



OTP Bank Ltd.

First Half 2000  
Stock Exchange Report

Budapest, August 15, 2000

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

OTP Bank s First Half 2000 Stock Exchange Report contains the HAR non consolidated and consolidated non-audited first half 2000 balance sheet and profit and loss account for the first 6 months ending 30 June 2000. Base data for the first half of 1999 is from the HAR audited financial report of the Bank. For the sake of easier analysis by international investors, we present both the consolidated and consolidated figures in a format that is closer to the international format.

OTP Bank s after-tax profits for the first 6 months of 2000 were HUF 15,706.8 million, 17.7% higher than in the same period in 1999. OTP Group s consolidated after-tax profit was HUF 18,996.7 million, 26.7% higher than in first half 1999.

Over the first 6 months period ending 30 June 2000, total Bank assets grew to HUF 1,813,343.5 million or by 2.6%. This figure is 7.6 % higher than a year earlier. Total assets for the group were HUF 1,939,447.7 million on 30 June 2000, a year-on-year growth of 9.6%

### FINANCIAL HIGHLIGHTS

#### Non-consolidated

	Three months ended 30 June		
	1999	2000	Change %
Net income (HUF billion)	6,587.2	7,592.6	15.3%
Net income per common share (EPS) <sup>1</sup>			
Consolidated			
undiluted (HUF)	HUF 293.04	HUF 347.80	18.7%
diluted (HUF)	HUF 276.05	HUF 326.92	18.4%
Non-consolidated			
undiluted (HUF)	HUF 249.45	HUF 287.92	15.4%
diluted (HUF)	HUF 235.26	HUF 271.16	15.3%
Return on common equity (ROE) <sup>2</sup>	30.3%	27.5%	-9.4%
Return on assets (ROA) <sup>2</sup>	1.56%	1.65%	6.2%

	Six months ended 30 June		
Net income (HUF billion)	13,344.8	15,706.8	17.7%
Net income per common share (EPS) <sup>1</sup>			
Consolidated			
undiluted (HUF)	HUF 568.43	HUF 718.45	26.4%
diluted (HUF)	HUF 535.53	HUF 678.45	26.7%
Non-consolidated			
undiluted (HUF)	HUF 505.44	HUF 593.27	17.4%
diluted (HUF)	HUF 476.60	HUF 560.96	17.7%
Return on common equity (ROE) <sup>2</sup>	31.7%	29.3%	-7.6%
Return on assets (ROA) <sup>2</sup>	1.61%	1.75%	9.1%

	As at 30 June		
Total assets (HUF billion)	1,684.6	1,813.3	7.6%
Common equity (HUF billion)	89.6	113.7	26.9%

<sup>1</sup> Not considering the effects of extraordinary items of the HAR P&L

<sup>2</sup> Annualised

### MAJOR TENDENCIES FOR THE SECOND QUARTER OF 2000

Total assets of the Bank declined by HUF 51 billion (2.7%) during second quarter 2000 and exceeded HUF 1,813 billion on 30 June 2000.

Among the assets Customer short-term receivables increased by 7.6%, long term receivables by 9.9%. Volume of cash and bank was 17.1% lower than on the end of March because of the decrease in the balances with NBH and short-term placements with NBH. Short-term receivables from financial institutions decreased by 0.3%, those over 1 year grew by 23.7%. Stocks of government securities increased by 1.4% during the quarter.

Short-term liabilities to customer decreased by HUF 66.5 billion or 4.3% and long term liabilities by 0.7% during the second quarter. Liabilities to financial institutions decreased by 28.1%. Provisions on the liability side were 6.9% higher mainly due to country risk provisioning. Shareholders equity of the Bank increased by 5.8% since 31 March 2000.

Second quarter pre-tax profits for the Bank reached HUF 9,310.5 million, 14.1% higher than in the second quarter of 1999. This was a result of HUF 11,084.5 million operating income and HUF 1,774 million provisioning, which included general risk and exchange rate risk provisioning. As compared to the base period the operating income grew by 16.2% and provisioning increased by 28.6%. After-tax profits for the second quarter were HUF 7,592.6 million, a 15.3% increase compared to the same period in 1999.

