



OTP Bank Rt.

**First Quarter 2003
Stock Exchange Report**

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

Budapest, May 13, 2003

OTP Bank's first quarter 2003 Stock Exchange Report contains the HAR and IFRS (former IAS) non consolidated and consolidated balance sheet and profit and loss account for the 3 months ending 31 March 2003. For the sake of easier analysis by international investors, we present both the HAR non-consolidated and consolidated figures in a format that is closer to the international format. Data in the report are non-audited.

HIGHLIGHTS

HAR

OTP Bank's HAR after-tax profits for the first 3 months of 2003 were HUF17,564 million, HUF6,912 million or 64.9% higher than in the same period in 2002. OTP Group's consolidated after-tax profits were HUF20,453 million, an increase of 56.6% over the first 3 months 2002, and 16.4% higher than the figure of the Bank.

For the first 3 months of 2002 OTP Bank's HAR pre-tax profits were HUF21,634 million, 66.2% higher than in the same period of 2002. OTP Group's consolidated pre-tax profits were HUF25,423 million, an increase of 58.1% over the same period of 2002 and 17.5% higher than the figure of the Bank.

Over the 12 months period ending 31 March 2003, total Bank assets grew to HUF2,533,682 million or by 17.1%. This figure is 6.0% higher than 3 months earlier. Total assets for the group were HUF2,907.316 million on 31 March 2003, which represented a year-on-year growth of 23.0%, and it was 14.7% higher than total assets of the Bank on 31 March 2003.

1Q2002	1Q2003	Change	Financial highlights	1Q2002	1Q2003	Change
Bank			HAR	Group		
2,164.2	2,533.7	17.1%	Total assets (HUF bn)	2,364.0	2,907.3	23.0%
819.6	964.0	17.6%	Total loans and advances (HUF bn)	882.2	1,428.1	61.9%
1,800.7	2,073.8	15.2%	Total deposits (HUF bn)	1,877.6	2,214.8	18.0%
45.5%	46.5%	1.0%	Loan/deposit ratio	47.0%	64.5%	17.5%
166.6	219.4	31.8%	Shareholders equity (HUF bn)	192.7	254.4	32.0%
13.0	11.5	-11.1%	Balance sheet gearing	12.3	11.4	-6.8%
13.0	21.6	66.2%	Pre-tax profits (HUF bn)	16.1	25.4	58.1%
10.7	17.6	64.9%	After tax profits (HUF bn)	13.1	20.5	56.6%
40.5	66.4	64.1%	EPS undiluted (HUF) ¹	50.99	79.68	56.3%
38.0	62.7	64.9%	EPS fully diluted (HUF) ²	46.65	73.05	56.6%
1.99%	2.85%	0.87%	Return on Assets ³	2.23%	2.90%	0.67%
26.2%	33.0%	6.8%	Return on Equity ³	27.9%	33.3%	5.4%
20.0%	28.4%	8.4%	Real Return on Equity ³	21.7%	28.7%	7.0%
2,092.4	2,447.3	17.0%	Average assets (HUF bn)	2,342.5	2,820.7	20.4%
24.1	26.4	9.5%	Net interest income (HUF bn)	27.6	36.0	30.2%
4,60%	4,31%	-0,29%	Net interest margin ¹	4,72%	5,10%	0,38%

IFRS

OTP Bank's IFRS after-tax profits for the first 3 months of 2003 were HUF16,210 million, HUF5,617 million or 53.0% higher than in the same period in 2002. OTP Group's consolidated after-tax profit was HUF18,983 million, increase of 42.3% over the same period of 2002, and 17.1% higher than the figure of the Bank.

Over the 3 months period ending 31 March 2003, total IFRS Bank assets grew to HUF2,513,101 million or by 5.2%. This figure is 17.0% higher than a year earlier. Total assets for the group were HUF2,869,217 million on 31 March 2003, which represented a year-on-year growth of 22.7%, and it was 14.2% higher than total assets of the Bank on 31 March 2003.

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)/ (ordinary shares)

³ annualized

1Q2002	1Q2003	Change	Financial highlights	1Q2002	1Q2003	Change
Bank			IFRS	Group		
2,147.8	2,513.1	17.0%	Total assets (HUF bn)	2,338.3	2,869.2	22.7%
808.9	1,008.4	24.7%	Total loans and advances (HUF bn)	822.9	1,387.8	68.6%
1,843.8	2,104.7	14.1%	Total deposits (HUF bn)	1,892.7	2,219.6	17.3%
43.9%	47.9%	4.0%	Loan/deposit ratio	43.5%	62.5%	19.0%
161.6	219.8	36.1%	Shareholders equity (HUF bn)	178.3	243.4	36.5%
13.3	11.4	-14.0%	Balance sheet gearing	13.1	11.8	-10.1%
12.8	20.1	56.5%	Pre-tax profits (HUF bn)	16.3	23.6	44.6%
10.6	16.2	53.0%	After tax profits (HUF bn)	13.3	19.0	42.3%
40.23	61.27	52.3%	EPS undiluted (HUF) ¹	52.09	73.96	42.0%
40.21	61.22	52.3%	EPS fully diluted (HUF) ¹	52.05	73.90	42.0%
1.99%	2.64%	0.65%	Return on Assets ⁴	2.31%	2.72%	0.41%
27.0%	30.6%	3.59%	Return on Equity ⁴	30.9%	32.5%	1.60%
20.8%	26.0%	5.2%	Real Return on Equity ⁴	24.7%	27.9%	3.2%
2,125.7	2,451.6	15.3%	Average assets (HUF bn) ⁴	2,314.0	2,792.9	20.7%
24.9	22.1	-11.2%	Net interest income (HUF bn)	29.6	33.0	11.4%
4.30%	3.31%	-0.99%	Net interest margin ²	4.73%	4.42%	-0.31%

MAJOR TENDENCIES FOR THE FIRST QUARTER OF 2003

Below we summarize and present the major performance data for 1Q 2003 and compare it to the performance of the bank during 4Q 2002 and 1Q 2002:

Main financial indicators of the Bank	Change				
HAR	1q2002	4q2002	1q2003	1q03/1q02	1q03/4q02
Total assets (HUF bn)	2,164.2	2,390.1	2,533.7	17.1%	6.0%
Total loans and advances (HUF bn)	819.6	951.7	964.0	17.6%	1.3%
Total deposits (HUF bn)	1,800.7	2,011.0	2,073.8	15.2%	3.1%
Loan/deposit ratio	45.5%	47.3%	46.5%	1.0%	-0.8%
Shareholders equity (HUF bn)	166.6	205.8	219.4	31.8%	6.6%
Balance sheet gearing	13.0	11.6	11.5	-11.1%	-0.6%
Pre-tax profits (HUF bn)	13.0	15.9	21.6	66.2%	36.3%
After tax profits (HUF bn)	10.7	12.6	17.6	64.9%	39.2%
EPS undiluted (HUF) ¹	40.5	47.6	66.0	63.0%	38.5%
EPS fully diluted (HUF) ¹	38.0	45.0	62.7	64.9%	39.2%
Return on Assets ⁵	1.99%	2.17%	2.85%	0.9%	0.7%
Return on Equity ⁴	26.21%	25.73%	33.04%	6.8%	7.3%
Average assets (HUF bn) ⁴	2,092.4	2,313.6	2,447.3	17.0%	5.8%
Net interest income (HUF bn)	24.1	27.2	26.4	9.5%	-2.9%
Net interest margin ²	4.60%	4.69%	4.31%	-6.4%	-0.4%

MAJOR NON-CONSOLIDATED FIGURES FOR THE FIRST 3 MONTHS OF 2003

OTP Bank's **pre-tax profit** for the first 3 months of 2003 was HUF21,634 million, a 66.2% increase from a year earlier. This profit was obtained as a result of HUF24,588 million **operating income** and HUF2,954 million of diminution in value and provisions. Compared to the base period, this represents 55.5% increase in operating income and 5.6% higher diminution in value and provisioning expenses.

With 18.8% calculated taxes (up from 18.2% in 2002) after tax profit was HUF17,564million, HUF6,912 million, or 64.9% higher than in the first quarter of 2002.

⁴ annualized

⁵ annualized

After having generated the HUF1,757 million of general reserves and the dividend fund for the period, representing 30% nominal payout ratio, the Bank's retained earnings for the first 3 months of 2003 were HUF11,837 million, an increase of 69.3% over the same period a year earlier.

Earnings per share for the period were HUF66.38 undiluted, HUF62.73 diluted, which is 64.1% and 64.9% higher than for the first 3 months of 2002. US dollar equivalents are USD 0.29 and USD 0.28 respectively, 101.5% and 102.4% higher than the first 3 months of 2002, based on the central banks average middle exchange rate between 31 December 2002 and 31 March 2002 (227.24 HUF/USD).

Annualized return on average equity (ROE) for the first 3 months of 2003 was 33.0%, on average assets (ROA) 2.85% (26.2% and 1.99% resp. in 2002). Non consolidated real ROE (ROE less inflation) reached 28.4% - as a result of 26.5% growth in equity and declining inflation (to 4.6% y-on-y) - and was higher than in 2002 and exceeded the long term target of the Bank.

NET INTEREST INCOME

The bank's net interest income for the first 3 months of 2003 was HUF26.4 billion, 9.5% higher than in the first 3 months of 2002. The net interest income was a result of HUF47.3 billion interest income (3.0% increase) and HUF21.0 billion interest expenses (4.1% decrease).

Interest earned on interbank accounts was 18.0% lower due to the 16.5% decline of the average placement and the decreasing of the inter-bank interest rate level. Income from securities increased by 22% accompanied by the increase of their average volumes (40.8%) and the fall in the yields. OTP Bank's portfolio of HUF221.54 billion from the mortgage bonds issued by the OTP Mortgage Bank contributed to the growth of interest income, too. In line with 25.9% growth in average volume and in spite of 375 bp. decline in rates, interest income from retail accounts grew by 0.8%. The interest income decreased by 10.6% in corporate lending and increased by 108.9% in municipal lending, meanwhile the interest level fell, too and the growth in volume was 14.7% and 133.7%, respectively. 25.5% of interest income was earned on retail accounts and 20.7% on corporate accounts.

In spite of the growing volume of customer liabilities, interest expenses decreased on all types of accounts, except the corporate accounts. Interest paid on interbank accounts grew both in HUF and in foreign exchange. The growth was caused, in HUF, by the loss on interest swap deals (counterbalanced by the profit accounted in interest income with a larger volume) and, in foreign currency, the interest expenses of the syndicated loans. Interest expenses on securities fell by 48.4%. Interest paid on retail accounts fell by 15.6% and their share in total interest expenses was 67.8% in line with the decrease in the interest rate level and the liability structure.

In HAR, in the net interest income items, the balance of the swap deals shows a HUF800 million profit that is, due to the decreasing volume of swap deals, is less by more than HUF700 million than in the same period of 2002.

Changes in average volume of customer receivables, customer liabilities, of interest income and expense and yield compared to the first 3 months of 2002:

	Average volume	Interest income/expense	Yield (bps)
Customer receivables	+26.6	-230	+1.7%
Total assets	+17.0	-105	+3.0%
Customer liabilities	+15.4	-99	-9.4%
Total liabilities	+17.0	-105	-4.1%

In the first 3 months of 2003, yield on average interest earning assets represented 8.53% rate and interest paid on interest bearing liabilities represented 3.89% rate. The interest spread between average interest bearing liabilities and interest earning assets was 4.64% approx. 30 bps lower than a year earlier. Average assets were 17.0% higher than a year earlier, average yield on assets declined by 105 bps to 7.73%; and average cost of funds fell by 75 bps to 3.43%. Interest margin over total average assets was 4.31% a decrease of 29 bps from a year earlier. This decrease is in line with the projection in the Bank's strategy.

QUALITY OF LOAN PORTFOLIO, PROVISIONS

The overall quality of the loan portfolio worsened slightly in the 1st quarter of 2003. Qualified portion of total receivables represented 4.7%, on March 31 2003 while it was 4.24% on 31 December 2002. This is due to the fact that while decrease in total loans was 3.6% in 4Q 2002, no-problem loans fell by 4.1% and qualified loans increased by 8.3% to HUF55.7 billion. Problem loans (which does not include to-be-monitored loans) grew in the first quarter by HUF5.0 billion or by 15.0%. The ratio of non performing loans therefore increased from 2.7% to 3.2%.

