower than a year earlier.

Total income for the Bank reached HUF67,419 million, a 12.5% increase over the same period in 2000.

NON-INTEREST EXPENSES

During the first 6 months of 2001 **non-interest expenses** reached HUF39,925 million, 11.8% higher than a year earlier. The 15.1% increase in **personnel expenses** was according to projections. Personnel expenses were influenced by an average 10% salary increase for non-management employees at the beginning of the year and by the accrual of the cost of the option program. Such accrual was not accounted in first quarter 2000. Personnel expenses represented 20.8% of total income compared to 20.4% during 1H 2000.

Depreciation grew by 6.2% to HUF5,410 million.

Other non-interest expenses were significantly 11.2% higher than a year earlier. Within these the material cost and other expenses grew by 6.7% only, which already reflects the effect of cost saving intentions of the management. At the same time non-refundable VAT, other taxes, money handling fees, marketing cost and domestic fees to consultants increased by or above inflation.

The Bank's **cost/income ratio** was 59.2%, 40 bps higher than in 2000, and lower than the projected figure for the year.

RESULTS OF THE BANK

The Bank's first 6 months 2001 operating profits grew by 13.5% and reached HUF27,495 million. Following a 9.1% decrease in provisioning, **pre-tax profits** amounted to HUF22,077 million, 14.6% higher than in 2000.

Calculated **after-tax profit** was HUF17,772 million, 13.1% higher than a year earlier and is in line with the estimated first half earnings based on the projections for the whole year.

NON-CONSOLIDATED HAR BALANCE SHEET AS AT 30 JUNE 2001

OTP Bank's **total assets** as at 30 June 2001 were **HUF1,973,664 million**, 8.8% higher than in 2000, and represented 22.1% of the banking system's total assets (on 30 June 2000 23.3%, on 31 December 2000 22.9%).

Since 30 June 2000 within banking assets, cash and banks, that represented 23% of assets, declined by 16% driven by 28.9% decrease in NBH account balances and 15.7% decrease in term deposits with maturity within one year with the NBH. Interbank placements grew by 18.7% and within them volumes of NBH placements decreased by 9.7%. The volume of government securities increased by 27.4% during the same period, trading securities declined by 25% and investment securities were 63.9% higher.

Customer receivables exceeded last year's figure by 23.5% and represented 33% of total assets compared to 28.9% a year earlier. Within them the volume of retail loans was 30.2%, corporate loans were 22.6% and municipal loans were 3.4% higher than on 30 June 2000.

The volume of business loans was HUF647.3 billion, 23.5% higher than on 30 June 2000. The main reason for the change in the last 12 months was that the volume of retail loans increased significantly as opposed to the past years, and this was boosted by the higher growth rate of the volume of corporate loans. Within corporate lending, the **commercial loan** portfolio was 22.9% higher than a year earlier reaching HUF362.4 billion, within them loans for investment purposes grew by 0.7%, current asset financing and current account loans by 30%. Loans granted to small businesses and individual entrepreneurs increased by 13.2%, the share of loans to small businesses within the corporate loan portfolio dropped from 3.8% to 3.6%. Since 31 December 2000 the corporate loan portfolio declined by 3.1%.

The 30.2% increase in retail loans was a result of 23.4% increase in housing lending and 39.9% growth in consumer lending. The volume of housing loans increased from HUF93.4 billion in the end of June 2000 to HUF115.2 billion due to the considerable volume of granted new housing loans. The Bank granted HUF35.5 billion of new housing loans in the first half of 2001, out of that HUF14.1 billion were granted with interest subsidies of the state. Within consumer loans current account related loans increased by 38.9% reaching HUF49.5 billion. Volume of mortgage-based personal (home equity) loans introduced in 1999 reached nearly HUF35.8 billion, an increase of 86.3%. Volume of housing and mortgage loans combined was 34.1% higher than a year earlier.

Municipal loans grew during 2Q 2001, and loan volume was 3.4% higher than a year earlier. Loans to budgetary organisations in the first half decreased slightly and were 17.4% higher than on 30 June 2000.

The overall market share of the Bank in lending reached 15% of the banking sector (16.1% on 30 June 2000). Based on preliminary data, on 30 June 2001 the Bank granted 34% of retail, 10.9% of corporate and 70.4% of municipal loans (market shares a year earlier were 42.3%; 11.7% and 73.6% resp.).

The proportion of government securities continued to increase in the Bank's portfolio in the first half of 2001. Their volume on 30 June 2001 grew from HUF339.1 billion to HUF432.1 billion, and at the same time their structure changed; the share of long-term securities within the portfolio grew. Their ratio among all assets increased from 18.7% to 21.9%.

On 30 June 2001, customer deposits of HUF1,600.8 billion represented 81.1% of the Banks liabilities. The Bank held 31.5% of total deposits with the banking sector (33.6% on 30 June 2000.).

The volume of retail deposits was 6.3% higher than a year earlier and reached HUF1,304.7 billion, and its share within the Bank's deposits decreased by 0.5% to 81.5%. Within HUF deposits, increased by 8.3%, interest-bearing passbook deposits increased by 3.6%, while the total of premium deposits grew by 18.8%. Current account deposits - leading retail product of the Bank - increased significantly by 10.4% from HUF479.1 billion to HUF552.6 billion. Over the period of 12 months ending in June 2001, foreign currency deposits increased by 0.4%, at higher lower than HUF deposits due to the appreciation of the HUF. The Bank handled 40.1% of retail HUF and foreign currency deposits of the banking sector in the end of the period (40.6% in 2000).

The volume of the Bank's issued securities declined by 4.9% in line with the business policy of the Bank. Market share of the Bank in bank issued securities dropped to 1.5% from 4.6%.

Volume of corporate deposits increased by 7.3% in the period of analysis. Deposits of legal entities increased by 13.2% in HUF and decreased by 6.2% in foreign currencies. Similarly, deposits of small enterprises and individual entrepreneurs increased by 22.8%. Market share of the Bank in corporate deposits was at 11.7% on 30 June 2001 (13.5% a year earlier).

Municipal deposits grew by 13% from HUF72 billion in the end of June 2000 to HUF81.3 billion. Local governments placed 73.9% of their deposits with the Bank (79.2% in 2000).

SHAREHOLDERS' EQUITY

Shareholders' equity of OTP Bank on 30 June 2001 grew from HUF113.66 billion to HUF141.67 billion, an increase of 24.6%. The increase of HUF28 billion was a result of an additional HUF3.5 billion in general reserves, as well as a HUF14.1 billion increase in retained earnings, HUF9.5 billion increase in fixed reserves and a HUF1 billion growth in net profits.

On 30 June 2001, the HAR **guarantee capital** of the Bank stood at HUF105.3 billion (HUF117.7 billion including after tax profits for the period).

The **capital adequacy ratio** - calculated according to Hungarian regulations - was 13.53% as at 30 June 2001 (15.12% including after tax profits for the period), well in excess of the 8 % required by the Banking Act.

OTHER

The number of **retail current accounts**, the leading product of the Bank, expanded to 2,945,550. 30% of them belonged to clients from Budapest. The number of time deposits connected to current accounts reached 613.033. In June of 2001 1,899 thousand salary and pension transfer have been sent to the accounts. The number of transfers from the accounts was nearly 3 million.

The number of cards issued exceeded 2.9 million on 30 June 2001. Within the stock as at 30 June 2001, the number of HUF based cards that are serviceable abroad exceeded 2.7 million. The number of cards used for client identification was 130 thousand, the number of B-loan cards connected to retail current accounts was 168.8 thousand and the number of C-loan cards introduced in 2000 was 46,337 on 30 June, 2001.

The number of the Bank's ATMs expanded to 1,072, the number still represented nearly the half of ATMs operating in Hungary. The number of transactions executed by the Bank's card owners, performed through the Bank's ATMs, reached 28.1 million in the first 6 months of 2001, while the turnover of transactions was HUF516 billion, an increase of 11% and 24%, resp. over the first 6 months of 2000. The number of POS terminals on 30 June 2001 stood at 15,371. Out of them 2,376 were operating in the Bank's branches and 827 at gas stations. The number of withdrawal transactions on the Bank's own POS network increased 11.8% to 2.9 million, the turnover was 28% higher, HUF331 billion. The number of purchases on POS terminals at merchants was 9.9 million (41.7% increase) valuing HUF78.5 billion (41.9% increase). The number of client terminals operating through telephone lines reached 8,960 on 30 June 2001. At the end of June 2001, there were 89.4 thousand clients of OTP H@zibank, the Bank's internet service, which represented a market share of about 80%. The bank's customers carried 1.4 million transactions over the internet, 31.% of which were active transactions. The number of customers for the TeleBANK Center surpassed 269 thousand, while Mobile TeleBANK subscribers' number reached 71,000.

The decrease of the staff number continued in the second quarter of 2001. The staff number decreased by 9 person during the quarter, the staff number at the Bank was 320 or 3.8% lower than a year earlier.