**Undiluted earnings per share**<sup>1</sup> for the period were HUF 287.92, **diluted**<sup>2</sup> **earnings per share** were HUF 271.16, increases of 15.4% and 15.3% respectively on 1999. US dollar equivalents are USD 1.04 and USD 0.98 respectively, based on the National Bank of Hungary's average middle exchange rate between 1 April and 30 June 2000 (276.40 HUF/USD), which represent a 0.9% and 1.0% decrease respectively.

Annualised return on average equity for the period was 27.5%, while return on average assets was 1.65%, slightly below the figures for Q 1 2000.

### **MAJOR NON-CONSOLIDATED FIGURES FOR THE FIRST 6 MONTHS OF 2000**

OTP Bank's **pre-tax profit** for the first 6 months of 2000 was HUF 19,256.6 million, a 16.9% increase from a year earlier. This profit was obtained by the subtraction of the HUF 4,964 million of provisions from the HUF 24,220.6 million of operating income. Compared to the base period, operating income increased by 28.2% and provisioning by 104.8%.

With declining calculated taxes (from 19% to 18.4%) **after-tax profit** was HUF 15,706.8 million, 17.7% higher than in the first 6 months of 1999.

After having generated the HUF 1,571 million of general reserves and the dividend fund, adjusted by the expected inflation rate, for the period, the Bank's calculated **retained earnings** for the first 6 months were HUF 11,431.9 million, an increase of 19.7% over the same period a year earlier.

**Undiluted earning per share**<sup>3</sup> for the period was HUF 593.27, **diluted**<sup>4</sup> **EPS** was HUF 560.96 which is 17.4% and 17.7% higher than for the first 6 months of 1999. US dollar equivalents are USD 2.21 and USD 2.09 respectively, based on the central bank's average middle exchange rate between 1 January and 30 June 2000 (268.37 HUF/USD), which represent an increase of 1.0% and 1.3% respectively.

Return on average equity for the period was 29.3%, on average assets 1.75%. As projected ROE declined nominally by 2.4 percentage points. The real ROE reached 19.8%, in line with the Bank's plans. ROA was 14 bp. higher than in 1999.

---

<sup>1</sup> Calculation method of undiluted earnings per share: (after-tax profit - preference dividend)/(ordinary shares - treasury shares)

<sup>2</sup> Calculation method of diluted earnings per share: after-tax profit/(ordinary shares + preference shares).

<sup>3</sup> Calculation method of undiluted earnings per share: (after-tax profit - preference dividend)/(ordinary shares - treasury shares)

<sup>4</sup> Calculation method of diluted earnings per share: after-tax profit/(ordinary shares + preference shares).

## **NET INTEREST INCOME**

The bank's **net interest income** for the first 6 months of 2000 was HUF 40.8 billion, 1.4% higher than in 1999. The net interest income was a result of HUF 110.7 billion of interest income (6.3% decrease) and HUF 69.9 billion of interest expenses (10.3% decline). Net interest income during the second quarter was not favourable; it was 10.3% below the 1999 figures for the same period (first quarter year-on-year increase reached 14.9%) since interest expenses declined hardly faster than income. Both the level of interest income and the level of interest expenses were in line with the plans for 2000 and reflected the continuous decline in interest rates and slowdown of deposit taking, the expected growth in customer receivables and consequently the restructuring of assets.

An increasing portion of the liquidity of the Bank was placed on the interbank market and with the NBH thus the volume of short-term deposits with the NBH was high, partly because the yields achievable with this instrument steadily exceeded the treasury yields. The growth in volume was just slightly compensated by declining yields and this way interest income from interbank accounts increased significantly, by 21.5%. Interest income on customer accounts declined despite of the higher volumes. The decline of interest income from securities accounts was higher than the decrease of the volume. However, the change of the balance sheet structure of the Bank mustn't be neglected, due to uncertain money market conditions the Bank followed a conservative approach to the open FX position of the balance sheet during Q2 2000 therefore the structure of interbank placements has changed. Growth in FX interbank placements was much faster than in HUF. This, together with a sharp drop in interbank HUF and FX interest rates, resulted in a decline in interbank interest income. The results achieved in FX trading have partially compensated for the losses.