Within total receivables, to-be-monitored loans fell by 4.1% or HUF743 million, volume of doubtful loans decreased by 2.2% or HUF405 million. Bad loans declined by 5.0% or HUF445 million from December 31, 2002. Increase of below-average loans was 90.4% or HUF5.9 billion. During the first quarter, qualified loans grew by 1.3% in the retail loans.

In the corporate business there was a 4.0% increase in receivables during the quarter, while the qualified volume was 11.1% higher. Within these, there was a further restructuring and reclassification: to-be-monitored items decreased by HUF398 million; the doubtful category fell by HUF663 million and the below average increased by HUF5.8 billion; bad loans decreased by HUF487 million. Receivables against the Dunaferr Group (HUF7.7 billion) and the provision created (HUF2.75 billion) did not change during the quarter. Receivables against OTP Factoring – due to the stock of non performing receivables sold – increased by approx. HUF700 million and its provisioning by HUF154 million during the quarter.

Within total receivables, the proportion of customer receivables decreased by 2.2%, qualified receivables increased by 14.6% especially in the to-be-monitored category. In the municipality business, receivables were lower by 3.4% while the qualified receivables by 86.3% compared to December 31 2002. The volume of qualified loans to credit institutions increased by HUF7 million.

Compared to 31 March 2002, total receivables increased by 4.8% (customer receivables by 16.1%), total qualified outstanding was 17.6% higher (increase in customer qualified receivables reached 17.7%), thus portion of qualified receivables changed from 4.2% to 4.7% over 31 March 2002. Problem loans increased from HUF29.1 billion as on 31 March 2002 to HUF38.5 billion or by 32.2%, mainly due to the growth of below-average corporate loans by HUF9.7 billion and doubtful corporate loans by HUF9.0 billion and the fall of corporate bad loans by HUF4.1 billion and retail bad loans by HUF3.8 billion. For HUF55.7 billion of qualified outstanding, total provisions created were HUF21.1 billion resulting, in harmony with the structural change of the qualified portfolio, in a falling coverage ratio to 37.8% (48.0% at the end of March 2002). Provisions created on HUF 38.5 billion problem loans was HUF19.9 billion, which means 51.7% coverage ratio.

	31 March 2003		31 March 2002	
	Total (HUF mn)	Distribution (%)	Total (HUF mn)	Distribution (%)
Total of loans:	1,190,716	100.0%	1,136,116	100.0%
Performing s	1,135,047	95.3%	1,088,780	95.8%
Qualified	55,670	4.7%	47,335	4.2%
Provision	21,064		22,705	
Coverage ratio	37.8%		48.0%	
Of which NPL	38,474	3.2%	29,095	2.6%
Provision	19,890		21,690	
Coverage ratio	51.7%		74.5%	

Since 31 March 2002, the share of the corporate business in the qualified portfolio grew from 62.1% to 76.6%, and, parallel with this, the proportion of retail business line in the qualified portfolio fell to 22.7%. At the same time 67.2% of the provisions were generated in the corporate and 31.2% in the retail business.

The breakdown of receivables, qualified loans and provisions by businesses were at 31 March 2003 and 2002 as below:

31 March 2002	Retail	Corporate	Interbank	Municipal
Total	23.7%	45.1%	25.1%	6.1%
No problem	23.1%	44.4%	26.2%	6.3%
Qualified	36.8%	62.1%	0.4%	0.7%
Provisions	48.8%	49.7%	0.7%	0.9%

31 March 2003	Retail	Corporate	Interbank	Municipal
Total	27.4%	48.6%	17.1%	6.9%
No problem	27.6%	47.3%	17.9%	7.2%
Qualified	22.7%	76.6%	0.3%	0.5%
Provisions	31.2%	67.2%	0.8%	0.8%

The provisioning and loan losses on customer receivables for the first 3 months of 2003 were HUF2,582 million (an increase of 11.7% from a year earlier). The Bank also generated the required proportional general risk provisions (HUF358 million, a decrease of 32.5%). The Bank released HUF21 million provision for the uncovered open derivative positions and generated HUF35 million other provisions. Loan loss provisioning represented 1.01% (annualized) of the average customer receivables compared to the first 3 months of 2002 (1.14%).

NON-INTEREST INCOME

During the first 3 months of 2003 non-interest income increased by 54.4% over the same period in 2002, and reached HUF20,966 million. Net fees and commissions represented HUF18,752 million, a 56.1% increase (fees and commissions received increased by 52.5%, fees and commissions paid were 25.1% higher).

The fees on loans grew by 234.9% to HUF6.9 billion. Corporate lending growth positively influenced HUF and FX related fee income. Meanwhile, in the retail lending, the growth was sizeable from fees concerning the Forras loans from own and consortia funding, and loans transferred to Mortgage Bank, also from fees related to the repurchase obligations and besides the agent fees received from the Mortgage Bank. On the level of the Bank, over HUF5 billion fee income is mortgage-related. The fees on the card business was 19.5% higher than in the first quarter of 2002 reaching HUF4.8 billion. Cash withdrawal (from ATM and POS) and merchant fees increased significantly as a result of the increased turnover. Fee income from the retail current accounts increased by 3.2%. Fees from retail accounts were 3.2% higher reaching HUF2.2 billion. Deposit business fee income decreased by 112.6% to HUF1.4 billion. Securities transaction fees grew by 38.8% to HUF1.9 billion partly because of the listing fees of the mortgage bond of the Mortgage Bank.

Net gain on securities trading in 2003 were HUF933 compared to HUF86 million losses in the same period of 2002. In the first 3 months of 2003, the Bank realized HUF473.3 million profit from the Hungarian Government Bonds compared to a loss of HUF187.1 million a year ago. From this, HUF521.4 came from the trading activities and HUF48.1 million from realized and accrued depreciation of premium on government bonds purchased above face value. The Bank realized HUF91.1 million higher profit on the Treasury Bills than in 2002. From the Mortgage Bonds the profit was HUF65.1 million. All in all, the Bank posted a HUF245.8 million profit on shares and stakes, and around HUF666.7 million profit on trading activities. Meanwhile the Bank realized HUF92.4 million premium and accrued HUF71.4 million discount on the portfolio.

Foreign exchange losses totaled at HUF104 million for the first 3 months of 2003, HUF667 million lower than in the first quarter of 2002. The losses on the revaluation of the asset-liability items – because of a volatile HUF/EUR in January 2003 – were lower by HUF600 million reaching HUF274 million. Meanwhile FX spread caused a HUF600 million loss compared to a HUF500 million profit in the same period of 2002. This was counterbalanced partly by result of the option deals. The Bank, due to the significantly lower volume of HUF/FX swaps (HUF29 billion average volume) held a smaller long average FX position in its balance sheet (in the first quarter of 2002: HUF91 billion). The overall net FX open position was nearly at the low level of the last year.

Loss on real estate transactions were HUF3 million compared to a profit of HUF385 million a year earlier.

Other non interest income of HUF1.388 million was HUF684 million or 97.2% higher than in 2002. From this, income from the repurchased housing loans in the framework of the debt restructuring program represents roughly HUF1 billion and the proportional result of the amortization of badwill (OBS) is HUF 191 million. The value of the invoiced services was HUF81 million in the first 3 months of 2003.

Non-interest income represented 44.3% of total income, 8.2% point higher than a year earlier.

Total income for the Bank reached HUF47,322 million, a 25.7% increase well above the inflation.

NON-INTEREST EXPENSES

During the first 3 months of 2003, non-interest expenses reached HUF22,734 million, 4.1% higher than a year earlier and below the growth rate of the income.

The personnel expenses were 14.8% higher than in the first quarter of 2002, but meanwhile were lower by HUF3 billion or 25.4% than in 4Q 2002. The annual growth was caused also by the 6% average salary increase of 1 March 2003 and the year on year growth of the average personnel over 5%. Personnel expenses represented 18.5% of total income compared to 20.2% during the first quarter of 2002.

Depreciation was HUF2,831 million, HUF75 million higher than a year ago.

The other non-interest expenses were by 2.6% or HUF297 million higher than a year earlier. Within these, the most important items are the material type of costs that fell by HUF555 million. Within these items, the material costs fell by HUF224 million and other rental expenses by 38.3% or HUF523 million. The fees paid for domestic specialist and other services increased and fees paid for foreign specialist decreased. Local taxes increased by 25.3% to HUF1.1 billion.

The Bank's cost/income ratio for the first 3 months of 2003 was 48.0%, 990 bps lower than in the first 3 months of 2002, and lower than the projected figure for the year. Among others, the different seasonality of the incomes and expenses also contributed to the favorable ratio.

NON-CONSOLIDATED HAR BALANCE SHEET AS AT 31 MARCH 2003

OTP Bank's total assets as at 31 March 2003 were HUF2,533,682 million, 17.1% higher than a year earlier. The increase is higher than the inflation resulting in real asset growth for the preceding 12 months. Based on total assets, the Bank had 22.7% of the banking system's total assets preliminarily (on 31 March 2002 23.2%, on 31 December 2002 22.1%).

Since 31 March 2002 within banking assets, cash and banks decreased by 17.5% driven by 37.0% decrease in cash and a 1.4% decrease in short-term placements with NBH. NBH account balance declined to a bigger extent (38.6%).

The volume of government securities on 31 March 2003 was HUF516,1 billion, 13.1% lower than a year earlier. Trading securities increased by HUF94,9 billion, or 195,1% to HUF143,5 billion, investment securities fell by HUF35.2 billion or 8.6% to HUF372.6 billion. From the above-mentioned, the decrease of 5.5% in the Hungarian Government Bonds is sizeable.

The volume of the interbank placements decreased by 28.2% since the 31 March 2002 and represented 8.2% of total assets. Within this decrease, the FX deposits with foreign and domestic banks represented the most significant part in harmony with the growth of the lending in foreign exchange.

Within total assets, receivables from customers represented 38.0% (37.9% on 31 March 2002), and were HUF964.0 billion, which was 17.6% higher than a year earlier. Within the commercial loan portfolio, in the last 12 months, retail lending grew by 22.4%, corporate lending grew by 14.1%. Loans to municipalities grew by 29.3%. In the loan portfolio, the shares were 31.4 % (retail loans), 56.4% (corporate loans), 5.9% (municipal loans) and 6.3% (budgetary institutions).

Within corporate lending reaching HUF580.4 billion by the end of March 2003, loans extended to economic entities was 16.2% higher than a year earlier reaching HUF541.0 billion. Loans for investment purposes in HUF fell by 42.0% to HUF65.9 billion partly in line with the increase of the foreign exchange-denominated investment loans. The share of HUF investment loans fell to 12.2%. Current asset financing loans by 7.4% and represented a 19.3% proportion in loans to economic entities. Foreign currency loans grew by 37.2% to HUF172.5 billion and represented 31.9% of total compared to 27.0% a year earlier. Overdrafts increased by 267.7% to HUF19.8 billion during the past 12 months. Loans granted to small businesses increased by 6.7%, or HUF0.5 billion, the share of loans to small businesses within the corporate loan portfolio dropped from 1.4% to 1.3%.

Retail loans grew by 22.4% to HUF322.9 billion from a year earlier. Within this, the volume of housing loans increased by 32.1% to HUF200.9 billion. The volume of mortgage loans (Forras loan introduced in August 2001) remaining with the Bank amounted to HUF81.8 billion on 31 March. The volume of 2000 condition loans increased by 0.2% to HUF78.7 billion during 12 months to March 2003. Old loans continued to decline, all in all, to HUF40.6 billion. Volume of mortgage-based home equity loans fell by 14.2% to HUF41.7 billion over last 12 months.

Consumer loans were 26.9% higher and reached HUF80.1 billion at the end of March 2003. Within consumer loans current account related loans increased by 32.9% reaching HUF77.7 billion. The growth of C-loans was

82.5% since March 2002 and the volume reached HUF27.7 billion. Loans financing consumer purchases and personal loans declined further.

The volume of municipal loans increased further and reached HUF60.7 billion from HUF46.9 billion. Loans to budgetary organizations increased to HUF62.5 billion by the end of March 2003.