Trend in the number of OTP Bank staff:

	2000.	2001.	Change (%)
	First half or 30 June		
Average number of employees	8,507	8,144	-4.3%
Employees at the end of period	8,459	8,139	-3.8%

CONSOLIDATED FIGURES AS OF 30 JUNE 2001.

The guiding principle in consolidating the balance sheets and profit and loss accounts prepared by OTP Bank's fully integrated subsidiaries, in line with the Bank's consolidation accounting policy, was to restructure the subsidiaries' asset, liability, income and expense items under non-banking and investment activities.

First half consolidated data of the OTP Group in HUF million:

	Equity		Total assets		Pre-tax profits	
	30-June-2000	30-June-2001	30-June-2000	30-June-2001	1H 2000	1H 2001
OTP Bank Ltd.	113.658	141.672	1.813.343	1.973.664	19.257	22.077
Subsidiaries total	40,935	50,448	186,578	240,569	4,403	5,543
Total (non consolidated)	154,593	192,120	1,999,921	2,214,233	23,660	27,620
Consolidated	126.201	161.658	1.939.233	2.142.948	23.111	27.196

The group of fully consolidated subsidiaries changed compared to the corresponding period of previous year because Merkant-Ház Ltd. has been a fully consolidated subsidiary since the preparation of the consolidated Stock Exchange Report of 31 December 2000. In preparing the Stock Exchange Report of 30 June 2001, the bank applied the following methodology:

Fully consolidated subsidiaries	15
Equity consolidated companies	14

of which	
- daughter companies	8
- mutually managed companies	2
- associated companies	4

CONSOLIDATED BALANCE SHEET

Total assets of the group as at 30 June 2001 were HUF2,143 billion, 8.6% higher than total assets of the Bank. The consolidated balance sheet total for the Group increased by HUF204 billion or 10.5% from a year earlier. Among daughter companies total assets of OTP Building Society increased the most (by HUF15.7 billion) followed by OTP-Garancia Insurance (by HUF12.7 billion), while asset growth of Merkantil Bank exceeded HUF5.1 billion disregarding consolidation steps. Due to its booming finance lease business, Merkantil-Car's assets rose by HUF7.8 billion.

In the consolidated balance sheet, current assets decreased by HUF21 billion, investments increased by HUF218 billion and accrued assets grew by HUF7 billion from 30 June 2000.

In the consolidated balance sheet of 30 June 2001, the shares of current assets and investments were 57% and 41.4%, respectively; while a year ago these shares were 64.1% and 34.5%, respectively. These shares in the consolidated balance sheet had similar values in both years to the balance sheet of the Bank.

The decrease of current assets was a result of the increase receivables (HUF71 billion) and inventories (HUF2 billion) and the decrease of cash and balances with banks (HUF86 billion) and trading securities (HUF8 billion),

Within the 15.8% decrease of consolidated cash and balances with banks the most significant amounts were the decrease of the term deposits with the NBH and balances with NBH at OTP Bank (HUF104 billion).

The 4.2% decrease in consolidated volume of trading securities was mostly caused by the HUF22 billion change in the volume of government securities and the HUF16 billion change in own shares. Among the subsidiaries the HUF12.8 billion increase of investments of OTP Building Society was significant. Out of the HUF28.8 billion volume of own shares in current year, OTP Bank holds 66% according to book value, while the rest is owned by two subsidiaries.

In the consolidated balance sheet of 30 June 2001, the volume of short term receivables increased by 14% compared to the corresponding period of previous year. Within this, receivables from credit institutions increased by HUF41.5 billion (20.8%), while receivables from customers rose by HUF65.8 billion (27.3%). Other receivables declined by HUF36.8 billion (57.2%) in the consolidated report.

The increase of the consolidated volume of receivables from credit institutions reflects the change at OTP Bank, which was mostly due to the change of receivables from domestic banks.

In the change of receivables from customers, beside OTP Bank, Merkantil Group and the London based HIF subsidiaries were the significant.

The HUF2.4 billion change in inventories in the consolidated balance sheet was mostly due to the ongoing projects of OTP Real Estate.

Compared to the same period of 2000, the volume of investments was 32.5% higher in the consolidated balance sheet. Within the change of financial investments (HUF147.3 billion) the increase of government securities was the most significant (HUF140.3 billion), which changed mainly at OTP Bank. Beside this there was also significant change at Garancia Insurance: the volume of investments generated for clients - due to the booming life business line - was HUF11.1 billion higher than a year earlier.

Consolidated fixed assets increased by HUF2.6 billion. The change was connected to the consolidation of Merkantil-Ház, which is engaged in operative lease.

On the liability side, the increase of the consolidated balance sheet total compared to the previous period was the result of HUF57 billion increase of liabilities, HUF14 billion increase of provisions and HUF35 billion increase of shareholders' equity, while deferred expenses decreased by HUF2 billion.

In the consolidated balance sheet within liabilities short-term liabilities increased by 11.1% (by HUF175 billion) and long-term liabilities decreased by 11.7% (by HUF18 billion). The change in short-term liabilities was somewhat smaller than at the mother company (HUF178 billion), while within the current value of long-term liabilities, the decrease at OTP Bank was counterbalanced by the increasing liabilities to customers at OTP Building Society and Merkantil Bank. Within liabilities, short-term liabilities to customers increased by HUF159 billion, which was mainly due to the change in the volume of deposits at OTP Bank.

The proportion of customer liabilities within total liabilities was 89% as at 30 June 2001 and 87.4% as at 30 June 2000. These indicators were 89.4% and 88.2% in the case of OTP Bank.

Provisions on the liability side in the consolidated balance sheet rose by HUF14 billion. General risk provisions increased by HUF2 billion, and other provisions increased by HUF12 billion. Within the latter, insurance technical reserves of OTP Garancia Insurance were HUF11.9 billion higher compared to 30 June 2000.

At the end of June 2001 consolidated shareholders' equity was HUF162 billion (28.1% growth) representing 7.3% of balance sheet total up from 6.0% in the previous year.

CONSOLIDATED RESULTS

Consolidated pre-tax profit for 1H 2001 was HUF27,196 million, 23.2% higher than pre-tax profit of the bank, and 17.7% higher than consolidated pre-tax profit for the same period of 2000.

Consolidated after tax profits for 1H 2001 was HUF22,001 million, which was 15.8% higher than the consolidated after-tax profit for the same period of 2000, and 23.8% higher than at the Bank.

Consolidated after tax earnings per share calculated for 1H 2001 were HUF862.25 undiluted, whereas diluted EPS was HUF785.75, representing an increase of 19.5% and 15.8% over the first half of 2000. US dollar equivalents were USD 2.98 and USD 2.69 respectively, based on the National Bank's average middle exchange rate between 1 January and 30 June 2001 (i.e. 291.76 HUF/USD).

Consolidated net interest income for the first half of 2001 reached HUF53,576 million, 18.1% higher than in 2000 and 12% more than that of the Bank. This can be explained by the successful operation of Merkantil Group and the return of investments at OTP Building Society. Consolidated interest income was 4.3% higher, and expenses were 7.3% lower than in the same period of 2000.

Within consolidated interest income of HUF103.9 billion, the increase of interest income from securities (HUF7.2 billion) and the decrease of interest income from interbank placements (HUF6.9 billion) represented the largest amounts. Increase showed up in interest income from retail and corporate accounts on both consolidated (14.4% and 17.2%) and non-consolidated level.

Within interest expenses of HUF50.4 billion the interests paid on retail deposits represented the largest part.

Non-interest income increased by 3%. Consolidated net fees and commissions increased by 21.1%, at a lower rate than at the Bank. The reason for this is that Merkantil Group, Garancia Insurance and OTP Building Society are net fee payers. Majority of non-interest income of the subsidiaries, mainly from the insurance subsidiary, shows up at other non-interest income, which was HUF21 billion higher than at the Bank and represented 0.9% increase from the base period. In the first half of 2001, on a consolidated basis non-interest income represented 42.2% of total income compared to 47.1% for the same period in 2000.

Consolidated cost/income ratio decreased from 66.8% in the previous year to 64.8% for the current period.

Consolidated operating income was HUF5 billion (17.3%), while provisioning was 15.9% higher than a year earlier.

In the first half of 2001, provisioning and loan losses represented to 19.8% of operating income as opposed to 20% a year earlier.