Due to the slow down of balance sheet and as a result of rate cuts interest expenses during the second quarter were 19.7%, in the entire half-year by 10.3% lower than in comparable period of 1999. Growth of **interest expenses** showed up on corporate accounts (11.5% increase) due to increase in volume. Interest expenses on interbank, retail and municipal accounts declined significantly.

According to HAR, interest purchased in securities is increasing both interest income and expenses. If we disregard their effect, in H1 2000 the comparable interest income calculated this way was 10%, the interest expenses 17.3% lower than in 1999. Interest earned on average total assets (which was 7.4% higher during H1 2000 than a year earlier) represented 11.29% rate a decline from 13.45% in 1999 and interest paid represented 6.48% rate a fall from 8.38% in H1 1999. The interest spread between average interest bearing liabilities and interest earning assets was 4.75% approx. 33 bp. lower than a year earlier. Interest margin on total average assets was 4.54% a decline of 27 bp. from 1999. Both spread and margin were deteriorating during Q2 2000, when they reached 4.44% and 4.28%, a decrease of 62 and 52 bp respectively over Q1 2000.

## **QUALITY OF LOAN PORTFOLIO, PROVISIONS**

The quality of the loan portfolio improved slightly during the second quarter. On 30 June 2000 qualified portion of total outstanding represented 5.88% compared to 6.14% at the end of March 2000. This is due to the fact that while the increase in total loans was 5.2%, the increase of no problem loans was slightly higher at 5.5% and at the same time qualified loans grew only by 0.8% over the previous quarter. Doubtful loans were 0.7% lower and bad loans 10.5% higher than at the end of March 2000.

While the total outstanding of the Bank increased by 7.2% since 30 June 1999, (within this customer loans grew by 17.3%) the total qualified outstanding was 1.8% lower. In the decline, the slight decrease of the qualified proportion of Russian interbank receivables, as well as of customer receivables (from 9.3% to 8.1%) played a role. The largest decline showed up in the below average category (88.7%), and at the same time the volume of bad category, partly because of the reclassification of Hajdu-BÉT exposure, grew by 219.5%.

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

Total provisions on HUF 45.9 billion qualified loans were HUF 27 billion, increasing the coverage ratio from 48.1% as at 30 June 1999 to 58.8%. The change in the structure of the non-performing portfolio partly contributed to the increase. Coverage ratio was 2.1 percentage points higher than at the end of March 2000.

The Bank s loans and their qualification for 30 June 2000 were as follows (in HUF million):

	<b>Total</b>	<b>Distribution (%)</b>
Total of loans:	780,354	100.00
Performing	734,464	94.1
Qualified	45,890	5.9
Provision	27,002	
Coverage ratio	58.84%	

Since 31 March 2000 the share of the retail business in the qualified portfolio declined to 38.0%, while the share of corporate business increased at 56.5%. At the same time 47.9% of the provisions was generated in the corporate and 42.3% in the retail business. Quality of the municipal portfolio remained good.

The provisioning on customer receivables for the first 6 months of 2000 was HUF 4,064 million (51.5% higher than a year earlier) and the Bank provided for the established general risk (HUF 399 million) Ratio of new provisioning and loan loss during the first half of 2000 to total customer receivables at the end of June was 0.72%, higher than a year earlier (0.56%).

The Bank reported more changes in connection with its Hajdu-BÉT exposure during the second quarter. As conjugate effects of them the direct and indirect exposure of the Bank not including the transaction between Exter-bérlet and Air Invest (because the capital increase of Air Invest was not registered until 30 June 2000) reached HUF 18.1 billion. During the quarter, a net of HUF 1,365.8 million new provisions was generated. Within this the Bank generated 10% provision on HUF 1.3 billion working capital loan backed by customer receivables, while HUF 1.1 billion provision was generated on the Exter-bérlet exposure upon cautious considerations because Hajdu-BÉT had cancelled the lease contract of the plant and the assets will be transferred to Air Invest. The HUF 11,117.2 million provisions on the HUF 18,145.9 million total Hajdu-Bét exposure represented a coverage ratio of 61.3%.