At the end of March 2003 the market share⁶ of the Bank in lending showed a varied picture. Based on preliminary data, on 31 March 2003 the market share of the Bank was 15.0% in overall lending (16.1% on 31 March 2002), and granted 20.9% (29.8%) of retail, 11.9% (12.0%) of corporate and 55.4% (64.9%) of municipal loans.

On 31 March 2003, customer deposits represented 81.9% of the Bank's liabilities. Their volume was HUF273.1 billion or 15.2% higher than a year earlier and reached HUF2,073.8 billion. The increase in retail business was HUF107.3 billion, in corporate business was HUF132.4 billion, while deposits of municipalities grew by HUF33.3 billion.

Volume of **retail deposits** increased by 7.6% to HUF1,517.2 billion during 12 months, their share within customer deposits represented 73.2%. HUF retail deposits increased by HUF157.5 billion, while FX deposits expressed in HUF declined by HUF50.2 billion. On 31 March 2002 the market share of the Bank was 31.0% in total deposits with banks (30.3% at the end of 0 March 2002).

Within HUF deposits, passbook deposits slightly decreased. Current account deposits, the leading retail product of the Bank increased significantly - in line with the business policy announced by the management - from HUF675.0 billion to HUF837.5 billion or by 24.1% and their share in retail deposits grew from 61.5% to 66.7%. The increase of sight deposits exceeded the increase of term deposits. Within retail deposits, during the 12 months preceding 31 March 2003, foreign currency deposits expressed in HUF decreased by 16.1%, while HUF deposits were up by 14.3%.

At the end of March 2002 the Bank managed 37.6% of retail HUF (37.9% in 2002), and 35.7% of retail foreign currency deposits (36.2%). OTP Bank managed 37.3% of household savings with credit institutions while OTP Group managed 38.3% of total household savings (37.5% and 38.8% in 2002).

Volume of corporate deposits increased by 52.0% to HUF385.9 billion from a year earlier. Deposits of legal entities increased by 53.3% in HUF and grew by 17.8% in foreign currencies. HUF deposits of small enterprises and individual entrepreneurs grew by 16.4%, and by 110.1% in foreign currency. The Bank's market share of corporate deposits was 15.7%, with 3.6% above the market share at the end of March 2002.

Municipal deposits increased by 24.5% higher and were HUF169.3 billion on 31 March 2003. Local governments placed 74.1% of their deposits at the Bank (75.4% at the end of March 2002).

Within the Bank's liabilities the volume of provisions grew from HUF15.7 billion at the end of March 2002 to HUF22.2 billion on 31 March 2003.

SHAREHOLDERS' EQUITY

Shareholders' equity of OTP Bank on 31 March 2002 reached HUF219,437 million, an increase of 31.7% compared to the same period a year ago. The increase of HUF52.9 billion was a result of an additional HUF5.4 billion in general reserves, as well as a HUF44.5 billion increase in retained earnings, a HUF1.9 billion decrease in fixed reserves and a HUF4.8 billion growth in net profits. Non-audited book value of 1 share on 31 March 2003 was HUF783.7.

On 31 March 2002, the HAR **guarantee capital** of the Bank stood at HUF161,114 million (HUF172,951 million including after tax profits for the period).

With HUF1,168.7 billion risk weighted assets (a 27.3% growth compared to 31 March 2002) the **capital adequacy ratio** - calculated according to Hungarian regulations with "intra-year method" - was 13.79% as at 31 March 2003 (14.80% including after tax profits for the period), in excess of the 8% required by the Banking Act, meeting the requirements of the Bank's Management.

⁶ Because of the change in the statistical calculation of the performance of the banking system and the different timing of their central bank and other reports, the 2002 and 2003 market shares have a limited comparability. So we can only present a limited overview on the market shares of business branches, products and bank-savings and non-bank savings in contrast with the previous practice.

OTHER

The number of retail **current accounts**, the leading product of the Bank, expanded by 127 thousand or 4.8% to 2,760 thousand, based on the present product range. The number of time deposits connected to current accounts reached 730 thousand. In March 2002 1,359 thousand salary and pension transfer have been sent to the accounts. The number of transfers from the accounts exceeded 3.5 million.

The number of **cards** issued connected to the retail current accounts exceeded 2,955 thousand on 31 March 2003, compared to 2,841 thousand (4% growth) at the end of March 2001. Within this number, the identification cards issued for current account owners was 152.3 thousand, the number of B-loan cards connected to retail current accounts was 173.8 thousand and the number of C-loan cards was 115.4 thousand on 31 March 2002. Including corporate and FX based cards, the total number of cards issued approached 3,349 thousand, an increase of 5.5% over March of 2002. The Bank's estimated market share of cards issued was over 60%.

The number of the Bank's **ATMs** expanded from 1,112 a year earlier to 1,183, the number represented approximately half of ATMs operating in Hungary and more than 40% of the ATMs operated by banks. The number of transactions executed by the Bank's card owners, performed through the Bank's ATMs, reached 14.8 million in 2003, while the turnover of transactions was HUF346.7 billion, an increase of 3.2% and 17.3%, resp. over the first quarter of 2002. The number of **POS terminals** on 31 March 2003 stood at 18,631; 2,123 more than one year earlier. Out of them 2,688 were operating in the Bank's branches and 10,944 at commercial establishments, which include gas stations. The number of withdrawal transactions on the Bank's own POS network was 1.7 million, the turnover was HUF219 billion. The number of purchases on POS terminals at merchants was 8.8 million (40.4% increase) valuing HUF69.7 billion (41.6% increase). The number of client terminals operating through telephone lines reached 11,089 on 31 March 2003. At the end of March 2003 the number of contracted customers for the telephone banking service surpassed 466,000, for mobile banking service 166,000 and for Internet banking service 236,000. The number of transactions arranged through the electronic distribution network of the Bank in 2003 was 26.6 million valuing HUF671.8 billion.

More than 70% of the turnover in withdrawal transactions and almost half of the purchases in the country were arranged through the network of OTP Bank.

The number of OTP Bank staff grew slightly in 2003. The closing staff number increased by 66 during the first quarter of 2003 and on 31 March 2003 was 440 higher than a year earlier. In the first quarter of 2003, the staff increased by 95 persons at the Headquarters and decreased by 29 persons in the branch network. At the Headquarters, the transfers from the branch network to the "Back Office" Directorate (38 persons) were significant. The staff in the IT and Logistics Department also increased by 18 persons and besides vacancies were also filled in both the branch network and at the Headquarters.

Trend in the number of OTP Bank staff:

	31 March 2002	31 December 2002	31 March 2003	Change (%) Over 31 March 2002
Average number of employees	8,358	8,569	8,803	5.3
Employees at the end of period	8,396	8,770	8,836	5.2

CONSOLIDATED FIGURES AS OF 31 MARCH 2002.

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.

2002 and 2003 first quarter consolidated data of the OTP Group in HUF million:

	Equity		Total assets		Pre-tax profits	
	31-March-2002	31-March-2003	31-March-2002	31-March-2003	31-March-2002	31-March-2003
<i>OTP Bank Ltd.</i>	166,573	219,437	2,164,177	2,533,682	13,018	21,634
<i>Subsidiaries total</i>	61,589	90,882	304,175	777,851	3,369	4,821
Total (non consolidated)	228,162	310,319	2,468,352	3,311,533	16,387	26,455
<i>Consolidated</i>	192,744	254,389	2,364,030	2,907,316	16,079	25,423

The group of fully consolidated subsidiaries changed compared to the corresponding period of previous year because from the second quarter of 2002, the Slovakian OTP Banka Slovensko (OSB) was also consolidated.

In preparing the Stock Exchange Report of 31 March 2003, the bank applied the following methodology:

Fully consolidated subsidiaries	18
Equity consolidated companies	19
of which	
- daughter companies	15
- mutually managed companies --	
- associated companies	4

CONSOLIDATED BALANCE SHEET

Total assets of the group as at 31 March 2003 were HUF2,907 billion, 14.7% higher than total assets of the Bank. The consolidated balance sheet total for the Group increased by HUF543.3 billion or 23% from a year earlier.

To this growth, excluding the consolidation steps, OTP Banka Slovensko's HUF125 billion and the OTP Mortgage Bank's HUF300.3 billion balance sheet total was the largest contribution. The latter Bank is operating from the first quarter of 2002. Due to its booming finance leasing business and foreign currency denominated loans, Merkantil-Car's assets rose by HUF28.0 billion. Total assets of OTP-Garancia Insurance Ltd. increased by HUF19.5 billion.

The change in the consolidated balance sheet on the asset side (HUF543.3 billion) was the result of the growth of the invested assets (HUF489 billion) and the accruals (HUF9.5 billion) and increase of the current assets (HUF44.8 billion).

In the consolidated balance sheet as of 31 March 2003, the proportion of the current assets and invested assets is 42.7% and 56.0%. A year ago, these values were 50.6% and 48.2%, respectively. These ratios on consolidated level changed in a similar way in both years in case of the parent company.

In the consolidated report, the 3.8% increase of current assets was a result of the increase of securities (HUF115 billion) and the decrease of cash (HUF66 billion).

Within the 16.4% decrease of consolidated cash and balances with banks, the most significant amounts were the HUF48.8 billion decrease of the balances with NBH at OTP Bank.

The 83% increase in consolidated volume of trading securities was mostly caused by the HUF117 billion higher volume of government securities. At OTP Bank, the volume of government papers increased by HUF95 billion. Among the subsidiaries the HUF35.4 billion security portfolio of the newly-consolidated subsidiaries (OTP Banka Slovensko: HUF14.2 billion and OTP Mortgage Bank: HUF21.2 billion) meant an increase. Out of the HUF27.6 billion volume of own shares in current year, OTP Bank holds 60.5% according to the book value, while the rest is owned by three subsidiaries.

In the consolidated balance sheet of 31 March 2003, the volume of short-term receivables were lower by HUF 5.5 billion compared to the same period of 2002. Receivables from customers rose by HUF47.4 billion (14.3%). Other receivables decreased by HUF9.6 billion (25.8%), receivables from credit institutions by HUF43.3 billion (15.7%).

The change of the consolidated volume of receivables from credit institutions reflects the decrease at OTP Bank that is improved by HUF24.8 billion amount coming from OBS's receivables from credit institutions. OSB was not consolidated in the first quarter of the last year.

In the change of receivables from customers, a HUF20.4 billion growth can be observed at OTP Bank. This is increased by the growth of the OTP Mortgage Bank (HUF17.4 billion), the Merkantil Car (HUF5 billion) and OBS (HUF10.3 billion) and decreased by the HUF12.8 billion effect from the consolidation settlements.

Compared to the same period of 2002, the volume of investments was 42.9% or HUF488.9 billion higher in the consolidated balance sheet.

The receivables from customers grew with largest amount (HUF498.6 billion), the change was influenced considerably by the OTP Bank (HUF177.6 billion), in addition to the OTP Mortgage Bank (HUF242.8 billion) and OBS (HUF61.6 billion). All in all, the receivables from customers grew by 61.9% to HUF1,428.1 billion in 2003. During 2003 and by the end of March, they reached 49.1% share in the total assets (end of 31 March 2002:

37.3%). In the consolidated loan portfolio, the shares were 45.8% (corporate loans), 498.8% (retail loans) and 4.3% (municipal loans). On 31 March 2003, the quality of the loan portfolio on a consolidated level is good. In the loan portfolio, 93,1% belongs to the no-problem and the to-be-monitored category. From the HUF98.6 billion problem loans representing 6.9%, HUF7.8 billion is below-average, HUF44.6 is doubtful and HUF46.2 billion is bad loan.

Consolidated value of tangible assets increased by HUF18.6 billion as mainly the result of the growth at OTP Bank and the consolidation of OTP Banka Slovensko.

On the liability side, the increase of the consolidated balance sheet total compared to the previous period was the result of HUF455 billion increase of liabilities, HUF24.7 billion increase of provisions, HUF61.6 billion increase of shareholders' equity, and HUF2 billion increase in accrued liabilities.

In the consolidated balance sheet within liabilities short-term liabilities increased by 19.3% (by HUF371 billion) and long-term liabilities by 63.3% (by HUF84 billion). The change in long-term liabilities was due to a larger increase (HUF26.9 billion) at OTP Bank, which was accompanied by the increasing long-term liabilities at OSB (HUF11.4 billion). These items were decreased by OTP Mortgage Bank's mortgage bonds that were issued and subscribed within the consolidation circle after their consolidation.