SUBSIDIARIES

The pre-tax profits of the fully consolidated major subsidiaries affecting the profit figures of the consolidated report are as follows as at 30 June 2001:

	1H 2000	1H 2001	in HUFmillions Change
Merkantil Bank	906	1,022	12.8%
Merkantil-Car	106	250	135.8%
Merkant Haz	—	141	
HIF Ltd.	97	109	12.4%
OTP-Garancia Insurance.	551	621	12.7%
OTP Real Estate.	294	642	118.4%
OTP Securities	406	6	-98.5%
OTP Real Estate Asset Mgmt	18	273	1416.7%
OTP Factoring	234	483	106.4%
Bank Center No I.	331	-2	-100.6%
OTP Building Society.	748	908	21.4%
OTP Fund Management	685	1,034	50.9%
Other subsidiaries	27	56	107.4%
Subsidiaries total:	4,403	5,543	25.9%

Noteworthy highlights pertaining to the fully consolidated major subsidiaries are as follows

OTP Garancia Insurance reached HUF621 million pre-tax profit in the first half of 2001. In contrast with a HUF9 billion premium income in the corresponding period of last year, the insurance company realized HUF18.5 billion in the 1st half, which is 5.4% lower. Premium income totaled HUF8.4 billion in the life and bank insurance business (a 23.3% decline from 2000) and HUF10.1 billion in the non-life business (17.4% higher than a year earlier). New acquisition declined both in the single payment and annuity type life insurance products in line with market development. Premium income however increased in the annuity life business, and was 36,8% lower in the single payment life business. The market shares of Garancia were 9.1% of total, 10.2% of life and 8.3% of non-life markets.

During the 1st half of 2001, total insurance expenses amounted to HUF19.1 billion in which damages and services was HUF9 billion. Thus, the damage to premium ratio in the non life insurance business reached 57.8%. Insurance technical reserves increased by 34.5% from HUF32.8 to HUF44.1 in accordance with the long-term strategic and business policy goals of the company. Total assets of the company increased by 33.3% compared to the corresponding period of last year (from HUF38.1 to HUF50.4 billion). Shareholders' equity increased from HUF4.1 billion in the 1H 2000 to HUF5 billion.

Merkantil Bank Ltd. closed the 1st half of 2001 with total assets of HUF55.8 billion. Its pre tax profit amounted to HUF1,022 million. The interest margin over average assets was higher than planned, as a result of the improved liability structure and increase on asset margin.

Gross volume of car loans represented 80.8% of Merkantil Bank assets while the share of dealer financing was 9.2%. The volume of car loans increased by HUF4.1 billion compared to the corresponding period of last year, and amounted to HUF44.3 billion on 30 June 2001.

Tendencies in car financing that started last year continued. The significant portion of contracts were based on foreign exchange (which appears in the books of Merkantil Car Ltd), and the share of used cars in the portfolio also increased. In the 1st half of 2001, the number of car financing transactions in Merkantil Group reached 17,840 of which the number of new car financing was 10,222. The share of foreign exchange leasing contracts reached 32% of the total in the 1st half.

Total assets of **Merkantil Car** was HUF25.7 billion, which is HUF2.6 billion higher than at the end of 2000. The volume of foreign exchange denominated car-leasing was higher by 17.4% or almost by HUF3 billion

compared to the end of last year. The 1st half was characterized by higher than projected revenue and lower than planned costs, resulting in HUF250 million pre-tax profit.

At **OTP Securities** – according to the strategic concept of OTP Group – rationalization of capital market services continue in 2001. Consequently, transfer of investment services of OTP Securities to the mother bank will be completed this year.

In the 1st half of 2001, the result of investment services totaled HUF588 million with HUF1.8 billion income and HUF1.2 billion expenses.

In the first 6 months, security-turnover of the company reached HUF1,228 billion, of which 24% took place on the stock exchange and 76% on OTC market. Government securities trading still had a determining effect on the turnover: OTP Securities was the first in the BSE ranking in the government bond section with 21.5% of the market by volume. The government paper trading has been transferred to the bank with 1 July 2001 effect. Derivative volume surpassed HUF213 billion. Most of the trading took place on the Budapest Commodity Exchange where OTP Securities continues to be a market leader in the financial section.

In spite of the negative effect of the integration process, OTP Securities closed the 1st half with a HUF6 million pre-tax profit; after a loss of HUF102 million in the first quarter; they achieved a profit of HUF108 million in the second quarter of the year.

In the 1st half of 2001, the operation of the London-based **Hungarian International Finance Ltd.** corresponded, in most respect, with its business plan. The company successfully changed its matured assets and the volume of its portfolio also increased. Pre-tax profit of the company totaled HUF109 million (GBP 266 thousand) 15% above the projected for the period. OTP Bank regularly recommended the export financing possibilities at HIF to its customers.

The Central and Eastern European market remained the main region of the company's business strategy, with 54.9% of commitments and guarantees. Value of business deals in the markets of Central and South America represented more than 18%, while Middle-East and North Africa represented 15,9% at end of the period.

The results of **OTP Fund Management** are continuously increasing year-by-year. The pre-tax profits of the company for the 1st half of 2001 reached HUF1,034 million, which is 50% higher than in the corresponding period of 2000. By the end of June 2001, the assets managed by the company increased to HUF395 billion of which mutual funds represented HUF313 billion, asset management for voluntary pension funds was HUF30 billion and HUF52 billion for private pension funds. The HUF299.4 billion net asset value of the mutual funds represented a market share in excess of 51%.

In the 1st half of 2001, **OTP Building Society** concluded 44,566 contracts in cooperation with agent firms and the branches of OTP Bank. The volume of customer deposits was HUF40.5 billion on 30 June 2001. The company closed first half 2001 with HUF908 million pre-tax profit, which surpasses the planned figure by 14%.

In the 1st half of 2001, net sales of **OTP Real Estate** totaled HUF6 billion. Its pre-tax profit reached HUF642 million, 118.4% more than a year ago. The company's total assets were more than HUF11.5 billion. Current assets amounted to HUF10.1 billion of which inventories represented HUF6.8 billion.

In the 1st half of 2001, **OTP Factoring** concluded contracts in gross value of HUF1.5 billion, of which the value of claims purchased from OTP Bank totaled HUF792 million. The operation of the Factoring is still rather profitable. Revenues in the 1st half exceeded the planned figure mostly due to some larger transaction launched in last months of last year and closed at the beginning of this year. As a result of higher revenues and hitting the planned figure at the cost side, pre-tax profit of Factoring Ltd. was HUF483 million, significantly higher than planned for this period.

PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE FIRST HALF OF 2001 AT OTP BANK LTD

The AGM of the Bank on 25 April 2001 has elected the following Board of Directors for 5 years:

FINANCIAL DATA

FIRST HALF 2001 SELECTED NON-CONSOLIDATED FINANCIAL DATA (HUF)

HUFmillions	First 6 months of 2000	First 6 months of 2001	Change 2001/2000
Interest from interbank accounts	30,967	23,677	-23.5%
Interest from customer accounts	18,080	19,958	10.4%
Interest from corporate accounts	17,164	20,731	20.8%
Interest from municipal accounts	2,739	2,791	1.9%
Interest from bonds	19,438	26,417	35.9%
Interest from mandatory reserves	4,758	2,250	-52.7%
Total interest income	93,146	95,824	2.9%
Interest on interbank accounts	1,635	1,517	-7.2%
Interest on customer accounts	39,063	37,908	-3.0%
Interest on corporate accounts	5,573	3,997	-28.3%
Interest on municipal accounts	3,172	2,978	-6.1%
Interest on bonds	2,082	812	-61.0%
Interest on long term debt	783	762	-2.7%
Total interest expense	52,308	47,974	-8.3%
Net interest income	40,838	47,850	17.2%
Fees & commissions income	17,626	21,117	19.8%
Fees & commissions paid	2,886	2,884	-0.1%
Net fees & commissions	14,740	18,233	23.7%
Gains (losses) on securities trading	2,283	-1,626	-171.2%
Gains (losses) on forex trading	1,358	2,390	76.0%
Gains (losses) on property transactions	-127	-71	-44.1%
Other	833	643	-22.8%
Non interest income	19,087	19,569	2.5%
Share of non interest income in total income	31.9%	29.0%	-2.8%
Total income	59,925	67,419	12.5%
Staff costs	12,202	14,041	15.1%
Depreciation	5,096	5,410	6.2%
Other operating expenses	18,406	20,474	11.2%
Operating costs	35,704	39,925	11.8%
Cost/Income ratio %	59.6%	59.2%	-0.4%
Operating income	24,221	27,494	13.5%
Diminution in value, provisions and loan losses	4,964	5,417	9.1%
Income before income taxes	19,257	22,077	14.6%
Taxes	3,550	4,305	21.3%
Tax rate %	18.4%	19.5%	1.1%
After tax profits	15,707	17,772	13.1%

The Bank's non-audited 1H 2000, 1H 2001 and audited 2000 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

FIRST HALF 2001 SELECTED NON-CONSOLIDATED FINANCIAL DATA (USD)