The breakdown of receivables, qualified loans and provisions by businesses as at 30 June 2000 was as below:

	Total	No problem	Qualified	Provision
Retail	21.7%	20.8%	37.1%	34.9%
Corporate	41.9%	40.7%	61.9%	63.6%
Interbank	27.4%	29.0%	0.5%	0.9%
Municipal	7.1%	7.5%	0.4%	0.6%
Other	1.9%	2.0%	0.0%	0.0%

### **NON-INTEREST INCOME**

Non-interest income during first 6 months of 2000 increased by 47.9% from the same period in 1999, and reached HUF 19,087.2 million. Net fee and commission income represented HUF 14,740.7 million, a 47.5% increase (fees and commissions received increased by 34.9%, fees and commissions paid were 6% lower due to extraordinary items in the 1999 base). In the second quarter the fee income exceeded the income of the first quarter by 15.5% and the income of the second quarter of 1999 by 35.4%. Income of the card business increased by 73%. 51.4% higher fee income was generated on retail current accounts along with the increase of the number of accounts and also because of the price changes of 1999. Despite the weaker

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

second quarter performance, the fee income of the loan business grew by around 60% y-on-y, resulting from the revival of loan market.

The Bank, as was forecasted in the first quarter stock exchange report, didn't realize gains on securities trading during the second quarter thus net gains for the first half of the year were HUF 2,282.7 million exceeding the first six months 1999 figure by 174%.

Gains on foreign exchange transactions grew significantly during the second quarter as the Bank took on open long balance sheet position and for the period reached HUF 1,359 million, an increase of 20% over the same period in 1999. The results on devaluation of assets worsened by HUF 1.9 billion, while from forward businesses were HUF 220 million higher. Foreign exchange spread grew by HUF 1.9 billion, margin on foreign currency transactions continued to decrease because of the declining currency turnover.

The HUF 128 million losses on real estate transactions were 22.1% higher than in the first six months of 1999. Other non-interest income was 20.5% lower mostly because the decreased level of sales of fixed assets and services.

Non-interest income represented 31.9% of total income, more than the 24.3% a year earlier.

**Total income** for the Bank reached HUF 59,924.6 million, a 12.7% increase over the same period in 1999.

### NON-INTEREST EXPENSES

During the first 6 months of 2000 non-interest **expenses** reached 35,704 million, 4.1% higher than a year earlier. The tight cost control program of the Bank continued successfully, in the second quarter the expense growth slowed down also nominally and the expenses hardly exceeded the level of the second quarter 1999. **Personnel expenses** were 5% higher than the base data because of the slowing down of the pace of work force reduction and the salary measures, but they represented 19.3% of the total income compared to 20.7% in the previous year.

**Depreciation** grew by 37.7% to HUF 5,096.1 million because of the continuing information technology investments.

Other **non-interest expenses** for the first half of the year were 2.8% lower than a year earlier, because they decreased significantly in two consecutive quarter. Within these, the most significant components were material expenses related to the operation of the bank (IT operating, maintenance & telecommunication) and the increase of rental fees paid.

The Bank s **cost/income ratio** for the first half of 2000 was 59.6%, 4.9%-point lower than in the first half of 1999.

The HUF 3,549.8 million calculated **tax liability** represents an 18.4% effective corporate tax rate. Calculated **after-tax profit** was HUF 15,706.8 million, 17.7% higher than a year earlier.

### NON-CONSOLIDATED HAR BALANCE SHEET AS AT 30 JUNE 2000

OTP Bank s **total assets** as at 30 June 2000 were **HUF 1,813,343.5 million**, 7.6% higher than in 1999. The rate of the growth didn't reach the rate of inflation during the 12 months ended at 30 June 2000.

Within banking assets, dues from customers were HUF 524.3 billion, 7.4% higher than at the end of March 2000 and 13.7% higher than on 30 June 1999. During the past 12 months, the change was primarily caused by the 15.2% increase in **corporate lending** and 11.7% growth in the volume of retail loans. The volume of municipal loans was 8.9% higher than a year earlier. Within retail loans the volume of housing loans decreased by 10.1% and the volume of consumer loans grew by 71.2%. The cause of the former was the 29.5% decrease of the volume of housing loans with conditions of 1989, because this exceeded the volume of the new loans granted.