In short-term liabilities, the largest growth was seen at OTP Bank (HUF282 billion). Besides the sizeable growth at OTP Banka Slovensko (HUF96 billion), Merkantil Car (HUF18 billion) and OTP Factoring (HUF5 billion), which was partly counterbalanced, by the growth of the consolidation steps. Within the short-liabilities, short-term liabilities to customers grew by HUF345.3 billion, caused mainly by the change in OTP Bank's deposits volume and the consolidated deposits at OBS.

The proportion of customer liabilities within total liabilities on a consolidated level was 88.1% as at 31 March 2003 and 91.3% as at 31 March 2002. These ratios were, in case of OTP Bank, 90.9% and 91.6%, respectively.

Provisions on the liability side in the consolidated balance sheet rose by HUF24.7 billion. The growth came from the following sources: provisions for pensions and one-time salary-like items HUF1 billion, general risk provisions by HUF3.5 billion, provisions for contingent and future liabilities by HUF1.9 billion, and other provisions increased by HUF18.3 billion. Within the latter, reserves of OTP Garancia Insurance Ltd. were the major part.

Consolidated shareholders' equity was HUF254.4 billion (32.0% growth) at the end of March 2003 representing 8.7% of balance sheet total opposed to 8.2% on the comparable period of 2002.

CONSOLIDATED RESULTS

Consolidated *pre-tax profit* for the first 3 months of 2003 was HUF25,423 million, 17.5% higher than pre-tax profit of the parent company, and 58.1% higher than consolidated pre-tax profit for the same period of 2002.

Consolidated *after-tax profit* for the first 3 months of 2003 was HUF20,453 million, 16.4% higher than after-tax profit of the parent company, and 56.6% higher than consolidated pre-tax profit for the same period of 2002.

Consolidated *after tax earnings per share* calculated for the first 3 months of 2003 were HUF79.68 undiluted, whereas diluted EPS was HUF73.05. US dollar equivalents were USD 0.35 and USD 0.32 respectively, based on the National Bank's average middle exchange rate between 1 January and 31 March 2003 (i.e. 227.24 HUF/USD).

Consolidated net interest income for the first 3 months of 2003, reached HUF35,963 million, 30.2% higher than in the same period of 2002 and 35.6% more than that of the Bank. This can be explained mainly by interest income of OTP Mortgage Bank from retail business and securities, the interest income of credit and leasing receivables of Merkantil Group and the successful operation of OTP Banka Slovensko, and the return of investments at OTP Building Society. Consolidated interest income were 18.1% and expenses were 3.7% higher than in the first quarter of 2002.

Within consolidated interest income (HUF60.1 billion) retail accounts hold the biggest part (consolidated: HUF19.4 billion, parent company: HUF12 billion). Interest income from corporate accounts (consolidated HUF12.2 billion, parent company: HUF9.8 billion) and from securities (HUF16.4 billion, parent company: HUF13.4 billion) are considerable as well. To the growth of the consolidated interest income compared to the previous

year, the retail interest income (HUF4.6 billion) and interest income from securities (HUF4.2 billion) made the largest contribution.

Within interest expenses (HUF24.1 billion, OTP Bank: HUF 21 billion) the interests paid on retail deposits represented the largest part in both the consolidated (HUF15.3 billion) and OTP Bank level (HUF 14.2 billion). Concerning interest expenses, the decrease in the interest paid for retail deposits (HUF 2.1 billion) was the most significant, compared to the first quarter of the last year.

Consolidated non-interest income increased by 12.5%. Within this, consolidated net fees and commissions grew by 27.2%; at a lower rate than at the Bank (56.1%). Insurance income grew by 9.9% from HUF 12.9 in the first 3 months of 2002 to HUF14.2 billion. In 2003, the consolidated cost/income ratio changed from 66.5% in 2002 to 59.4%. In case of OTP Bank, this ratio changed from 58% to 48%.

Consolidated operating income was HUF8.9 billion (46.7%) higher; provisioning and loan losses were by HUF0.4 billion (13.1%) lower than in the same period of the previous year. Provisioning and loan losses was 16% of the operating income in the first quarter of 2002; 9.9% in 2003. At OTP Bank, this ratio was 12% and 17.7%, respectively.

Preliminary consolidated annualized ROAA in the first 3 months of 2003 reached 2.90% (2.23% in the first quarter of 2002). Meantime consolidated ROAE was 33.3% (27.9% in 2002), that, based on an average annual inflation of 4.6%, means a 28.7% real ROAE (21.7% in the first 3 months of 2002).

SUBSIDIARIES

The pre-tax profits of the fully consolidated major subsidiaries affecting the profit figures of the consolidated report are as follows as at 31 March 2003:

	in HUF millions		
	31 March 2002	31 March 2003	Change
Merkantil Bank Ltd.	627	547	-12.8%
Merkantil-Car Ltd.	69	304	340.6%
Merkantil Bérlet Ltd.	4	74	1750.0%
<u>Merkantil Group</u>	<u>700</u>	<u>925</u>	<u>32.1%</u>
OTP Building Society Ltd.	577	337	-41.6%
OTP Mortgage Bank Ltd.	216	1.467	579.2%
OTP Banka Slovensko a. s.	---	33	---
OTP-Garancia Insurance Ltd.	405	503	24.2%
OTP Fund Management Ltd.	737	961	30.4%
HIF Ltd.	125	53	-57.6%
OTP Real Estate Ltd.	290	287	-1.0%
OTP Factoring Management Ltd.	33	2	-93.9%
OTP Factoring Ltd.	288	139	-51.7%
<u>OTP Factoring Group</u>	<u>321</u>	<u>141</u>	<u>-56.1%</u>
Bank Center No. 1. Ltd.	12	27	125.0%
OTP Fund Servicing and Consulting Ltd.	15	2	-86.7%
OTP Merleg Rt.	-8	56	800.0%
Other subsidiaries	-21	29	238.1%
Subsidiaries total	3,369	4,821	43.1%

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

Merkantil Bank Ltd. closed the first 3 months of 2003 with total assets of HUF61.2 billion. Its pre tax profit amounted to HUF547 million. During the first quarter of 2003, the Bank's interest margin was 9.7% based on average assets of HUF62 billion. In Merkantil Bank Ltd.'s assets, car financing and dealer financing represented 71.3% and 9.7% respectively. Car financing amounted to HUF43.6 billion on March 31, 2002.

Within the car financing by the Merkantil Group, the share of the loans based on foreign exchange appearing in Merkantil Car'S books was higher compared to bank loans. The number of car financing transactions reached 11,239 in the first 3 months of 2003. In the new financing deals, the share of foreign currency based loans was 58.3% and the share of financial leasing was 3.4%.

Total assets of **Merkantil Car** were HUF68.7 billion at the end of March 2002, which is 68.8% higher than at the end of March 2001. The net volume of car-leasing and loans exceeded HUF62.4 billion, 82.5% or HUF28.2 billion higher compared to the same period of the last year. The volume of capital goods leasing business was 14.5% higher than a year ago, reaching HUF5.4 billion. In the first quarter of 2003, the company reached a HUF304 million pre-tax profit, shareholders' equity rose by 72.3% by the end of the period to nearly HUF 1.3 billion.

OTP Building Society concluded 2,206 contracts in cooperation with agent firms and the branches of OTP Bank in 2003, an increase of 11% compared to the same period in 2002. The volume of customer deposits was over HUF43.5 billion on 31 March 2002. The company closed the first quarter of 2002 with HUF337 million pre-tax profits and a HUF51 billion balance sheet total.

OTP Mortgage Bank started its operation on 1 February, 2002 as a specialized lending institution. Its business target is to purchase high quality housing loans from the Bank and finance it with the issuance of mortgage bonds. On 31 March 2003. OTP Mortgage Bank's receivables from customers were HUF271.5 billion purchased totally from OTP Bank's Forras loan portfolio. Meanwhile, by 31 March 2003, the face value of the Bank's issued mortgage bonds reached HUF264.6 billion (with floating interest: HUF57.6 billion, with fixed interest: HUF207 billion). Total assets were HUF300.3 billion and its pre-tax profit reached HUF1.5 billion.

The latest member of the OTP Group, from 4 April 2002, is the Bratislava-based **OTP Banka Slovensko a.s.** appearing with a new image. The Bank's main purpose is to increase the selling of its retail and corporate deposit products. After the appearing of the strategic investor, dynamic changes took place in the business operations of the company - the most significant project is the transforming of the retail banking services. In HAR, in the first 3 months of 2003, the Bank realized HUF2,145 million interest income and HUF1,145 million interest expenses resulting in a nearly HUF1 billion net interest income. Based on the first quarter average total assets, the spread was 4.18%, while the margin 3.43%, both figures were higher than the figures for the year 2002, but lower than in 4Q 2002. Non interest income was 12.4% higher, the expenses by 72.7% lower than in the fourth quarter of 2002. On 31 March 2003., OBS's total assets were HUF124.8 billion (SKK 20.9 billion) that means a 13.3% growth compared to the end of the last year. In the first quarter of 2003, with unchanged loan volume, the Bank increased its retail loans by 81.2% to SKK303 million. Meantime corporate loans decreased by 1.2%. The proportion of the Bank's problem loans was 19% on 31 March 2003, almost totally from the corporate business. The Bank's retail deposits increased, during the same period, by 28.2% or SKK roughly SKK 2.8 billion. Within this, retail deposits in SKK grew by 45.3% and in foreign exchange by 3.3%, altogether they increased to SKK 8.1 billion. The growth of deposits on the retail current accounts was 26.1%. Receivables from customers were over HUF71.9 billion representing 57.7% of the balance sheet total. The number of retail deposit accounts increased by 23.6% to 147,000, the number of issued cards grew by 25.5% to 41,520. Both the number and the value of card transactions were higher than in the fourth quarter of 2002. According to Slovakian regulations, the Bank had a SKK 28billion guarantee capital, SKK3.6 billion risk-weighted assets, resulting in a 77.4% capital adequacy ratio.

OTP Garancia Insurance reached HUF503 million pre tax-profit in the first 3 months of 2003. In contrast with a premium income of HUF13.6 billion in the first quarter of 2002, the insurance company realized HUF14.4 billion income in 2003. The premium income in life and bank assurance business reached nearly HUF7.2 billion, in non-life business also HUF7.2 billion equaling to a 9.1% decrease and a 26.4% growth, respectively.

In 2003, total insurance expenses amounted to HUF14.2 billion in which damages and services was HUF6 billion. Thus, the damage to premium ratio in the non life insurance business reached together with the change in reserves 51.9%. Insurance technical reserves increased by 25.7% to HUF72.7 in accordance with the long term strategic and business policy goals of the company over the same period of 2002. Total assets of the company increased by 28.9% compared to the corresponding period of last year to HUF87.1 billion. Shareholders' equity increased from HUF 8.5 billion to HUF8.9 billion.

OTP Fund Management posted a 2003 pre-tax profit of HUF961 million, which is 30.4% higher than in the corresponding period of 2002. By the end of March 2003, the assets managed by the company increased from HUF474.4 billion by 11.3% to HUF527.8 billion. The market share of the company reaches 48%. The assets of the managed pension funds grew by 7.1% from HUF144.7 billion to HUF155 billion by the end of March 2003.

The activity (forfeiting and factoring) and the profitability of the London-based **Hungarian International Finance Ltd.** was affected by the conflict in the Middle-East. Shareholder's equity reached HUF1,825 million

(GBP 5.1 million) at the end of March 2003. Pre-tax profit of the company totaled HUF53 million (GBP 147 thousand).

In 2003, net sales of **OTP Real Estate** totaled at almost HUF3.8 billion. Its pre-tax profit reached HUF287 million. The company's total assets were HUF16.9 billion. Current assets amounted to HUF15.1 billion of which inventories represented HUF8.5 billion.

OTP Factoring concluded 8.800 contracts with OTP in a gross value of HUF3.5 billion till 31 March 2003. In the first quarter of 2003, from outside sources, the company purchased 6.300 contracts, mainly (Chamber of Commerce and telecommunication industry) receivables with a small contractual value. In the first 3 months of 2003, the gross income was HUF1.4 billion and the net factoring income reached HUF0.5 million.