USD '000	First 6 months of 2000	First 6 months of 2001	Change 2001/2000 (%)
Interest from interbank accounts	115,390	81,152	-29.7
Interest from customer accounts	67,369	68,406	1.5
Interest from corporate accounts	63,955	71,054	11.1
Interest from municipal accounts	10,206	9,566	-6.3
Interest from bonds	72,430	90,544	25.0
Interest from mandatory reserves	17,729	7,712	-56.5
Total interest income	347,079	328,434	-5.4
Interest on interbank accounts	6,092	5,201	-14.6
Interest on customer accounts	145,560	129,931	-10.7
Interest on corporate accounts	20,767	13,700	-34.0
Interest on municipal accounts	11,818	10,208	-13.6
Interest on bonds	7,759	2,781	-64.2
Interest on long term debt	2,915	2,610	-10.5
Total interest expense	194,911	164,431	-15.6
Net interest income	152,168	164,003	7.8
Fees & commissions income	65,679	72,375	10.2
Fees & commissions paid	10,752	9,884	-8.1
Net fees & commissions	54,927	62,491	13.8
Gains (losses) on securities trading	8,506	-5,574	-165.5
Gains (losses) on forex trading	5,064	8,194	61.8
Gains (losses) on property transactions	-477	-245	-48.6
Other	3,103	2,206	-28.9
Non interest income	71,123	67,072	-5.7
Ratio of non interest income	31.9%	29.0%	-8.9
Total income	223,291	231,075	3.5
Staff costs	45,468	48,125	5.8
Depreciation	18,989	18,545	-2.3
Other operating expenses	68,583	70,169	2.3
Operating costs	133,040	136,839	2.9
Cost/Income ratio %	59.6%	59.2%	-0.6
Operating income	90,251	94,236	4.4
Diminution in value, provisions and loan losses	18,497	18,568	0.4
Income before Income taxes	71,754	75,668	5.5
Taxes	13,228	14,756	11.6
Tax rate %	18.4%	19.5%	5.8
After tax profits	58,526	60,912	4.1

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 268.37HUF/USD for 1H 2000, HUF/USD for 291.76 1H 2001.

FIRST HALF 2001 SELECTED CONSOLIDATED FINANCIAL DATA (HUF)

HUFmillions	First 6 months of 2000	First 6 months of 2001	Change 2001/2000
Interest from interbank accounts	30,387	23,497	-22.7%
Interest from customer accounts	20,759	23,755	14.4%
Interest from corporate accounts	19,647	23,033	17.2%
Interest from municipal accounts	2,739	2,791	1.9%
Interest from bonds	21,287	28,517	34.0%
Interest from mandatory reserves	4,852	2,333	-51.9%
Total interest income	99,671	103,926	4.3%
Interest to interbank accounts	2,435	1,774	-27.1%
Interest on customer accounts	39,533	38,585	-2.4%
Interest on corporate accounts	5,258	3,905	-25.7%
Interest on municipal accounts	3,172	2,978	-6.1%
Interest on bonds	3,111	2,346	-24.6%
Interest on subordinated loan	782	762	-2.7%
Total interest expense	54,291	50,350	-7.3%
Net interest income	45,380	53,576	18.1%
Fees & commissions income	18,861	22,543	19.5%
Fees & commissions paid	3,628	4,098	13.0%
Net fees & commissions	15,233	18,445	21.1%
Securities trading	2,881	-1,937	-167.2%
Forex trading	1,061	3,015	184.1%
Losses on property transactions	676	1,377	103.6%
Other	21,705	21,893	0.9%
Non interest income	41,556	42,793	3.0%
Ratio of non interest income	47.8%	44.4%	-3.4%
Total income	86,936	96,369	10.8%
Staff costs	15,851	17,980	13.4%
Depreciation	5,871	6,972	18.7%
Other costs	36,322	37,520	3.3%
Operating costs	58,044	62,472	7.6%
Cost/income ratio	66.8%	64.8%	-2.0%
Operating income/Profit	28,892	33,897	17.3%
Diminution in value, provisions and loan losses	5,781	6,701	15.9%
Pre-tax profit	23,111	27,196	17.7%
Taxes	4,244	5,274	24.3%
Taxes due to consolidation	-130	-79	-39.1%
Tax rate %	17.8%	19.1%	7.3%
After tax profits	18,997	22,001	15.8%

The Bank's non-audited 1H 2000, 1H 2001 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

FIRST HALF 2001 SELECTED CONSOLIDATED FINANCIAL DATA (USD)

USD 000s	First 6 months of 2000	First 6 months of 2001	Change 2001/2000 (%)
Interest from interbank accounts	113,228	80,536	-28.9
Interest from customer accounts	77,352	81,420	5.3
Interest from corporate accounts	73,211	78,947	7.8
Interest from municipal accounts	10,205	9,566	-6.3
Interest from bonds	79,318	97,741	23.2
Interest from mandatory reserves	18,081	7,996	-55.8
Total interest income	371,395	356,206	-4.1
Interest to interbank accounts	9,074	6,082	-33.0
Interest on customer accounts	147,308	132,247	-10.2
Interest on corporate accounts	19,591	13,385	-31.7
Interest on municipal accounts	11,818	10,208	-13.6
Interest on bonds	11,593	8,042	-30.6
Interest on subordinated loan	2,915	2,610	-10.5
Total interest expense	202,299	172,574	-14.7
Net interest income	169,096	183,632	8.6
Fees & commissions income	70,280	77,266	9.9
Fees & commissions paid	13,520	14,047	3.9
Net fees & commissions	56,760	63,219	11.4
Securities trading	10,735	-6,641	-161.9
Forex trading	3,954	10,334	161.4
Losses on property transactions	2,519	4,719	87.4
Other	80,878	75,038	-7.2
Non interest income	154,846	146,669	-5.3
Ratio of non interest income	47.8%	44.4%	-7.1
Total income	323,942	330,301	2.0
Staff costs	59,063	61,627	4.3
Depreciation	21,878	23,896	9.2
Other costs	135,342	128,597	-5.0
Operating costs	216,283	214,120	-1.0
Cost/income ratio	66.8%	64.8%	-3.0
Operating income/Profit	107,659	116,181	7.9
Diminution in value, provisions and loan losses	21,543	22,968	6.6
Pre-tax profit	86,116	93,213	8.2
Taxes	15,815	18,078	14.3
Taxes due to consolidation	-484	-271	-44.0
Tax rate %	17.8%	19.1%	7.3
Net income	70,785	75,406	6.5

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 268.37HUF/USD for 1H 2000, HUF/USD for 291.76 1H 2001.

PK3. Balance Sheet**BALANCE SHEET**

(unconsolidated and consolidated, based on HAR) as at 30 June 2001

				HUF million		
	30-June 2000 Bank	30-June-2001	Change %	30-June- 2000 Consolidated	30-June- 2001	Change %
BALANCE SHEET						
ASSETS:						
1. Cash in hand, balances with central banks	540,526	454,222	-16.0%	545,038	458,958	-15.8%
2. Treasury bills	331,083	424,094	28.1%	390,769	509,214	30.3%
a) held for trade	133,346	100,069	-25.0%	166,186	144,320	-13.2%
b) held as financial fixed assets (for long term investment)	197,737	324,025	63.9%	224,583	364,894	62.5%
3. Loans and advances to credit institutions	222,400	264,023	18.7%	218,002	262,625	20.5%
a) repayable on demand	2,598	1,724	-33.6%	2,600	1,726	-33.6%
b) other receivables from financial services	219,802	262,299	19.3%	215,402	260,899	21.1%
ba) maturity not more than one year	201,317	240,721	19.6%	197,217	239,621	21.5%
bb) maturity more than one year	18,485	21,578	16.7%	18,185	21,278	17.0%
c) receivables from investment services						
4. Loans and advances to customers	524,647	651,676	24.2%	576,778	706,706	22.5%
a) receivables from financial services	524,647	651,555	24.2%	574,796	704,404	22.5%
aa) maturity not more than one year	240,457	319,310	32.8%	239,342	304,801	27.3%
ab) maturity more than one year	284,190	332,245	16.9%	335,454	399,603	19.1%
b) receivables from investment services	0	121		1,982	2,302	16.1%
ba) receivables from investment service activities on the on the stock exchange				150	10	-93.3%
bb) receivables from over-the-counter investment service activities				7	81	1,057.1%
bc) receivables from clients for investment service activities		121	100.0%	964	252	-73.9%
bd) receivables from clearing houses				861	1,959	127.5%
be) other receivables from investment service						
5. Debt securities including fixed-income securities	19,909	25,246	26.8%	20,276	25,982	28.1%
a) securities issued by local self-governing bodies and by other public body (not include the treasury bills issued by Hungarian state and securities issued by Hungarian National Bank)	7,992	7,992	0.0%	7,992	7,992	0.0%
aa) held for trade						
ab) held as financial fixed assets (for long term investment)	7,992	7,992	0.0%	7,992	7,992	0.0%
b) securities issued by other bodies	11,917	17,254	44.8%	12,284	17,990	46.5%
ba) held for trade	901	1,042	15.6%	952	1,082	13.7%
bb) held as financial fixed assets (for long term investment)	11,016	16,212	47.2%	11,332	16,908	49.2%
6. Shares and other variable-yield securities	836	1,420	69.9%	4,597	3,730	-18.9%
a) shares and participations for trade				3,160	39	-98.8%
b) other variable-yield securities	836	1,420	69.9%	1,437	3,691	156.9%
ba) held for trade	836		-100.0%	1,356	2,191	61.6%
bb) held as financial fixed assets (for long term investment)		1,420		81	1,500	
7. Shares and participating interest as financial fixed assets	645	548	-15.0%	3,670	4,507	22.8%
a) shares and participating interest as financial fixed assets	645	548	-15.0%	3,670	4,507	22.8%
From this: - shares and participating interest in credit institutions				5	1	-80.0%
b) revaluation surplus on shares and participating interests						
From this: - revaluation surplus on shares and on participating interests in credit institutions						
8. Shares and participating interest in affiliated undertakings	22,589	25,933	14.8%	2,777	1,980	-28.7%
a) shares and participating interest in affiliated undertakings	22,589	25,933	14.8%	2,582	1,836	-28.9%
From this: - shares and participating interest in credit institutions	2,600	2,600	0.0%			
b) revaluation surplus on shares and participating interests						
From this: - revaluation surplus on shares and on participating interests in credit institutions						
c) capital consolidation difference	0	0	0.0%	195	144	-26.2%
from subsidiaries				195	144	-26.2%
from associated companies						
9. Intangible assets	10,416	10,663	2.4%	12,138	12,550	3.4%
a) intangible assets	10,416	10,663	2.4%	12,138	12,550	3.4%
b) revaluation surplus on intangible assets						