The volume of housing loans was HUF 93.4 billion on 30 June 2000, 10.1% lower than a year earlier, but 1.9% higher than on 31 March 2000. The cause of the increase was that the Bank increased the volume of the granted loans under conditions of 2000 to HUF 8.6 billion following the new loan demand generated by the changed subsidy system, however the volume of approved housing loans not yet disbursed was even significantly higher. Volume of consumer lending was HUF 65.2 billion, within which the volume of home equity loans introduced in the second half of 1999 reached HUF 19.2 billion. Following the Bank's strategy, lending related to the retail current account grew outstandingly by 57.5% and reached HUF 35.6 billion. Volume of lending for purchase of goods and services was HUF 8.1 billion, 36.2% lower than on 30 June 1999 in line with the Bank's business policy.

Within corporate loans, reaching HUF 326.7 billion, the volume of loans granted to business entities grew by 16.4% to HUF 294.8 billion. Hard currency loans grew by 28.9%, loans for investment purposes by 16.9%, current account loans by 34% while working capital loans by 3.4% only. Within corporate loans, loans granted to small businesses decreased by 2.1%, the share of loans to small businesses within the corporate loan portfolio dropped from 4.5% to 3.8%.

**Municipal loans** increased again in Q2 2000 and reached HUF 39.0 billion by the end of June 2000. The Bank maintained its dominance in municipality lending.

Loans to budgetary organisations were 131.6% higher than on 30 June 1999 and reached HUF 10.0 billion.

The overall market share of the Bank in lending slightly decreased. Based on preliminary data, on 30 June 2000 the Bank granted 37.6% of retail, 11.4% of corporate and 75.3% of municipal loans.

**Government securities** continue to play a crucial role in the Bank's portfolio. Their volume on 30 June 2000 was HUF 339.1 billion, which represented 18.7% of total assets. On 30 June 2000, **customer deposits** represented 82.7% of the Bank's liabilities. Their volume was 6.6% higher than a year earlier and reached HUF 1,499.5 billion. Retail deposits grew by 5.6% to 1,227.4 and its share within the Bank's deposits declined to 81.9%. Within retail HUF deposits, interest-bearing deposits increased by 4.0%, while premium deposits grew by 17.2%. Current account deposits - leading retail product of the Bank - increased significantly from HUF 433.2 billion to HUF 479.1 billion, or by 10.6% in line with the business policy of the management. Within this the growth rate of sight deposits was higher. Over the period of 12 months ending in June 2000, foreign currency deposits increased by 3.0%, HUF deposits were up by 6.5%, in response to the higher yield of HUF deposits. The Bank handled 43% of retail HUF and 39.4% of retail foreign currency deposits.

The volume of savings in the **Bank's securities** and CDs declined by 27.5% and fell to HUF 19.7 bn. Within securities the volume of deposit notes was significant. Volume of **corporate deposits** increased by 16.9% in the period of analysis and reached HUF 200.1 billion. Deposits of legal entities increased by 23.7% in HUF and by 42.1% in foreign currencies. Deposits of small enterprises grew by 12.8% in HUF and decreased by 62.7% in foreign currency, overall their deposits grew by 12.0%. Market share of the Bank in corporate deposits reached 13.3%.

**Municipal deposits** declined to HUF 72.0 billion or by 1.6%, due to seasonality of funds. At the end of the first half 2000 local governments placed 78.2% of their deposits with OTP Bank.

### SHAREHOLDERS EQUITY

**Shareholders equity** of OTP Bank on 30 June 2000 was HUF 113.66 billion an increase of 26.9% from a year earlier. The increase of HUF 24.1 billion was the result of an additional HUF 3.1 billion in general reserves, as well as a HUF 19.1 billion increase in retained earnings and a HUF 1.9 billion growth in net profits.

On 30 June 2000, the **guarantee capital** of the Bank without the results of the period stood at HUF 81,855 million, while including profits for the period reached HUF 95,001 million. The

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

guarantee capital of the Bank (including profits) grew by 25.3% since 30 June 1999, risk weighed assets grew by 20.6%.

The **capital adequacy ratio** - calculated according to Hungarian regulations without the results for the period was 12.25%, while including retained earnings for the period was 14.21% as at 30 June 2000, well in excess of the 8% required by the Financial Institutions Act.

### OTHERS

The number of **retail current accounts**, the lead product of the Bank, expanded to 2,658,201, with 30.3% of account holders residing in Budapest. Term deposits on current accounts reached 615,000. The accounts were credited with 1.87 million salary transfers and nearly 400 thousand pension transfers. The debit transactions were close to 3.3 million.