Due to the above-mentioned, in the first 3 months of 2003, pre tax profit of the company was HUF139 million.

PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE FIRST QUARTER OF 2003 AT OTP BANK LTD

During the 1st quarter of 2003, the Top Management, the Auditor, the Supervisory Board and the Board of Directors of the Bank did not change.

Budapest, 14 May 2003

FINANCIAL DATA

SELECTED NON-CONSOLIDATED FINANCIAL DATA (HUF MILLIONS)

	For the 3 months ended 31		Change (%) 2003/2002
	2002	2003	
	March		
Interest from interbank accounts	9,478	7,776	-18.0
Interest from customer accounts	11,946	12,045	0.8
Interest from corporate accounts	10,968	9,805	-10.6
Interest from municipal accounts	1,362	2,845	108.9
Interest from bonds	10,990	13,409	22.0
Interest from mandatory reserves	1,181	1,432	21.3
<i>Total interest income</i>	<i>45,925</i>	<i>47,312</i>	<i>3.0</i>
Interest on interbank accounts	779	1,970	152.9
Interest on customer accounts	16,827	14,208	-15.6
Interest on corporate accounts	2,209	3,001	35.9
Interest on municipal accounts	1,540	1,441	-6.4
Interest on bonds	244	126	-48.4
Interest on long term debt	253	210	-17.0
<i>Total interest expense</i>	<i>21,852</i>	<i>20,956</i>	<i>-4.1</i>
Net interest income	24,073	26,356	9.5
Fees & commissions income	13,597	20,738	52.5
Fees & commissions paid	1,588	1,986	25.1
Net fees & commissions	12,009	18,752	56.1
Gains (losses) on securities trading	-86	933	-1184.9
Gains (losses) on forex trading	563	-104	-118.5
Gains (losses) on property transactions	385	-3	-100.8
Other	704	1,388	97.2
Non interest income	13,575	20,966	54.4
<i>Share of non interest income in total income</i>	<i>36.1%</i>	<i>44.3%</i>	<i>8.2</i>
Total income	37,648	47,322	25.7
Staff costs	7,612	8,736	14.8
Depreciation	2,756	2,831	2.7
Other operating expenses	11,464	11,167	-2.6
Operating costs	21,832	22,734	4.1
<i>Cost/Income ratio %</i>	<i>58.0%</i>	<i>48.0%</i>	<i>-9.9</i>
Operating income	15,816	24,588	55.5
Diminution in value, provisions and loan losses	2,798	2,954	5.6
Income before income taxes	13,018	21,634	66.2
Taxes	2,366	4,070	72.0
Tax rate %	18.2%	18.8%	3.5
After tax profits	10,652	17,564	64.9

The Bank's 1Q 2002 and 1Q 2003 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

SELECTED NON-CONSOLIDATED FINANCIAL DATA (USD '000S)

	For the 3 months ended 31		Change (%) 2003/2002
	2002	2003	
	March		
Interest from interbank accounts	33,972	34,219	0.7
Interest from customer accounts	42,818	53,006	23.8
Interest from corporate accounts	39,311	43,150	9.8
Interest from municipal accounts	4,883	12,515	156.3
Interest from bonds	39,393	59,010	49.8
Interest from mandatory reserves	4,232	6,303	48.9
<i>Total interest income</i>	<i>164,609</i>	<i>208,203</i>	<i>26.5</i>
Interest on interbank accounts	2,794	8,666	210.2
Interest on customer accounts	60,312	62,521	3.7
Interest on corporate accounts	7,915	13,207	66.9
Interest on municipal accounts	5,521	6,342	14.9
Interest on bonds	874	558	-36.2
Interest on long term debt	908	927	2.1
<i>Total interest expense</i>	<i>78,324</i>	<i>92,221</i>	<i>17.7</i>
Net interest income	86,285	115,982	34.4
Fees & commissions income	48,736	91,263	87.3
Fees & commissions paid	5,693	8,738	53.5
Net fees & commissions	43,043	82,525	91.7
Gains (losses) on securities trading	-303	4,107	-1455.4
Gains (losses) on forex trading	2,015	-458	-122.7
Gains (losses) on property transactions	1,380	-12	-100.9
Other	2,524	6,099	141.6
Non interest income	48,659	92,261	89.6
<i>Share of non interest income in total income</i>	<i>36.1%</i>	<i>44.3%</i>	<i>8.2</i>
Total income	134,944	208,243	54.3
Staff costs	27,285	38,442	26.1
Depreciation	9,880	12,458	26.1
Other operating expenses	41,091	49,140	19.6
Operating costs	78,256	100,040	27.8
<i>Cost/Income ratio %</i>	<i>58.0%</i>	<i>48.0%</i>	<i>-9.9</i>
Operating income	56,688	108,203	90.9
Diminution in value, provisions and loan losses	10,027	13,001	29.7
Income before income taxes	46,661	95,202	104.0
Taxes	8,480	17,910	111.2
Tax rate %	18.2%	18.8%	3.5
After tax profits	38,181	77,292	102.4

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is. 278.99HUF/USD for 1Q 2002, 227.24HUF/USD for 1Q 2003.

SELECTED CONSOLIDATED FINANCIAL DATA (HUF MILLIONS)

	For the 3 months ended 31 March		Change (%)
	2002	2003	2003/2002
Interest from interbank accounts	9,690	8,169	-15.7
Interest from customer accounts	14,471	19,030	31.5
Interest from corporate accounts	12,015	12,206	1.6
Interest from municipal accounts	1,362	2,857	109.8
Interest from bonds	12,153	16,377	34.8
Interest from mandatory reserves	1,213	1,472	21.4
<i>Total interest income</i>	50,904	60,111	18.1
Interest to interbank accounts	858	2,453	185.9
Interest on customer accounts	17,365	15,252	-12.2
Interest on corporate accounts	2,213	3,142	41.9
Interest on municipal accounts	1,540	1,475	-4.2
Interest on bonds	1,057	1,615	52.7
Interest on subordinated loan	254	211	-17.2
<i>Total interest expense</i>	23,287	24,148	3.7
Net interest income	27,617	35,963	30.2
Fees & commissions income	14,466	18,685	29.2
Fees & commissions paid	2,601	3,598	38.4
Net fees & commissions	11,865	15,087	27.2
Securities trading	290	1,374	374.0
Forex trading	714	-641	-189.8
Losses on property transactions	652	362	-44.5
Insurance fee income	12,937	14,216	9.9
Other	3,123	2,868	-8.2
Non interest income	29,581	33,266	12.5
<i>Ratio of non interest income</i>	<i>51.7%</i>	<i>48.1%</i>	<i>-3.6</i>
Total income	57,198	69,229	21.0
Staff costs	10,063	12,185	21.1
Depreciation	3,805	4,068	6.9
Insurance costs	11,102	10,103	-9.0
Other costs	13,078	14,781	13.0
Operating costs	38,048	41,137	8.1
<i>Cost/income ratio</i>	<i>66.5%</i>	<i>59.4%</i>	<i>-7.1</i>
Operating income/Profit	19,150	28,092	46.7
Diminution in value, provisions and loan losses	3,071	2,669	-13.1
Pre-tax profit	16,079	25,423	58.1
Taxes	3,022	5,025	66.3
Taxes due to consolidation	-5	-55	1000.0
Tax rate %	18.8%	19.6%	4.3
After tax profits	13,062	20,453	56.6

The Bank's 1Q 2002 and 1Q 2003 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

SELECTED CONSOLIDATED FINANCIAL DATA (USD '000S)

	For the 3 months ended 31 March		Change (%)
	2002	2003	2003/2002
Interest from interbank accounts	34,733	35,950	3.5
Interest from customer accounts	51,868	83,742	61.5
Interest from corporate accounts	43,066	53,712	24.7
Interest from municipal accounts	4,882	12,574	157.6
Interest from bonds	43,561	72,071	65.4
Interest from mandatory reserves	4,346	6,478	49.0
<i>Total interest income</i>	<i>182,456</i>	<i>264,527</i>	<i>45.0</i>
Interest to interbank accounts	3,076	10,796	250.9
Interest on customer accounts	62,242	67,118	7.8
Interest on corporate accounts	7,930	13,829	74.4
Interest on municipal accounts	5,521	6,493	17.6
Interest on bonds	3,790	7,106	87.5
Interest on subordinated loan	908	927	2.1
<i>Total interest expense</i>	<i>83,467</i>	<i>106,269</i>	<i>27.3</i>
Net interest income	98,989	158,258	59.9
Fees & commissions income	51,850	82,227	58.6
Fees & commissions paid	9,322	15,835	69.9
Net fees & commissions	42,528	66,392	56.1
Securities trading	1,039	6,047	481.9
Forex trading	2,562	-2,822	-210.1
Losses on property transactions	2,336	1,592	-31.8
Insurance fee income	46,369	62,559	34.9
Other	11,194	12,624	12.8
Non interest income	106,028	146,392	38.1
<i>Ratio of non interest income</i>	<i>51.7%</i>	<i>48.1%</i>	<i>-3.6</i>
Total income	205,017	304,650	48.6
Staff costs	36,068	53,623	48.7
Depreciation	13,637	17,902	31.3
Insurance costs	39,794	44,457	11.7
Other costs	46,876	65,044	38.8
Operating costs	136,375	181,026	32.7
Cost/income ratio	66.5%	59.4%	-7.1
Operating income/Profit	68,642	123,624	80.1
Diminution in value, provisions and loan losses	11,010	11,745	6.7
Pre-tax profit	57,632	111,879	94.1
Taxes	10,833	22,115	104.1
Taxes due to consolidation	-21	-241	1047.6
Tax rate %	18.8%	19.6%	4.3
After tax profits	46,820	90,005	92.2

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is. 278.99HUF/USD for 1Q 2002, 227.24HUF/USD for 1Q 2003.

PK3. Balance Sheet
BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at 31 March 2003

	in HUF million					
	31-Mar-2002	31-Mar-2003	Change	31-Mar-2002	31-Mar-2003	Change
	OTP Bank	OTP Bank	(%)	Consolidated	Consolidated	(%)
ASSETS:						
1. Cash in hand, balances with central banks	398,952	329,272	-17.5%	402,283	336,307	-16.4%
2. Treasury bills	456,416	516,063	13.1%	561,784	655,271	16.6%
a) held for trade	48,625	143,482	195.1%	98,819	215,806	118.4%
b) held as financial fixed assets (for long term investment)	407,791	372,581	-8.6%	462,965	439,465	-5.1%
3. Loans and advances to credit institutions	290,870	208,910	-28.2%	300,603	244,687	-18.6%
a) repayable on demand	3,967	4,457	12.4%	3,969	4,460	12.4%
b) other receivables from financial services	286,832	204,447	-28.7%	296,563	240,221	-19.0%
ba) maturity not more than one year	261,445	191,727	-26.7%	271,476	227,801	-16.1%
bb) maturity more than one year	25,387	12,720	-49.9%	25,087	12,420	-50.5%
c) receivables from investment services	71	6	-91.5%	71	6	-91.5%
4. Loans and advances to customers	826,030	1,024,015	24.0%	882,153	1,428,111	61.9%
a) receivables from financial services	824,783	1,021,305	23.8%	880,061	1,425,375	62.0%
aa) maturity not more than one year	357,671	376,643	5.3%	329,377	376,141	14.2%
ab) maturity more than one year	467,112	644,662	38.0%	550,684	1,049,234	90.5%
b) receivables from investment services	1,247	2,710	117.3%	2,092	2,736	30.8%
5. Debt securities including fixed-income securities	22,299	241,412	982.6%	23,546	21,882	-7.1%
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)	0	0	0.0%	0	0	0.0%
b) securities issued by other bodies	22,299	241,412	982.6%	23,546	21,882	-7.1%
ba) held for trade	4,255	1,814	-57.4%	4,258	1,814	-57.4%
bb) held as financial fixed assets (for long term investment)	18,044	239,598	1,227.9%	19,288	20,068	4.0%
6. Shares and other variable-yield securities	6,028	5,612	-6.9%	8,730	14,848	70.1%
a) shares and participations for trade	4,347	92	-97.9%	4,445	95	-97.9%
b) other variable-yield securities	1,681	5,520	228.4%	4,285	14,753	244.3%
ba) held for trade				2,604	8,733	235.4%
bb) held as financial fixed assets (for long term investment)	1,681	5,520	228.4%	1,681	6,020	258.1%
7. Shares and participating interest as financial fixed assets	926	608	-34.3%	5,900	5,548	-6.0%
a) shares and participating interest as financial fixed assets	926	608	-34.3%	5,900	5,548	-6.0%
b) revaluation surplus on shares and participating interests						
8. Shares and participating interest in affiliated undertakings	31,485	51,498	63.6%	2,385	3,363	41.0%
a) shares and participating interest in affiliated undertakings	31,485	51,498	63.6%	2,280	3,310	45.2%
b) revaluation surplus on shares and participating interests						
c) capital consolidation difference				105	53	-49.5%
9. Intangible assets	11,414	13,606	19.2%	13,823	16,016	15.9%
10. Tangible assets	41,419	51,568	24.5%	57,934	76,517	32.1%
a) tangible assets for financial and investment services	38,991	48,612	24.7%	50,493	62,235	23.3%
b) tangible assets not for directly financial and investment services	2,428	2,956	21.7%	7,441	14,282	91.9%
c) revaluation surplus on tangible assets						
11. Own shares	18,647	16,713	-10.4%	28,686	27,641	-3.6%
12. Other assets	33,939	34,242	0.9%	47,253	38,663	-18.2%
a) stocks (inventories)	1,751	1,334	-23.8%	9,801	10,855	10.8%
b) other receivables (not from financial and investment securities)	32,188	32,908	2.2%	37,452	27,808	-25.8%
13. Prepayments and accrued income	25,752	40,163	56.0%	28,950	38,462	32.9%
TOTAL ASSETS	2,164,177	2,533,682	17.1%	2,364,030	2,907,316	23.0%
From this:						
-CURRENT ASSETS	1,133,166	1,101,158	-2.8%	1,195,333	1,240,203	3.8%
-FIXED ASSETS	1,005,259	1,392,361	38.5%	1,139,747	1,628,651	42.9%