	30-June-2000	30-June-2001	Change %	HUF million		Change
				30-June-2000	30-June-2001	
				Bank	Consolidated	
10. Tangible assets	42,014	40,947	-2.5%	52,785	55,407	5.0%
a) tangible assets for financial and investment services	38,842	37,753	-2.8%	45,063	43,419	-3.6%
aa) land and buildings	24,088	25,448	5.6%	29,433	30,634	4.1%
ab) technical equipment, fittings and vehicles	12,269	10,007	-18.4%	13,041	10,441	-19.9%
ac) investment	2,219	1,944	-12.4%	2,253	1,990	-11.7%
ad) advance payments on investment	266	354	33.1%	336	354	5.4%
b) tangible assets not for directly financial and investment services	3,172	3,194	0.7%	7,722	11,988	55.2%
ba) land and buildings	2,227	2,980	33.8%	5,827	6,600	13.3%
bb) technical equipment, fittings and vehicles	122	122	0.0%	1,026	5,191	405.9%
bc) investment	823	92	-88.8%	858	196	-77.2%
bd) advance payments on investment				11	1	-90.9%
c) revaluation surplus on tangible assets						
11. Own shares	9,449	18,987	100.9%	12,557	28,777	129.2%
12. Other assets	63,587	23,954	-62.3%	71,976	37,561	-47.8%
a) stocks (inventories)	2,667	2,110	-20.9%	7,701	10,061	30.6%
b) other receivables (not from financial and investment securities)	60,920	21,844	-64.1%	64,275	27,500	-57.2%
c) (Calculated) Corporate tax difference due to consolidation						
13. Prepayments and accrued income	25,242	31,951	26.6%	27,870	34,951	25.4%
a) accrued income	24,015	31,719	32.1%	25,243	33,765	33.8%
b) prepayments	1,227	232	-81.1%	2,627	1,186	-54.9%
c) deferred charges						
TOTAL ASSETS	1,813,343	1,973,664	8.8%	1,939,233	2,142,948	10.5%
from this:						
-CURRENT ASSETS	1,160,150	1,242,366	10.6%	1,221,378	1,160,150	-1.7%
-FIXED ASSETS	781,563	668,997	-15.7%	668,997	781,563	32.5%

	HUF million					
	30-June-2000 Bank	30-June-2001	Change %	30-June-2000 Consolidated	30-June-2001	Change
LIABILITIES						
1. Liabilities to credit institutions	37,127	62,623	68.7%	52,284	68,487	37,127
a) repayable on demand	462	2,040	341.6%	462	2,041	46
b) liabilities from financial services with maturity dates or periods of notice	36,665	60,583	65.2%	51,822	66,446	36,66
ba) not more than one year	16,846	45,012	167.2%	30,791	45,144	16,84
bb) more than one year	19,819	15,571	-21.4%	21,031	21,302	19,81
c) liabilities from investment services						
4. Liabilities to customers	1,457,369	1,597,773	9.6%	1,509,207	1,677,858	1,457,369
a) saving deposits	348,347	350,411	0.6%	348,347	350,411	348,34
aa) repayable on demand	39,142	41,706	6.6%	39,142	41,706	39,14
ab) maturity not more than one year	294,629	299,156	1.5%	294,629	299,156	294,62
ac) maturity more than one year	14,576	9,549	-34.5%	14,576	9,549	14,57
b) other liabilities from financial services	1,102,100	1,242,742	12.8%	1,152,211	1,321,649	1,102,10
ba) repayable on demand	385,942	433,001	12.2%	384,877	433,652	385,94
bb) maturity not more than one year	699,232	800,353	14.5%	699,328	805,757	699,23
bc) maturity more than one year	16,926	9,388	-44.5%	68,006	82,240	16,92
c) liabilities from investment services	6,922	4,620	-33.3%	8,649	5,798	6,92
ca) liabilities from investment service activities on the on the stock exchange				66	6	
cb) liabilities from over-the-counter investment service activities				105		
cc) liabilities from clients for investment service activities	6,922	4,620	-33.3%	8,377	5,715	6,92
cd) liabilities from clearing houses				101	77	
ce) other liabilities from investment service						
3. Liabilities from issued debt securities	80,449	76,481	-4.9%	80,455	76,481	80,449
a) issued bond	1	1	0.0%	7	1	
aa) maturity not more than one year						
ab) maturity more than one year	1	1	0.0%	7	1	
b) issued other debt securities	2,855	740	-74.1%	2,855	740	2,85
ba) maturity not more than one year	1,172	675	-42.4%	1,172	675	1,17
bb) maturity more than one year	1,683	65	-96.1%	1,683	65	1,68
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities	77,593	75,740	-2.4%	77,593	75,740	77,59
ca) maturity not more than one year	46,654	70,930	52.0%	46,654	70,930	46,65
cb) maturity more than one year	30,939	4,810	-84.5%	30,939	4,810	30,93
4. Other liabilities	60,804	32,580	-46.4%	67,664	43,542	60,804
a) maturity not more than one year	60,804	32,580	-46.4%	66,675	42,688	60,80
b) maturity more than one year				96	72	
c) (Calculated) Corporate tax difference due to consolidation				893	782	
5. Accruals and deferred income	34,686	31,151	-10.2%	38,832	36,466	34,686
a) accrued liabilities	844	381	-54.9%	2,445	1,727	84
b) accrued costs and expenses	33,842	30,770	-9.1%	36,387	34,735	33,84
c) deferred income					4	
3. Provisions	11,969	13,884	16.0%	46,890	60,522	11,969
a) provisions for pensions and similar obligations						
b) risk provision for off-balance sheet items (for pending and future liabilities)	2,239	2,150	-4.0%	2,445	2,373	2,23
c) general risk provision	7,843	9,486	20.9%	8,357	10,099	7,84
d) other provision	1,887	2,248	19.1%	36,088	48,050	1,88

	30-June-2000		Change %	HUF million		Change %
	Bank	30-June-2001		30-June-2000 Consolidated	30-June-2001	
7. Subordinated liabilities	17,281	17,500	1.3%	17,700	17,934	1.3%
a) subordinated loan capital	17,281	17,500	1.3%	17,281	17,500	1.3%
aa) equity consolidation difference from subsidiaries	0	0		419	434	3.6%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives				419	434	3.6%
c) other subordinated liabilities						
8. Subscribed capital	28,000	28,000	0.0%	28,000	28,000	0.0%
From this: repurchased own shares at face value	958	1,807	88.6%	1,272	2,562	101.4%
9. Subscribed but unpaid capital (-)	0	0				
10. Capital reserves	52	52	0.0%	52	52	0.0%
a) premium (from share issue)						
b) other	52	52	0.0%	52	52	0.0%
11. General reserves	23,932	27,387	14.4%	23,932	27,387	14.4%
12. Retained earnings (accumulated profit reserve) (±)	40,793	54,853	34.5%	42,137	56,235	33.5%
13. Legal reserves	9,449	18,987	100.9%	9,449*	18,987**	100.9%
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (±)	11,432	12,393	8.4%	14,552	16,565	13.8%
16. Subsidiaries' equity increases/decreases (+-)				4,871	11,365	133.3%
17. Increases/decreases due to consolidation (+-)				3,104	3,067	-1.2%
- from debt consolidation difference				5,653	4,754	-15.9%
- from intermediate result difference				-2,549	-1,687	-33.8%
18. Participation of outside members (other owners)				104		
19. Difference from exchange rate						
TOTAL LIABILITIES	1,813,343	1,973,664	8.8%	1,939,233	2,142,948	10.5%
From this:						
- SHORT-TERM LIABILITIES	1,551,805	1,730,073	11.5%	1,573,272	1,748,329	11.1%
- LONG-TERM LIABILITIES	101,225	56,884	-43.8%	154,038	135,973	-11.7%
- EQUITY (CAPITAL AND RESERVES)	113,658	141,672	24.6%	126,201	161,658	28.1%