The number of cards issued was close to 2.8 million on 30 June 2000, compared to 2.5 million a year earlier. At the end of June 2000 the number of HUF based, international logo bankcards exceeded 2 million. The number of bankcards for identification only was close to 180 thousand at the end of the first half of 2000. The number of bankcards for the B-loan connected to retail current accounts reached 130.8 thousand on 30 June 2000. The Bank s market share of cards issued has not changed significantly.

The number of the Bank s ATMs expanded to 1,055 from 935 a year earlier, maintaining a market share of nearly 50%. The number of transactions performed by OTP cardholders on the Bank s ATMs in first 6 months of 2000 reached 25.3 million, while the turnover of transactions was HUF 416.2 billion, 15% and 29.5%, respectively higher than a year earlier. The number of POS terminals on 30 June 2000 stood at 14,101, 825 more than a year earlier. Within them 2,305 were operating in the Bank s branches and 7,833 at merchants. The number of withdrawal transactions on the Bank s own POS network reached 1.1 million, the turnover was HUF 215.5 billion, while number of purchases was 7 million valuing HUF 55.3 billion. Number of client terminals on 30 June 2000 reached 5,650.

The total number of employees in the first half of 2000 decreased slightly. The number of employees at the closing of the period increased by 29 in 1Q 2000 and declined by 67 during Q2 2000 and was 758 lower than at the end of June 1999.

Trend in the number of OTP Bank staff:

	1999.	2000.	Change (%)
Average number of employees; first 6 months	9,194	8,509	-7.5%
Employees at the end of period; 30 June	9,217	8,459	-8.2%

### CONSOLIDATED FIGURES AS OF 30 JUNE 2000.

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 expenses items under non-banking and investment activities.

First Half 1999 and 2000 consolidated data of the OTP Group in HUF million:

	Equity		Total assets		Pre-tax profits	
	30-June-1999	30-June-2000.	30-June-1999	30-June-2000.	6M 1999	6M 2000.
OTP Bank Ltd.	89.577	113.658	1.684.627	1.813.343	16.466	19.257
Subsidiaries total	33.014	40.935	142.544	186.865	2.134	4.403
Total (non consolidated)	122.591	154.593	1.827.171	2.000.660	18.600	23.660
Consolidated	98.776	126.201	1.769.818	1.939.900	18.320	23.111

Compared with the same period a year earlier the scope of fully consolidated companies decreased since OTP Securities sold its FOREX subsidiary. Also 5 companies named Inga Ltds. merged into Inga 2 Ltd. Further change in the scope of consolidation was caused by the

inclusion of OTP Fund Management into the fully consolidated subsidiaries since 31 December 1999. As of 30 June 2000, the consolidation included

- 14 fully consolidated subsidiaries
- 15 equity consolidated companies out of which 8 were daughter companies.

### **CONSOLIDATED BALANCE SHEET**

Total assets of the group were HUF 1,940 billion, 6.9% higher than total assets of the Bank. The consolidated *balance sheet total* for the Group increased by HUF 170 billion or 9.6% from a year earlier. The Bank caused larger portion of the year-on-year change, and also HUF 17.2 billion growth at OTP-Garancia, over HUF 9 billion at Merkantil Bank, HUF 13.3 billion increase at OTP Building Society. The balance sheet of Merkantil Car has also increased significantly, due to increase in financial lease assets. OTP Real Estate assets declined by HUF 4.9 billion due to collection of receivables and repayment of loans.

The HUF 170 billion change of the consolidated balance sheet was the result of HUF 148 billion increase in current assets, and HUF 28 billion in fixed assets.

Within current assets cash and bank grew by HUF 58 billion, receivables by HUF 103 billion while trading securities declined by HUF 13 billion. Within cash and bank, the deposit of the Bank with the NBH was the most significant.

The stock of trading securities decreased by 6.4% from 30 June 1999. The HUF 36 billion decline in government papers at the Bank was most significant, while among subsidiaries the HUF 13 billion increase in the portfolio of Building Society was noteworthy. Of the HUF 12.6 billion book value treasury shares 75.2% was with the Bank, the rest with OTP Fund Management.