in HUF million

	31-Mar-2002 OTP Bank	31-Mar-2003 OTP Bank	Change (%)	31-Mar-2002 Consolidated	31-Mar-2003 Consolidated	Change (%)
LIABILITIES						
1. Liabilities to credit institutions	42,072	72,918	73.3%	51,483	113,033	119.6%
a) repayable on demand	4,510	4,818	6.8%	4,512	4,772	5.8%
b) liabilities from financial services with maturity dates or periods of notice	37,562	68,100	81.3%	46,971	108,261	130.5%
ba) not more than one year	20,834	22,473	7.9%	30,238	45,365	50.0%
bb) more than one year	16,728	45,627	172.8%	16,733	62,896	275.9%
c) liabilities from investment services						
2. Liabilities to customers	1,788,177	2,055,986	15.0%	1,877,632	2,214,796	18.0%
a) saving deposits	344,034	347,330	1.0%	344,034	354,071	2.9%
aa) repayable on demand	40,801	44,731	9.6%	40,801	46,200	13.2%
ab) maturity not more than one year	303,233	302,541	-0.2%	303,233	307,630	1.5%
ac) maturity more than one year		58			241	
b) other liabilities from financial services	1,443,474	1,708,098	18.3%	1,532,813	1,860,166	21.4%
ba) repayable on demand	552,603	626,627	13.4%	552,763	645,446	16.8%
bb) maturity not more than one year	882,837	1,077,796	22.1%	885,221	1,128,264	27.5%
bc) maturity more than one year	8,034	3,675	-54.3%	94,829	86,456	-8.8%
c) liabilities from investment services	669	558	-16.6%	785	559	-28.8%
3. Liabilities from issued debt securities	69,839	62,602	-10.4%	69,839	102,602	46.9%
a) issued bond	1	2,101	210,000%	1	2,101	210,000%
aa) maturity not more than one year						
ab) maturity more than one year	1	2,101	210,000%	1	2,101	210,000%
b) issued other debt securities	442	309	-30.1%	442	40,309	9,019.7%
ba) maturity not more than one year	442	309	-30.1%	442	309	-30.1%
bb) maturity more than one year					40,000	
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities						
ca) maturity not more than one year	69,396	60,192	-13.3%	69,396	60,192	-13.3%
cb) maturity more than one year	65,911	55,004	-16.5%	65,911	55,004	-16.5%
	3,485	5,188	48.9%	3,485	5,188	48.9%
4. Other liabilities	34,867	53,616	53.8%	41,019	62,180	51.6%
a) maturity not more than one year	34,867	53,616	53.8%	40,167	61,810	53.9%
b) maturity more than one year				49	24	-51.0%
c) (Calculated) Corporate tax difference due to consolidation				803	346	-56.9%
5. Accruals and deferred income	29,655	31,227	5.3%	36,519	38,545	5.5%
6. Provisions	15,742	22,155	40.7%	77,098	101,762	32.0%
a) provisions for pensions and similar obligations		1,000			1,000	
b) risk provision for off-balance sheet items (for pending and future liabilities)	2,689	4,540	68.8%	3,220	5,133	59.4%
c) general risk provision	11,460	14,613	27.5%	12,211	15,671	28.3%
d) other provision	1,593	2,002	25.7%	61,667	79,958	29.7%
7. Subordinated liabilities	17,252	15,741	-8.8%	17,696	20,009	13.1%
a) subordinated loan capital	17,252	15,741	-8.8%	17,252	15,741	-8.8%
aa) equity consolidation difference				444	4,268	861.3%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives						
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	1,726	1,531	-11.3%	2,476	2,323	-6.2%
9. Subscribed but unpaid capital (-)						
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	30,515	35,926	17.7%	30,515	35,926	17.7%
12. Retained earnings (accumulated profit reserve) (+)	82,367	126,909	54.1%	84,323	129,119	53.1%
13. Legal reserves	18,647	16,713	-10.4%	18,647	16,713	-10.4%
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (+)	6,992	11,837	69.3%	9,360	14,653	56.5%
16. Subsidiaries' equity increases/decreases (+-)*				19,077	28,657	50.2%
17. Increases/decreases due to consolidation (+-)				2,770	850	-69.3%
- from debt consolidation difference				4,687	6,646	41.8%
- from intermediate result difference				-1,917	-5,796	202.3%
18. Participation of outside members (other owners)					419	
19. Difference from exchange rate						
TOTAL LIABILITIES	2,164,177	2,533,682	17.1%	2,364,030	2,907,316	23.0%
- SHORT-TERM LIABILITIES	1,906,707	2,188,473	14.8%	1,924,876	2,295,705	19.3%
- LONG-TERM LIABILITIES	45,500	72,390	59.1%	132,793	216,915	63.3%
- EQUITY (CAPITAL AND RESERVES)	166,573	219,437	31.7%	192,744	254,389	32.0%

* Book value of shares owned by subsidiaries

10,039 10,928 8.9%

PK3. Balance Sheet
BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at 31 March 2003

in '000 USD

	31-Mar-2002	31-Mar-2003	Change	31-Mar-2002	31-Mar-2003	Change
	OTP Bank	OTP Bank	(%)	Consolidated	Consolidated	(%)
ASSETS:						
1. Cash in hand, balances with central banks	1,429,015	1,450,408	1.5%	1,440,946	1,481,396	2.8%
2. Treasury bills	1,634,843	2,273,207	39.0%	2,012,266	2,886,399	43.4%
a) held for trade	174,170	632,025	262.9%	353,962	950,602	168.6%
b) held as financial fixed assets (for long term investment)	1,460,673	1,641,182	12.4%	1,658,304	1,935,797	16.7%
3. Loans and advances to credit institutions	1,041,874	920,228	-11.7%	1,076,734	1,077,821	0.1%
a) repayable on demand	14,209	19,635	38.2%	14,217	19,644	38.2%
b) other receivables from financial services	1,027,410	900,566	-12.3%	1,062,262	1,058,150	-0.4%
ba) maturity not more than one year	936,476	844,535	-9.8%	972,403	1,003,440	3.2%
bb) maturity more than one year	90,934	56,031	-38.4%	89,859	54,710	-39.1%
c) receivables from investment services	255	27	-89.4%	255	27	-89.4%
4. Loans and advances to customers	2,958,771	4,510,682	52.5%	3,159,799	6,290,685	99.1%
a) receivables from financial services	2,954,306	4,498,745	52.3%	3,152,306	6,278,633	99.2%
aa) maturity not more than one year	1,281,150	1,659,073	29.5%	1,179,802	1,656,861	40.4%
ab) maturity more than one year	1,673,156	2,839,672	69.7%	1,972,504	4,621,772	134.3%
b) receivables from investment services	4,465	11,937	167.3%	7,493	12,052	60.8%
5. Debt securities including fixed-income securities	79,875	1,063,397	1,231.3%	84,340	96,391	14.3%
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)	0	0	0.0%	0	0	0.0%
b) securities issued by other bodies	79,875	1,063,397	1,231.3%	84,340	96,391	14.3%
ba) held for trade	15,242	7,993	-47.6%	15,252	7,993	-47.6%
bb) held as financial fixed assets (for long term investment)	64,633	1,055,404	1,532.9%	69,088	88,398	27.9%
6. Shares and other variable-yield securities	21,590	24,721	14.5%	31,268	65,406	109.2%
a) shares and participations for trade	15,568	407	-97.4%	15,919	420	-97.4%
b) other variable-yield securities	6,022	24,314	303.8%	15,349	64,986	323.4%
ba) held for trade				9,327	38,470	312.5%
bb) held as financial fixed assets (for long term investment)	6,022	24,314	303.8%	6,022	26,516	340.3%
7. Shares and participating interest as financial fixed assets	3,317	2,678	-19.3%	21,132	24,437	15.6%
a) shares and participating interest as financial fixed assets	3,317	2,678	-19.3%	21,132	24,437	15.6%
b) revaluation surplus on shares and participating interests						
8. Shares and participating interest in affiliated undertakings	112,776	226,842	101.1%	8,544	14,815	73.4%
a) shares and participating interest in affiliated undertakings	112,776	226,842	101.1%	8,168	14,579	78.5%
b) revaluation surplus on shares and participating interests						
c) capital consolidation difference				376	236	-37.2%
9. Intangible assets	40,883	59,933	46.6%	49,514	70,548	42.5%
10. Tangible assets	148,359	227,153	53.1%	207,516	337,051	62.4%
a) tangible assets for financial and investment services	139,661	214,131	53.3%	180,863	274,138	51.6%
b) tangible assets not for directly financial and investment services	8,698	13,022	49.7%	26,653	62,913	136.0%
c) revaluation surplus on tangible assets						
11. Own shares	66,793	73,617	10.2%	102,752	121,754	18.5%
12. Other assets	121,568	150,830	24.1%	169,256	170,308	0.6%
a) stocks (inventories)	6,273	5,876	-6.3%	35,107	47,814	36.2%
b) other receivables (not from financial and investment securities)	115,295	144,954	25.7%	134,149	122,494	-8.7%
13. Prepayments and accrued income	92,242	176,915	91.8%	103,696	169,420	63.4%
TOTAL ASSETS	7,751,906	11,160,611	44.0%	8,467,763	12,806,431	51.2%
From this:						
- CURENT ASSETS	4,058,911	4,850,487	19.5%	4,281,584	5,462,967	27.6%
- FIXED ASSETS	3,600,753	6,133,209	70.3%	4,082,483	7,174,044	75.7%