* Value of treasury shares with subsidiaries is HUF 3,108 million

** Value of treasury shares with subsidiaries is HUF 9,790 million

PK3. Balance Sheet

BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at 30 June 2001

BALANCE SHEET (layout)	'000 USD					
	6/30/2000 Bank	6/30/2001	Change %	6/30/2000 Consolidated	6/30/2001	Change %
ASSETS:						
1. Cash in hand, balances with central banks	1,992.1	1,580.5		2,008.76	1,596.98	
	34	07	-20.7%	3	5	-20.5%
2. Treasury bills	1,220.2	1,475.6		1,440.19	1,771.85	
a) held for trade	21	73	20.9%	8	7	23.0%
b) held as financial fixed assets (for long term investment)	491,454	348,200	-29.1%	612,487	502,176	-18.0%
3. Loans and advances to credit institutions	728,767	1,127,473	54.7%	827,711	1,269,681	53.4%
a) repayable on demand	819,666	918,691	12.1%	803,458	913,827	13.7%
b) other receivables from financial services	9,577	5,997	-37.4%	9,585	6,004	-37.4%
ba) maturity not more than one year	810,089	912,694	12.7%	793,873	907,823	14.4%
bb) maturity more than one year	741,963	837,610	12.9%	726,852	833,782	14.7%
c) receivables from investment services	68,126	75,084	10.2%	67,021	74,041	10.5%
4. Loans and advances to customers	1,933.6	2,267.5		2,125.74	2,459.04	
a) receivables from financial services	13	66	17.3%	3	9	15.7%
aa) maturity not more than one year	1,933,612	2,267,144	17.2%	2,118,439	2,451,039	15.7%
ab) maturity more than one year	886,216	1,111,069	25.4%	882,108	1,060,584	20.2%
b) receivables from investment services	1,047,396	1,156,075	10.4%	1,236,331	1,390,455	12.5%
ba) receivables from investment service activities on the on the stock exchange	1	422		7,304	8,010	9.7%
bb) receivables from over-the-counter investment service activities				554	36	-93.5%
bc) receivables from clients for investment service activities				26	281	980.8%
bd) receivables from clearing houses	1	422		3,553	877	-75.3%
be) other receivables from investment service				3,171	6,816	114.9%
5. Debt securities including fixed-income securities	73,376	87,847	19.7%	74,726	90,408	21.0%
a) securities issued by local self-governing bodies and by other public bodi (not include the treasury bills issued by Hungarian state and securities issued by Hungarian National Bank)	29,455	27,809	-5.6%	29,455	27,809	-5.6%
aa) held for trade	29,455	27,809	-5.6%	29,455	27,809	-5.6%
ab) held as financial fixed assets (for long term investment)	43,921	60,038	36.7%	45,271	62,599	38.3%
b) securities issued by other bodies	3,321	3,626	9.2%	3,507	3,767	7.4%
ba) held for trade	40,600	56,412	38.9%	41,764	58,832	40.9%
bb) held as financial fixed assets (for long term investment)	3,083	4,940	60.2%	16,941	12,980	-23.4%
a) shares and participations for trade				11,647	136	-98.8%
b) other variable-yield securities	3,083	4,940	60.2%	5,294	12,844	142.6%
ba) held for trade	3,083		-100.0%	4,998	7,624	52.5%
bb) held as financial fixed assets (for long term investment)		4,940		296	5,220	1,663.5%
7. Sares and participating interest as financial fixed assets	2,377	1,908	-19.7%	13,525	15,682	15.9%
a) shares and participating interest as financial fixed assets	2,377	1,908	-19.7%	13,525	15,682	15.9%
From this: - shares and participating interest in credit institutions				19	4	-78.9%
b) revaluation surplus on shares and participating interests						
From this: - revaluation surplus on shares and on participating interests in credit institutions						
8. Shares and participating interest in affiliated undertakings	83,254	90,236	8.4%	10,235	6,888	-32.7%
a) shares and participating interest in affiliated undertakings	83,254	90,236	8.4%	9,517	6,389	-32.9%
From this: - shares and participating interest in credit institutions	9,582	9,047	-5.6%			
b) revaluation surplus on shares and participating interests						
From this: - revaluation surplus on shares and on participating interests in credit institutions						
c) capital consolidation difference	0	0		718	499	-30.5%
from subsidiaries				718	499	-30.5%
from associated companies						
9. Intangible assets	38,388	37,104	-3.3%	44,737	43,669	-2.4%
a) intangible assets	38,388	37,104	-3.3%	44,737	43,669	-2.4%
b) revaluation surplus on intangible assets	0	0		0	0	

	'000 USD					
	6/30/2000	6/30/2001	Change	6/30/2000	6/30/2001	Change
	Bank		%	Consolidated		%
10. Tangible assets	154,845	142,478	-8.0%	194,541	192,796	-0.9%
a) tangible assets for financial and investment services	143,154	131,363	-8.2%	166,082	151,082	-9.0%
aa) land and buildings	88,777	88,549	-0.3%	108,475	106,594	-1.7%
ab) technical equipment, fittings and vehicles	45,218	34,821	-23.0%	48,063	36,332	-24.4%
ac) investment	8,180	6,763	-17.3%	8,305	6,926	-16.6%
ad) advance payments on investment	979	1,230	25.6%	1,239	1,230	-0.7%
b) tangible assets not for directly financial and investment services	11,691	11,115	-4.9%	28,459	41,714	46.6%
ba) land and buildings	8,209	10,369	26.3%	21,475	22,967	6.9%
bb) technical equipment, fittings and vehicles	448	424	-5.4%	3,780	18,062	377.8%
bc) investment	3,034	322	-89.4%	3,164	683	-78.4%
bd) advance payments on investment				40	2	-95.0%
c) revaluation surplus on tangible assets						
						116.4%
11. Own shares	34,824	66,069	89.7%	46,281	100,132	116.4%
12. Other assets	234,354	83,351	-64.4%	265,272	130,697	-50.7%
a) stocks (inventories)	9,830	7,342	-25.3%	28,385	35,009	23.3%
b) other receivables (not from financial and investment securities)	224,524	76,009	-66.1%	236,887	95,688	-59.6%
c) (Calculated) Corporate tax difference due to consolidation						
13. Prepayments and accrued income	93,031	111,176	19.5%	102,717	121,614	18.4%
a) accrued income	88,507	110,370	24.7%	93,034	117,488	26.3%
b) prepayments	4,524	806	-82.2%	9,683	4,126	-57.4%
c) deferred charges						
TOTAL ASSETS	6,683,166	6,867,546	2.8%	7,147,137	7,456,584	4.3%
From this:						
-CURRENT ASSETS	4,396,927	4,036,851	-8.2%	4,578,804	4,249,897	-7.2%
-FIXED ASSETS	2,193,208	2,719,519	24.0%	2,465,616	3,085,073	25.1%

	6/30/2000	6/30/2001	Change	6/30/2000	6/30/2001	Change
	Bank		%	Consolidated		%
LIABILITIES						
1. Liabilities to credit institutions	136,835	217,903	59.2%	192,695	238,306	23.7%
a) repayable on demand	1,704	7,098	316.5%	1,704	7,103	316.8%
b) liabilities from financial services with maturity dates or periods of notice	135,131	210,805	56.0%	190,991	231,203	21.1%
ba) not more than one year	62,088	156,623	152.3%	113,481	157,083	38.4%
bb) more than one year	73,043	54,182	-25.8%	77,510	74,120	-4.4%
c) liabilities from investment services						
	5,371.2	5,559.5		5,562.25	5,838.2	
4. Liabilities to customers	06	99	3.5%	7	63	5.0%
a) saving deposits	1,283,852	1,219,287	-5.0%	1,283,852	1,219,287	-5.0%
aa) repayable on demand	144,258	145,121	0.6%	144,258	145,121	0.6%
ab) maturity not more than one year	1,085,872	1,040,940	-4.1%	1,085,872	1,040,940	-4.1%
ac) maturity more than one year	53,722	33,226	-38.2%	53,722	33,226	-38.2%
b) other liabilities from financial services	4,061,844	4,324,235	6.5%	4,246,528	4,598,800	8.3%
ba) repayable on demand	1,422,407	1,506,668	5.9%	1,418,480	1,508,931	6.4%
bb) maturity not more than one year	2,577,054	2,784,901	8.1%	2,577,408	2,803,705	8.8%
bc) maturity more than one year	62,383	32,666	-47.6%	250,640	286,164	14.2%
c) liabilities from investment services	25,510	16,077	-37.0%	31,877	20,176	-36.7%
ca) liabilities from investment service activities on the on the stock exchange				243	21	-91.4%
cb) liabilities from over-the-counter investment service activities				386		-100.0%
cc) liabilities from clients for investment service activities	25,510	16,077	-37.0%	30,875	19,886	-35.6%
cd) liabilities from clearing houses				373	269	-27.9%
ce) other liabilities from investment service						
3. Liabilities from issued debt securities	296,498	266,121	-10.2%	296,521	266,121	-10.3%
a) issued bond	3	3	0.0%	26	3	-88.5%
aa) maturity not more than one year						
ab) maturity more than one year	3	3	0.0%	26	3	-88.5%
b) issued other debt securities	10,524	2,575	-75.5%	10,524	2,575	-75.5%
ba) maturity not more than one year	4,319	2,347	-45.7%	4,319	2,347	-45.7%
bb) maturity more than one year	6,205	228	-96.3%	6,205	228	-96.3%
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities	285,971	263,543	-7.8%	285,971	263,543	-7.8%
ca) maturity not more than one year	171,945	246,807	43.5%	171,945	246,807	43.5%
cb) maturity more than one year	114,026	16,736	-85.3%	114,026	16,736	-85.3%
4. Other liabilities	224,097	113,364	-49.4%	249,378	151,509	-39.2%
a) maturity not more than one year	224,097	113,364	-49.4%	245,734	148,538	-39.6%
b) maturity more than one year				355	250	-29.6%
c) (Calculated) Corporate tax difference due to consolidation				3,289	2,721	-17.3%
5. Accruals and deferred income	127,837	108,393	-15.2%	143,117	126,887	-11.3%
a) accrued liabilities	3,112	1,327	-57.4%	9,012	6,011	-33.3%
b) accrued costs and expenses	124,725	107,066	-14.2%	134,105	120,863	-9.9%
c) deferred income					13	
6. Provisions	44,111	48,312	9.5%	172,814	210,591	21.9%
a) provisions for pensions and similar obligations						
b) risk provision for off-balance sheet items (for pending and future liabilities)	8,252	7,483	-9.3%	9,012	8,255	-8.4%
c) general risk provision	28,905	33,009	14.2%	30,799	35,140	14.1%
d) other provision	6,954	7,820	12.5%	133,003	167,196	25.7%