Total net receivables on 30 June 2000 were 13.7% higher than a year earlier. Receivables from banks were HUF 18.8 billion (8.1%) lower, from customers were HUF 73 billion (13.6%) and from financial leasing at Merkantil Car were HUF 9.3 billion higher.

Financial investments were 8% higher. The HUF 26.6 billion increase was due higher volume of investment securities, particularly Hungarian government papers mainly at the Bank. At the same time investments Garancia Insurance on behalf of their life insurance clients grew by HUF 124.5 billion, as a result of growth in life business.

Total liabilities increased due to HUF 119 billion growth of liabilities, HUF 6 billion higher accrued liabilities, HUF 17 billion jump in provisions and a HUF 28 billion increase in shareholders equity.

Volume of short-term *liabilities* in the consolidated balance sheet increased by 5.4% compared to the previous year. HUF 81 billion increase in short-term liabilities to customers was a result of increase in retail deposits at the Bank. Consolidated long term liabilities grew by HUF 38 billion, partially to customers due to increased customer liabilities at OTP Building Society and Merkantil Bank.

Provisions on the liability side of the balance sheet were HUF 17 billion higher. General risk provision caused HUF 2 billion and the reserves of OTP-Garancia Insurance another by HUF 16 billion of the increase. Provisions on contingent liabilities increased by HUF 1 billion (partially due to Hajdu Bet) and provisions on exchange rate losses declined by close to HUF 2 billion.

**Consolidated shareholders equity** was HUF 126 billion on 30 June 2000, representing 6.5% of total assets.

### **CONSOLIDATED RESULTS**

Consolidated *pre-tax profit* for the first the 6 months of 2000 was HUF 23,111 million, 20% higher than pre-tax profit of the parent company, and 26.2% higher than consolidated pre-tax profit for the same period in 1999. Consolidated after tax profits was HUF 18,997 million, 20.9% higher than at the Bank, and 26.7% higher than the same period a year earlier. During the first half of

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

2000 undiluted consolidated earnings per share (EPS) were HUF 718.45, diluted HUF 678.45, 26.4% and 26.7% higher than a year earlier. US dollar equivalents were USD 2.68 and USD 2.53 respectively, based on the National Bank s average middle exchange rate between 1 January and 30 June 2000 (i.e. 268.37 HUF/USD).

Return on average consolidated equity (ROAE) for the period was 32.61%, on average assets (ROA) 1.73%. As projected ROE declined nominally by 230 bp, but real ROE, as expected, increased further, during the first half of 2000 reached 23.31% which is 4.6%-point higher than a year earlier. ROA was 7 bp. higher than in 1999.

Consolidated net interest income for first half of 2000 reached HUF 45,380 million, 6% lower than a year earlier and 11.1% above that of the Bank. Consolidated interest income was 4%, interest expense was 9.5% lower that during the first half of 1999. The decline was lower than at the Bank.

Largest portion of interest income (including interest purchased) during the period came from securities, though the nominal decline was the highest (HUF 7 billion). Income from interbank accounts increased both at the Bank (24.1%) and on consolidated level (21.5%), while income from retail accounts increased only for the group. The dominant portion of interest expenses were represented by those paid on retail deposits in spite of a decline of HUF 10 billion y-on-y.

Consolidated non-interest income for the period ending 30 June 2000 grew by 55.8%. Net fees and commissions grew at a faster pace than at the Bank and were 53.2% higher than a year earlier. Net results of securities trading were 77.1% higher that in 1999. Majority of other non-interest income comes from non interest income created at the subsidiaries especially at the insurance subsidiary .

Share of consolidated non-interest income in total consolidated income was 49%, compared to 39.5% a year earlier.

Non interest expenses were HUF 60 billion or 22.9% higher than a year earlier. While personnel expenses grew by 6.7%, other non-interest expenses, mostly due to higher activity at OTP Garancia were 29.7% higher than a year earlier. Consolidated cost/income ratio was 67.5%, 1.5-percentage point lower than in 1999.

Consolidated operating income was HUF 7 billion or 38.1%, while provisioning was 60.8% higher than a year earlier and represented 20% of operating income, compared to 16.4% in 1999.