	in '000 USD					
	31-Mar-2002	31-Mar-2003	Change	31-Mar-2002	31-Mar-2003	Change
	OTP Bank	OTP Bank	(%)	Consolidated	Consolidated	(%)
LIABILITIES						
1. Liabilities to credit institutions	150,697	321,195	113.1%	184,407	497,900	170.0%
a) repayable on demand	16,153	21,222	31.4%	16,162	21,020	30.1%
b) liabilities from financial services with maturity dates or periods of notice						
ba) not more than one year	134,544	299,973	123.0%	168,245	476,880	183.4%
bb) more than one year	74,624	98,990	32.7%	108,309	199,829	84.5%
bb) more than one year	59,920	200,983	235.4%	59,936	277,051	362.2%
c) liabilities from investment services						
2. Liabilities to customers	6,405,105	9,056,409	41.4%	6,725,525	9,755,954	45.1%
a) saving deposits	1,232,303	1,529,952	24.2%	1,232,303	1,559,646	26.6%
aa) repayable on demand	146,146	197,037	34.8%	146,146	203,508	39.2%
ab) maturity not more than one year	1,086,157	1,332,662	22.7%	1,086,157	1,355,076	24.8%
ac) maturity more than one year		253			1,062	
b) other liabilities from financial services	5,170,407	7,524,000	45.5%	5,490,409	8,193,847	49.2%
ba) repayable on demand	1,979,379	2,760,228	39.4%	1,979,950	2,843,126	43.6%
bb) maturity not more than one year	3,162,252	4,747,585	50.1%	3,170,790	4,969,887	56.7%
bc) maturity more than one year	28,776	16,187	-43.7%	339,669	380,834	12.1%
c) liabilities from investment services	2,395	2,457	2.6%	2,813	2,461	-12.5%
3. Liabilities from issued debt securities	250,159	275,757	10.2%	250,159	451,953	80.7%
a) issued bond	3	9,254	308,366.7%	3	9,254	308,366.7%
aa) maturity not more than one year						
ab) maturity more than one year	3	9,254	308,366.7%	3	9,254	308,366.7%
b) issued other debt securities	1,585	1,364	-13.9%	1,585	177,560	11,102.5%
ba) maturity not more than one year	1,583	1,364	-13.8%	1,583	1,364	-13.8%
bb) maturity more than one year	2		-100.0%	2	176,196	8,809,700.0%
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities	248,571	265,139	6.7%	248,571	265,139	6.7%
ca) maturity not more than one year	236,088	242,288	2.6%	236,088	242,288	2.6%
cb) maturity more than one year	12,483	22,851	83.1%	12,483	22,851	83.1%
4. Other liabilities	124,890	236,175	89.1%	146,926	273,893	86.4%
a) maturity not more than one year	124,890	236,175	89.1%	143,874	272,265	89.2%
b) maturity more than one year				176	105	-40.3%
c) (Calculated) Corporate tax difference due to consolidation				2,876	1,523	-47.0%
5. Accruals and deferred income	106,222	137,554	29.5%	130,810	169,785	29.8%
6. Provisions	56,386	97,589	73.1%	276,157	448,250	62.3%
a) provisions for pensions and similar obligations		4,405			4,405	
b) risk provision for off-balance sheet items (for pending and future liabilities)	9,633	19,997	107.6%	11,533	22,610	96.0%
c) general risk provision	41,049	64,369	56.8%	43,739	69,028	57.8%
d) other provision	5,704	8,818	54.6%	220,885	352,207	59.5%
7. Subordinated liabilities	61,796	69,336	12.2%	63,385	88,138	39.1%
a) subordinated loan capital	61,796	69,336	12.2%	61,796	69,336	12.2%
aa) equity consolidation difference				1,589	18,802	1,083.3%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives						
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	17,082	15,158	-11.3%	24,506	22,991	-6.2%
9. Subscribed but unpaid capital (-)						
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	202,345	224,541	11.0%	202,345	224,541	11.0%
12. Retained earnings (accumulated profit reserve) (+)	357,273	515,512	44.3%	367,919	527,080	43.3%
13. Legal reserves	66,793	73,617	10.2%	66,793	73,617	10.2%
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (+)	25,063	52,091	107.8%	33,550	64,484	92.2%
16. Subsidiaries' equity increases/decreases (+-)*				70,764	108,071	52.7%
17. Increases/decreases due to consolidation (+-)				14,519	7,083	-51.2%
- from debt consolidation difference				26,105	33,696	29.1%
- from intermediate result difference				-11,586	-26,613	129.7%
18. Participation of outside members (other owners)					1,697	
19. Difference from exchange rate	-332,344	-176,686	-46.8%	-343,017	-163,536	-52.3%
TOTAL LIABILITIES	7,751,906	11,160,611	44.0%	8,467,763	12,806,431	51.2%
From this:						
- SHORT-TERM LIABILITIES	6,829,667	9,640,008	41.1%	6,894,748	10,112,347	46.7%
- LONG-TERM LIABILITIES	162,980	318,864	95.6%	475,654	955,491	100.9%
- EQUITY (CAPITAL AND RESERVES)	596,651	966,596	62.0%	690,394	1,120,558	62.3%
* Book value of shares owned by subsidiaries				35,959	48,137	33.9%

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 227.02 HUF/USD for 31 March 2003 and 279.18 HUF/USD for 31 March 2002.

PK4. Profit and Loss Statement
PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the quarter year ended 31 March 2003

	in HUF million					
	31-Mar-02	31-Mar-03	Change	31-Mar-02	31-Mar-03	Change
	OTP Bank		%	Consolidated		%
1. <i>Interest received and interest-type income</i>	45,925	47,312	3.0%	50,904	60,111	18.1%
a) interest received on securities with fixed-interest signifying a creditor relationship	10,990	13,409	22.0%	12,153	16,377	34.8%
b) other interest received and interest-type income	34,935	33,903	-3.0%	38,751	43,734	12.9%
2. <i>Interest paid and interest-type expenses</i>	21,852	20,956	-4.1%	23,287	24,148	3.7%
Interest difference (1-2)	24,073	26,356	9.5%	27,617	35,963	30.2%
3. <i>Incomes from securities</i>	186	19	-89.8%	189	23	-87.8%
4. <i>Fees and Commission received</i>	13,475	20,491	52.1%	12,980	16,771	29.2%
a) revenues from other financial services	12,197	18,770	53.9%	12,139	16,087	32.5%
b) revenues from investment services (except incomes from trading activities)	1,278	1,721	34.7%	841	684	-18.7%
5. <i>Fees and Commission paid</i>	1,588	1,986	25.1%	2,080	2,678	28.8%
a) expenses on other financial services	1,538	1,944	26.4%	2,021	2,636	30.4%
b) expenses on investment services (except expenses from trading activities)	50	42	-16.0%	59	42	-28.8%
6. <i>Profit or loss from financial transactions (6/a-6/b+6/c-6/d)</i>	-454	904	-299.1%	11	490	4,355%
a) revenues from other financial services	4,806	6,625	37.8%	4,229	5,514	30.4%
b) expenses on other financial services	4,606	6,505	41.2%	3,664	5,766	57.4%
c) revenues from investment services (revenues from trading activities)	675	1,973	192.3%	786	1,930	145.5%
d) expenses on investment services (expenses from trading activities)	1,329	1,189	-10.5%	1,340	1,188	-11.3%
7. <i>Other incomes from business</i>	16,897	93,756	454.9%	32,333	25,263	-21.9%
a) incomes from non financial and investment services	1,578	1,759	11.5%	28,129	23,079	-18.0%
a1) income of consolidated investment service providers				8,736	2,609	-70.1%
a2) income of consolidated insurance companies				14,079	14,383	2.2%
a3) income of other consolidated companies				5,314	6,087	14.5%
b) other revenues	15,319	91,997	500.5%	4,140	2,150	-48.1%
ba) consolidation difference income due to debtor consolidation				10		-100.0%
bb) other income due to consolidation				54	34	-37.0%
8. <i>General administration expenses</i>	15,527	15,694	1.1%	16,597	17,762	7.0%
a) personnel expenses	7,612	8,334	9.5%	8,295	9,569	15.4%
b) other administration expenses	7,915	7,360	-7.0%	8,302	8,193	-1.3%
9. <i>Depreciation and amortization</i>	2,756	2,831	2.7%	2,848	3,053	7.2%
10. <i>Other expenses from business</i>	19,688	97,670	396.1%	33,519	27,726	-17.3%
a) expenses from non-financial and investment services	1,283	1,525	18.9%	19,410	12,053	-37.9%
b) other expenses	18,405	96,145	422.4%	7,460	6,767	-9.3%
ba) consolidation difference expense due to debtor consolidation					6	
bb) other expense due to consolidation				138	493	257.2%
11. <i>Write-off of loans and provision for contingent and future liabilities</i>	3,736	5,011	34.1%	6,102	9,814	60.8%
a) write-off of loans	3,047	3,693	21.2%	5,242	8,280	58.0%
b) provision for contingent and future liabilities	689	1,318	91.3%	860	1,534	78.4%
12. <i>Reversal of write-off of loans and credit for contingent and future liabilities</i>	1,920	3,730	94.3%	4,137	8,421	103.6%
a) reversal of write-off of loans	1,888	3,209	70.0%	3,966	7,661	93.2%
b) credit for contingent and future liabilities	32	521	1,528.1%	171	760	344.4%
13. <i>Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company</i>	32	27	-15.6%		21	
14. <i>Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company</i>	248	206	-16.9%		207	
15. Result of ordinary business activities	13,018	22,243	70.9%	16,121	26,084	61.8%
Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	12,723	22,009	73.0%	14,116	23,647	67.5%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	295	234	-20.7%	2,005	2,437	21.5%
16. <i>Extraordinary revenues</i>	1	8	700.0%	2	8	300.0%
17. <i>Extraordinary expenses</i>	1	617	61,600%	44	669	1,420%
18. Extraordinary profit or loss (16-17)	0	-609		-42	-661	1,473.8%
19. Profit or loss before tax (±15±18)	13,018	21,634	66.2%	16,079	25,423	58.1%
20. <i>Tax liabilities</i>	2,366	4,070	72.0%	3,022	5,025	66.3%
Tax difference due to consolidation				-5	-55	1,000.0%
21. After-tax profit or loss (±19-20)	10,652	17,564	64.9%	13,062	20,453	56.6%
22. <i>Formation and utilization of general reserves (±)</i>	-1,065	-1,757	65.0%	-1,182	-1,948	64.8%
23. <i>Use of accumulated profit reserve for dividends and profit-sharings</i>						
24. <i>Dividends and profit-sharings paid (approved)</i>	2,595	3,970	53.0%	2,520	3,852	52.9%
25. Balance-sheet profit or loss figure (±21±22+23-24)	6,992	11,837	69.3%	9,360	14,653	56.5%

PK4. Profit and Loss Statement
PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the quarter year ended 31 March 2003