	'000 USD					
	6/30/2000	6/30/2001	Change	6/30/2000	6/30/2001	Change
	Bank			Consolidated		
			%			%
7. Subordinated liabilities	63,692	60,893	-4.4%	65,236	62,402	-4.3%
a) subordinated loan capital	63,692	60,893	-4.4%	63,692	60,893	-4.4%
aa) equity consolidation difference from subsidiaries	0	0		1,544	1,509	-2.3%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives				1,544	1,509	-2.3%
c) other subordinated liabilities						
8. Subscribed capital	277,148	277,148	0.0%	277,148	277,148	0.0%
From this: repurchased own shares at face value	9,482	17,883	88.6%	12,590	25,355	101.4%
9. Subscribed but unpaid capital (-)	0	0				
10. Capital reserves	373	373	0.0%	373	373	0.0%
a) premium (from share issue)						
b) other	373	373	0.0%	373	373	0.0%
11. General reserves	179,464	191,230	6.6%	179,464	191,230	6.6%
12. Retained earnings (accumulated profit reserve) (±)	211,375	182,017	-13.9%	219,828	271,903	23.7%
13. Legal reserves	34,824	66,069	89.7%	34,824	66,069	89.7%
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (±)	42,597	42,477	-0.3%	54,222	56,777	4.7%
16. Subsidiaries' equity increases/decreases (+-)				20,750*	43,859**	111.4%
17. Increases/decreases due to consolidation (+-)				15,360	15,228	-0.9%
- from debt consolidation difference				29,529	26,338	-10.8%
- from intermediate result difference				-14,169	-11,110	-21.6%
18. Participation of outside members (other owners)				466		-100.0%
19. Difference from exchange rate	-326,891	266,353	-18.5%	-337,316	360,082	6.7%
TOTAL LIABILITIES	6,683.16	6,867.5	2.8%	7,147.13	7,456.5	4.3%
From this:	6	46	2.8%	7	84	4.3%
- SHORT-TERM LIABILITIES	5,719,254	6,019,946	5.3%	5,798,367	6,083,472	4.9%
- LONG-TERM LIABILITIES	373,074	197,934	-46.9%	567,720	473,129	-16.7%
- EQUITY (CAPITAL AND RESERVES)	418,890	492,961	17.7%	465,119	562,505	20.9%

* Value of treasury shares with subsidiaries is USD 11,457 thousand

** Value of treasury shares with subsidiaries is USD 34,063 thousand

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 269.94 HUF/USD for 30 June 2000, 302.79 HUF/USD for 30 June 2001.

PK4. Profit and Loss Statement PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the 6 months ended 30 June 2001

	HUF million					
	1H2000	1H2001	Change	1H2000	1H2001	Change
	Bank		%	Consolidated		%
Interest received and interest-type income	93,146	95,824	2.9%	99,671	103,926	4.3%
a) interest received on securities with fixed-interest signifying a creditor relationship	19,438	26,417	35.9%	21,287	28,517	34.0%
b) other interest received and interest-type income	73,708	69,407	-5.8%	78,384	75,409	-3.8%
2. Interest paid and interest-type expenses	52,308	47,974	-8.3%	54,291	50,350	-7.3%
Interest difference (1-2)	40,838	47,850	17.2%	45,380	53,576	18.1%
3. Incomes from securities	25	25	0.0%	328	434	32.3%
4. Fees and Commission received	17,413	20,875	19.9%	17,273	20,342	17.8%
a) revenues from other financial services	15,742	19,161	21.7%	15,688	19,041	21.4%
b) revenues from investment services (except incomes from trading activities)	1,671	1,714	2.6%	1,585	1,301	-17.9%
5. Fees and Commission paid	2,886	2,884	-0.1%	2,911	3,280	12.7%
a) expenses on other financial services	2,877	2,790	-3.0%	2,815	3,105	10.3%
b) expenses on investment services (except expenses from trading activities)	9	94	944.4%	96	175	82.3%
6. Profit or loss from financial transactions (6/a-6/b+6/c-6/d)	2,218	-892	-140.2%	2,890	-55	-101.9%
a) revenues from other financial services	4,621	15,312	231.4%	4,933	17,475	254.2%
b) expenses on other financial services	4,445	15,565	250.2%	4,735	17,223	263.7%
c) revenues from investment services (revenues from trading activities)	3,996	843	-78.9%	5,973	1,831	-69.3%
b) expenses on investment services (expenses from trading activities)	1,954	1,482	-24.2%	3,281	2,138	-34.8%
7. Other incomes from business	8,595	3,272	-61.9%	46,627	45,343	-2.8%
a) incomes from non financial and investment services	1,986	1,995	0.5%	39,625	43,520	9.8%
income of consolidated investment service providers				14,534	14,824	2.0%
income of consolidated insurance companies				19,879	19,351	-2.7%
income of other consolidated companies				5,212	9,345	79.3%
b) other revenues	6,609	1,277	-80.7%	6,772	1,747	-74.2%
Including: -reversal of write-off of inventory		6			6	
income of consolidated investment service providers				6,397	1,298	-79.7%
income of consolidated insurance companies				74	80	8.1%
income of other consolidated companies				301	369	22.6%
consolidation difference income due to debtor consolidation						
other income due to consolidation				230	76	-67.0%
8. General administration expenses	23,608	28,170	19.3%	25,448	30,163	18.5%
a) personnel expenses	12,202	14,041	15.1%	13,468	15,281	13.5%
aa) wage costs	7,754	8,961	15.6%	8,487	9,733	14.7%
ab) other payments to personnel	1,242	1,478	19.0%	1,439	1,625	12.9%
ac) contributions on wages and salaries	3,206	3,602	12.4%	3,542	3,923	10.8%
b) other administration expenses	11,406	14,129	23.9%	11,980	14,882	24.2%
9. Depreciation and amortization	5,096	5,410	6.2%	5,352	5,650	5.6%
10						
a) expenses from business	15,476	9,619	-37.8%	51,026	50,569	-0.9%
a) expenses from non-financial and investment services	2,705	1,526	-43.6%	30,496	28,526	-6.5%
expense of consolidated investment service providers				15,380	14,368	-6.6%
expense of consolidated insurance companies				15,050	14,119	-6.2%
expense of other consolidated companies				66	39	-40.9%
b) other expenses	12,771	8,093	-36.6%	12,579	10,679	-15.1%
Including: -write-off of inventory	100	5	-95.0%	100	5	-95.0%
expense of consolidated investment service providers				11,947	9,949	-16.7%
expense of consolidated insurance companies				217	142	-34.6%
expense of other consolidated companies				415	588	41.7%
consolidation difference expense due to debtor consolidation				2	2	0.0%
other expense due to consolidation				76	137	80.3%
expense of consolidated investment service providers				7,873	11,225	42.6%
expense of consolidated insurance companies				4,070	4,488	10.3%
expense of other consolidated companies				3,803	6,737	77.1%
11						
a) Write-off of loans and provision for contingent and future liabilities	6,406	9,336	45.7%	7,639	12,200	59.7%
a) write-off of loans	6,405	8,093	26.4%	7,296	10,941	50.0%
b) provision for contingent and future liabilities	1	1,243	124,200%	343	1,259	267.1%