	in '000 USD					
	31-Mar-02 OTP Bank	31-Mar-03	Change %	31-Mar-02 Consolidated	31-Mar-03	Change %
1. <i>Interest received and interest-type income</i>	164,609	208,203	26.5%	182,456	264,527	45.0%
a) interest received on securities with fixed-interest signifying a creditor relationship	39,393	59,010	49.8%	43,560	72,071	65.5%
b) other interest received and interest-type income	125,216	149,193	19.1%	138,896	192,456	38.6%
2. <i>Interest paid and interest-type expenses</i>	78,324	92,221	17.7%	83,467	106,269	27.3%
Interest difference (1-2)	86,285	115,982	34.4%	98,989	158,258	59.9%
3. <i>Incomes from securities</i>	665	84	-87.4%	677	100	-85.2%
4. <i>Fees and Commission received</i>	48,299	90,175	86.7%	46,525	73,805	58.6%
a) revenues from other financial services	43,718	82,599	88.9%	43,510	70,796	62.7%
b) revenues from investment services (except incomes from trading activities)	4,581	7,576	65.4%	3,015	3,009	-0.2%
5. <i>Fees and Commission paid</i>	5,693	8,738	53.5%	7,457	11,785	58.0%
a) expenses on other financial services	5,514	8,552	55.1%	7,244	11,599	60.1%
b) expenses on investment services (except expenses from trading activities)	179	186	3.9%	213	186	-12.7%
6. <i>Profit or loss from financial transactions (6/a-6/b+6/c-6/d)</i>	-1,627	3,977	-344.4%	42	2,156	5,033.3%
a) revenues from other financial services	17,228	29,154	69.2%	15,160	24,263	60.0%
b) expenses on other financial services	16,509	28,625	73.4%	13,133	25,373	93.2%
c) revenues from investment services (revenues from trading activities)	2,419	8,683	258.9%	2,818	8,494	201.4%
d) expenses on investment services (expenses from trading activities)	4,765	5,235	9.9%	4,803	5,228	8.8%
7. <i>Other incomes from business</i>	60,565	412,587	581.2%	115,895	111,174	-4.1%
a) incomes from non financial and investment services	5,657	7,741	36.8%	100,823	101,561	0.7%
b) other revenues	54,908	404,846	637.3%	14,841	9,462	-36.2%
ba) consolidation difference income due to debtor consolidation				37		-100.0%
bb) other income due to consolidation				194	151	-22.2%
8. <i>General administration expenses</i>	55,654	69,065	24.1%	59,490	78,164	31.4%
a) personnel expenses	27,285	36,675	34.4%	29,733	42,111	41.6%
b) other administration expenses	28,369	32,390	14.2%	29,757	36,053	21.2%
9. <i>Depreciation and amortization</i>	9,880	12,458	26.1%	10,209	13,436	31.6%
10. <i>Other expenses from business</i>	70,570	429,810	509.1%	120,144	122,010	1.6%
a) expenses from non-financial and investment services	4,599	6,712	45.9%	69,572	53,043	-23.8%
b) other expenses	65,971	423,098	541.3%	26,739	29,778	11.4%
ba) consolidation difference expense due to debtor consolidation					24	
bb) other expense due to consolidation				494	2,171	339.5%
c) expense of consolidated investment service providers				23,339	36,994	58.5%
c1) expense of consolidated insurance companies				9,618	16,144	67.9%
c2) expense of other consolidated companies				13,721	20,850	52.0%
11. <i>Write-off of loans and provision for contingent and future liabilities</i>	13,389	22,050	64.7%	21,873	43,189	97.5%
a) write-off of loans	10,919	16,251	48.8%	18,790	36,436	93.9%
b) provision for contingent and future liabilities	2,470	5,799	134.8%	3,083	6,753	119.0%
12. <i>Reversal of write-off of loans and credit for contingent and future liabilities</i>	6,883	16,415	138.5%			
a) reversal of write-off of loans	6,769	14,122	108.6%	14,214	33,715	137.2%
b) credit for contingent and future liabilities	114	2,293	1,911.4%	615	3,343	443.6%
13. <i>Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company</i>	113	120	6.2%		91	
14. <i>Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company</i>	890	905	1.7%		913	
15. Result of ordinary business activities	46,661	97,884	109.8%	57,784	114,789	98.7%
Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	45,603	96,855	112.4%	50,598	104,064	105.7%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	1,058	1,029	-2.7%	7,186	10,725	49.2%
16. <i>Extraordinary revenues</i>	4	33	725.0%	7	33	371.4%
17. <i>Extraordinary expenses</i>	4	2,715	67,775.0%	159	2,943	1,750.9%
18. Extraordinary profit or loss (16-17)	0	-2,682		-152	-2,910	1,814.5%
19. Profit or loss before tax (±15±18)	46,661	95,202	104.0%	57,632	111,879	94.1%
20. <i>Tax liabilities</i>	8,480	17,910	111.2%	10,833	22,115	104.1%
Tax difference due to consolidation				-21	-241	1,047.6%
21. After-tax profit or loss (±19-20)	38,181	77,292	102.4%	46,820	90,005	92.2%
22. <i>Formation and utilization of general reserves (±)</i>	-3,818	-7,729	102.4%	-4,236	-8,572	102.4%
23. <i>Use of accumulated profit reserve for dividends and profit-sharings</i>						
24. <i>Dividends and profit-sharings paid (approved)</i>	9,300	17,472	87.9%	9,034	16,949	87.6%
25. Balance-sheet profit or loss figure (±21±22+23-24)	25,063	52,091	107.8%	33,550	64,484	92.2%

IFRS FINANCIAL REPORTS
NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
UNCONSOLIDATED BALANCE SHEETS (in HUF mn)

	March 31, 2003	March 31, 2002	change
Cash, due from banks and balances with the National Bank of Hungary	330,765	401,891	-17.7%
Placements with other banks, net of allowance for possible placement losses	207,432	287,859	-27.9%
Securities held for trading and available-for-sale	349,821	103,221	238.9%
Loans, net of allowance for possible loan losses	1,008,389	808,933	24.7%
Accrued interest receivable	26,010	20,604	26.2%
Equity investments	48,876	33,423	46.2%
Debt securities held-to-maturity	415,429	380,861	9.1%
Premises, equipment and intangible assets, net	72,288	56,746	27.4%
Other assets	54,091	54,308	-0.4%
TOTAL ASSETS	2,513,101	2,147,846	17.0%
Due to banks and deposits from the National Bank of Hungary and other banks	72,731	42,072	72.9%
Deposits from customers	2,104,705	1,843,838	14.1%
Liabilities from issued securities	2,111	443	376.5%
Accrued interest payable	11,107	13,425	-17.3%
Other liabilities	86,873	69,266	25.4%
Subordinated bonds and loans	15,741	17,252	-8.8%
TOTAL LIABILITIES	2,293,268	1,986,296	15.5%
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	208,546	152,197	37.0%
Treasury shares	-16,713	-18,647	-10.4%
TOTAL SHAREHOLDERS' EQUITY	219,833	161,550	36.1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,513,101	2,147,846	17.0%

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
UNCONSOLIDATED STATEMENTS OF OPERATIONS (in HUF mn)
 for the quarter year ended 31 March 2003

	1Q 2003	1Q 2002	Change
Interest Income:			
Loans	25,126	25,266	-0.6%
Placements with other banks	4,846	4,225	14.7%
interest income without swap	2,921	2,562	14.0%
results of swaps	1,925	1,663	15.8%
Due from banks and balances with the National Bank of Hungary	4,281	6,198	-30.9%
Securities held for trading and available-for-sale	5,545	1,592	248.3%
Debt securities held-to-maturity	7,620	9,429	-19.2%
<i>Total Interest Income</i>	47,418	46,710	1.5%
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	6,289	707	789.5%
interest expenses without swap	781	428	82.5%
losses of swaps	5,508	279	1874.2%
Deposits from customers	18,736	20,806	-9.9%
Liabilities from issued securities	44	13	238.5%
Subordinated bonds and loans	211	253	-16.6%
<i>Total Interest Expense</i>	25,280	21,779	16.1%
NET INTEREST INCOME	22,138	24,931	-11.2%
Provision for possible loan losses	1,837	2,087	-12.0%
Provision for possible placement losses	7	-2	-450.0%
Provision for possible loan and placement losses	1,844	2,085	-11.6%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	20,294	22,846	-11.2%
Non-Interest Income:			
Fees and commissions	20,995	13,563	54.8%
Foreign exchange gains and losses, net	2,190	-96	-2381.3%
Gains and losses on securities, net	1,351	131	931.3%
Gains and losses on real estate transactions, net	0	36	-100.0%
Dividend income	19	186	-89.8%
Other	1,229	293	319.5%
<i>Total Non-Interest Income</i>	25,784	14,113	82.7%
Non-Interest Expenses:			
Fees and commissions	2,000	1,605	24.6%
Personnel expenses	8,736	7,612	14.8%
Depreciation and amortization	3,574	3,057	16.9%
Other	11,671	11,846	-1.5%
<i>Total Non-Interest Expense</i>	25,981	24,120	7.7%
INCOME BEFORE INCOME TAXES	20,097	12,839	56.5%
Income taxes	3,887	2,246	73.1%
NET INCOME	16,210	10,593	53.0%

RECONCILIATION OF FINANCIAL STATEMENTS PREPARED UNDER HUNGARIAN ACCOUNTING STANDARDS AND FINANCIAL STATEMENTS PREPARED UNDER IFRS
(in HUF mn)

	Retained Earnings and reserves January 1, 2003	Income for the period ended March 31, 2003	Direct Movements on Reserves	Retained Earnings and reserves March 31, 2003
Hungarian financial statements	177,844	17,564	-	195,408
<i>Adjustments to Hungarian financial statements:</i>				
Reversal of statutory general provision	14,253	359	-	14,612
Premium and discount amortization on investment securities	-48	-71	-	-119
Allowance for possible loan losses	-1,340	-	-	-1,340
Allowance for possible losses on off-balance sheet commitments and contingent liabilities	-228	4	-	-224
Increase of investment in subsidiary, recorded as an expense in the Hungarian financial statements	1,012	-	-	1,012
Difference in accounting for finance leases	-337	-193	-	-530
Fair value adjustment of held for trading and available-for-sale financial assets (IFRS 39)	3,481	186	-	3,667
Difference in accounting for off-balance sheet financial instruments	-1,754	-955	-	-2,709
Profit on sale of Treasury Shares	-	22	-22	0
Correction of business value	-572	-191	-	-763
Correction of investment in foreign currencies to cost	281	-707	-	-426
Difference in accounting for true repo	-41	9	-	-32
Reclassification of direct charges	-	0	0	0
Deferred taxation	-193	183	-	-10
International financial statements	192,358	16,210	-22	208,546

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
March 31, 2002 AND March 31, 2003 CONSOLIDATED BALANCE SHEET (in HUF mn)

	March 31, 2003	March 31, 2002	change
Cash, due from banks and balances with the National Bank of Hungary	337,801	405,222	-16.6%
Placements with other banks, net of allowance for possible placement losses	243,229	297,613	-18.3%
Securities held for trading and available-for-sale	289,358	232,687	24.4%
Loans, net of allowance for possible loan losses	1,387,762	822,871	68.6%
Accrued interest receivable	25,559	22,781	12.2%
Equity investments	3,639	2,929	24.2%
Debt securities held-to-maturity	406,511	383,718	5.9%
Premises, equipment and intangible assets, net	94,640	73,891	28.1%
Other assets	80,718	96,563	-16.4%
TOTAL ASSETS	<u>2,869,217</u>	<u>2,338,275</u>	<u>22.7%</u>
Due to banks and deposits from the National Bank of Hungary and other banks	112,895	51,542	119.0%
Deposits from customers	2,219,580	1,892,748	17.3%
Liabilities from issued securities	86,019	40,936	110.1%
Accrued interest payable	16,943	17,652	-4.0%
Other liabilities	174,243	139,825	24.6%
Subordinated bonds and loans	15,741	17,252	-8.8%
TOTAL LIABILITIES	<u>2,625,421</u>	<u>2,159,955</u>	<u>21.5%</u>
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	243,009	179,006	35.8%
Treasury shares	-27,641	-28,686	-3.6%
TOTAL SHAREHOLDERS' EQUITY	<u>243,368</u>	<u>178,320</u>	<u>36.5%</u>
MINORITIES	428	0	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>2,869,217</u>	<u>2,338,275</u>	<u>22.7%</u>

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS (in HUF mn)
for the quarter year ended 31 March 2003

	1Q 2003	1Q 2002	Change
Interest Income:			
Loans	34,663	28,861	20.1%
Placements with other banks	5,078	4,204	20.8%
Due from banks and balances with the National Bank of Hungary	4,490	6,456	-30.5%
Securities held for trading and available-for-sale	9,561	3,794	152.0%
Debt securities held-to-maturity	7,644	9,499	-19.5%
<i>Total Interest Income</i>	<u>61,436</u>	<u>52,814</u>	<u>16.3%</u>
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	6,773	791	756.3%
Deposits from customers	19,957	21,350	-6.5%
Liabilities from issued securities	1,531	826	85.4%
Subordinated bonds and loans	211	253	-16.6%
<i>Total Interest Expense</i>	<u>28,472</u>	<u>23,220</u>	<u>22.6%</u>
NET INTEREST INCOME	32,964	29,594	11.4%
Provision for possible loan losses	2,093	2,245	-6.8%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	30,871	27,349	12.9%
Non-Interest Income:			
Fees and commissions	18,925	14,432	31.1%
Foreign exchange gains and losses, net	1,654	66	2406.1%
Gains and losses on securities, net	1,096	662	65.6%
Gains and losses on real estate transactions, net	391	585	-33.2%
Dividend income	-352	240	-246.7%
Insurance premiums	13,147	13,007	1.1%
Other	2,154	1,447	48.9%
<i>Total Non-Interest Income</i>	<u>37,015</u>	<u>30,439</u>	<u>21.6%</u>
Non-Interest Expenses:			
Fees and commissions	3,611	2,603	38.7%
Personnel expenses	12,187	10,063	21.1%
Depreciation and amortization	4,621	3,857	19.8%
Other	23,832	24,922	-4.4%
<i>Total Non-Interest Expense</i>	<u>44,251</u>	<u>41,445</u>	<u>6.8%</u>
INCOME BEFORE INCOME TAXES	23,635	16,343	44.6%
Income taxes	4,652	3,000	55.1%
INCOME AFTER INCOME TAXES	18,983	13,343	42.3%
Minorities	-1	0	
NET INCOME	18,982	13,343	42.3%



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