	1H2000		Change %	1H2001		Change %	HUF million	
	Bank	Consolidated		Bank	Consolidated		Bank	Consolidated
12. Reversal of write-off of loans and credit for contingent and future liabilities	3,197	5,493	71.8%	3,050	9,681	217.4%		
a) reversal of write-off of loans	3,197	5,213	63.1%	3,046	9,330	206.3%		
b) credit for contingent and future liabilities		280		4	351			
13 Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company	3	49	1,533.3%	3	49	3%		1,533.
14 Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company	517	1,001	93.6%	54	1	-98.1%		
15								18.0
Result of ordinary business activities	19,328	22,156	14.6%	23,223	27,411	%		
including: -result of financial and investment services	20,047	21,687	8.2%	22,224	23,923	7.6%		
- result of non-financial and investment services	-719	469	-165.2%	999	3,488	249.1%		
16. Extraordinary revenues		3		29	4			
17. Extraordinary expenses	71	82	15.5%	141	219	55.3%		
18								92.0
Extraordinary profit or loss (16-17)	-71	-79	11.3%	-112	-215	%		
19								17.7
Profit or loss before tax (±15±18)	19,257	22,077	14.6%	23,111	27,196	%		
20. Tax liabilities	3,550	4,305	21.3%	4,244	5,274	24.3%		
Tax difference due to consolidation				-130	-79	-39.2%		
21								15.8
After-tax profit or loss (±19-20)	15,707	17,772	13.1%	18,997	22,001	%		
22. Formation and utilization of general reserves (±)	-1,571	-1,777	13.1%	-1,741	-1,938	11.3%		
23. Use of accumulated profit reserve for dividends and profit-sharing								
24. Dividends and profit-sharing paid (approved)	2,704	3,602	33.2%	2,704	3,498	29.4%		
25								13.8
Balance-sheet profit or loss figure (±21±22+23-24)	11,432	12,393	8.4%	14,552	16,565	%		

**PK4. Profit and Loss Statement
PROFIT AND LOSS ACCOUNT**

(unconsolidated and consolidated, based on HAR) for the 6 months ended 30 June 2001

	1H2000	1H2001	Change	1H2000	1H2001	Change	'000 USD
	Bank		%	Consolidated		%	
1. Interest received and interest-type income	347,079	328,434	-5.4%	371,395	356,206	-4.1%	
a) interest received on securities with fixed-interest signifying a creditor relationship	72,430	90,544	25.0%	79,319	97,741	23.2%	
b) other interest received and interest-type income	274,649	237,890	-13.4%	292,076	258,465	-11.5%	
2. Interest paid and interest-type expenses	194,911	164,431	-15.6%	202,299	172,574	-14.7%	
Interest difference (1-2)	152,168	164,003	7.8%	169,096	183,632	8.6%	
3. Incomes from securities	93	86	-7.5%	1,224	1,489	21.7%	
4. Fees and Commission received	64,884	71,549	10.3%	64,363	69,723	8.3%	
a) revenues from other financial services	58,657	65,674	12.0%	58,457	65,264	11.6%	
b) revenues from investment services (except incomes from trading activities)	6,227	5,875	-5.7%	5,906	4,459	-24.5%	
5. Fees and Commission paid	10,752	9,884	-8.1%	10,848	11,244	3.7%	
a) expenses on other financial services	10,718	9,562	-10.8%	10,489	10,644	1.5%	
b) expenses on investment services (except expenses from trading activities)	34	322	847.1%	359	600	67.1%	
6. Profit or loss from financial transactions (6/a-6/b+6/c-6/d)	8,265	-3,057	-137.0%	10,769	-190	-101.8%	
a) revenues from other financial services	17,217	52,483	204.8%	18,382	59,895	225.8%	
b) expenses on other financial services	16,562	53,350	222.1%	17,643	59,031	234.6%	
c) revenues from investment services (revenues from trading activities)	14,891	2,890	-80.6%	22,255	6,276	-71.8%	
b) expenses on investment services (expenses from trading activities)	7,281	5,080	-30.2%	12,225	7,330	-40.0%	
7. Other incomes from business	32,026	11,213	-65.0%	173,740	155,413	-10.5%	
a) incomes from non financial and investment services	7,399	6,838	-7.6%	147,650	149,165	1.0%	
income of consolidated investment service providers				54,157	50,809	-6.2%	
income of consolidated insurance companies				74,072	66,326	-10.5%	
income of other consolidated companies				19,421	32,030	64.9%	
b) other revenues	24,627	4,375	-82.2%	25,234	5,987	-76.3%	
Including: -reversal of write-off of inventory		19			19		
income of consolidated investment service providers				23,838	4,447	-81.3%	
income of consolidated insurance companies				276	275	-0.4%	
income of other consolidated companies				1,120	1,265	12.9%	
consolidation difference income due to debtor consolidation					1		
other income due to consolidation				856	260	-69.6%	
8. General administration expenses	87,967	96,551	9.8%	94,822	103,383	9.0%	
a) personnel expenses	45,468	48,125	5.8%	50,184	52,376	4.4%	
aa) wage costs	28,893	30,713	6.3%	31,623	33,359	5.5%	
ab) other payments to personnel	4,629	5,065	9.4%	5,362	5,570	3.9%	
ac) contributions on wages and salaries	11,946	12,347	3.4%	13,199	13,447	1.9%	
b) other administration expenses	42,499	48,426	13.9%	44,638	51,007	14.3%	
9. Depreciation and amortization	18,989	18,545	-2.3%	19,945	19,365	-2.9%	
10. Other expenses from business	57,670	32,970	-42.8%	190,134	173,324	-8.8%	
a) expenses from non-financial and investment services	10,082	5,230	-48.1%	113,635	97,773	-14.0%	
expense of consolidated investment service providers							
expense of consolidated insurance companies				57,309	49,246	-14.1%	
expense of other consolidated companies				56,081	48,393	-13.7%	
b) other expenses	47,588	27,740	-41.7%	245	134	-45.3%	
Including: -write-off of inventory	374	18	-95.2%	374	18	-95.2%	
expense of consolidated investment service providers				44,516	34,099	-23.4%	
expense of consolidated insurance companies				808	487	-39.7%	
expense of other consolidated companies				1,546	2,014	30.3%	
consolidation difference expense due to debtor consolidation				8	7	-12.5%	
other expense due to consolidation				284	470	65.5%	
expense of consolidated investment service providers				29,337	38,474	31.1%	
expense of consolidated insurance companies				15,166	15,384	1.4%	
expense of other consolidated companies				14,171	23,090	62.9%	
11. Write-off of loans and provision for contingent and future liabilities	23,869	31,999	34.1%	28,464	41,816	46.9%	
a) write-off of loans	23,867	27,738	16.2%	27,185	37,501	37.9%	
b) provision for contingent and future liabilities	2	4,261	212950%	1,279	4,315	237.4%	

	1H2000	1H2001	Change	1H2000	1H2001	'000 USD
	Bank		%	Consolidated		Change
						%
12.						
Reversal of write-off of loans and credit for contingent and future liabilities	11,916	18,828	58.0%	11,364	33,180	192.0%
a) reversal of write-off of loans	11,916	17,868	49.9%	11,349	31,978	181.8%
b) credit for contingent and future liabilities		960		15	1,202	7913.3%
13. Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company	10	167	1570.0%	10	167	1570.0%
14. Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company	1,925	3,433	78.3%	200	2	-99.0%
15						
. Result of ordinary business activities	72,020	75,939	5.4%	86,533	93,950	8.6%
Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	74,703	74,331	-0.5%	82,813	81,993	-1.0%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	-2,683	1,608	-159.9%	3,720	11,957	221.4%
16. Extraordinary revenues		9		107	15	-86.0%
17. Extraordinary expenses	266	280	5.3%	524	752	43.5%
18						
. Extraordinary profit or loss (16-17)	-266	-271	1.9%	-417	-737	76.7%
19						
. Profit or loss before tax (±15±18)	71,754	75,668	5.5%	86,116	93,213	8.2%
20. Tax liabilities	13,228	14,756	11.6%	15,815	18,078	14.3%
Tax difference due to consolidation				-484	-271	-44.0%
21						
. After-tax profit or loss (±19-20)	58,526	60,912	4.1%	70,785	75,406	6.5%
22. Formation and utilization of general reserves (±)	-5,853	-6,091	4.1%	-6,487	-6,640	2.4%
23. Use of accumulated profit reserve for dividends and profit-sharings						
24. Dividends and profit-sharings paid (approved)	10,076	12,344	22.5%	10,076	11,989	19.0%
25						
. Balance-sheet profit or loss figure (±21±22+23-24)	42,597	42,477	-0.3%	54,222	56,777	4.7%

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 260.34HUF/USD for 1H 2000, HUF/USD for 288.48 1H 2001..



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