## SUBSIDIARIES

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

	6M 1999	6M 2000	Change
Merkantil Bank	684	906	32,5%
Merkantil-Car	205	106	-48,3%
HIF Ltd.	119	97	-18,5%
OTP-Garancia Insurance.	251	551	119,5%
OTP Real Estate.	78	294	276,9%
OTP Securities	387	406	4,9%
OTP Real Estate Asset Mgmt	54	18	-66,7%
OTP Factoring	119	234	96,6%
Bank Center No. I. Kft.	173	331	91,3%
OTP LTP Rt.	53	748	1,311,3%
OTP Fund Management		686	n,m,
Other subsidiaries	11	27	145,5%
<i>Subsidiaries total:</i>	<i>2.134</i>	<i>4.404</i>	<i>106,4%</i>

**At Merkantil Bank**, continuing the very profitable. Number of new car loans in 1H 2000 was 11,593 its average volume HUF 38.2 billion. Dealer financing surpassed HUF 3.7 billion. Within financing types, financial leasing and long-term rent increase, bank loans decreased. Group new contracts were 26% ahead of 1999. Also financing of used cars increased. Total assets of

Merkantil Bank reached HUF 49.7 billion, pre tax profits HUF 906 million. Within assets car financing represented 80.9%, dealer financing 7.4%. Net customer receivables reached 83.7%. Within liabilities Mobil notes grew significantly, in part as a result of strong sale in the branches of the Bank. Customer liabilities grew to 54.5% of total (29.1% on 31 December 1999), and interbank liabilities declined to 25.3% (51.2% on 31 December 1999).

Net interest income of Merkantil reached HUF 2.4 billion, 43.3% over 1H 1999. Net interest margin on 27.2% higher average total assets was 10.2% 115 bp higher than a year earlier. Income from other financial activity was 32% higher than planned. Fee income on account management and car loans grew significantly.

Guarantee capital on 30 June 2000 reached HUF 4511 million (without results for the period) and translated into CAR of 10.41%.

Annualised ROAA for 1H 2000 reached 3.21% (3.17% in 1H 1999) and annualised nominal ROAE was 33.5% down from 40.05% in 1H 1999.

**OTP Securities** pre-tax profits were HUF 406 million, up 4.9% from 1999. Shareholders equity reached HUF 5.342 billion. Within results basic activity brought HUF 1.538 billion net income. Income from government papers trading grew 92.6% and represented 42% of gross income. Portfolio management and depositary business gross income grew by 156.7% and represented 21.2%. The size of the assets under management doubled and exceeded HUF 92 billion. Proprietary trading profits and commission trading income declined. Security dealing in 1H 2000 reached HUF 3,039 billion. One third of turnover was within BSE.

At **OTP-Garancia Insurance** generated HUF 551 million pre-tax profit in the first half of 2000, 119.5% above 1H 1999. Total premium income reached HUF 19.5 billion during 1H 2000 and increase of 62%. Life business income grew by 113% to HUF 10.9 billion and non-life business HUF 8.6 billion. During 1H 2000 single payment policy income from 30,000 new contracts reached HUF 5.7 billion while the 92,000 regular payment policies generated HUF 5.7 billion Insurance premium income generated by the branch network of the bank reached HUF 7.3 billion during 1H 2000.

Damage payout remained significant at HUF 5.5 billion but its ratio within total expenses declined to 47.7%. Insurance technical reserves grew by HUF 9.3 billion to HUF 32.8 billion 95.5% above 30 June 1999 level. Reserve growth was 93.9% higher than a year earlier.

At **Hungarian International Finance**, forfeit activity was according to expectations. CEE remained main strategic area for the company, but volume of receivables fell to 25.6% of total. Central and South America represented 23.1% and Far East 12.1%. Stability on world financial markets and illiquidity of secondary markets limited the increase of highly profitable businesses. Income was higher than planned due to good allocation of the portfolio. Pre-tax profits for 1H 2000 reached HUF 96.8 million.

**OTP Building Society** further increased number of contracts in 2000 by 26,372. Total customer deposits reached HUF 26.2 billion. Pre-tax profits reached HUF 748 million partially as a result of income generated by the government paper portfolio and the lack of provisioning requirement in 2000..

Pre-tax profits **for OTP Real Estate** reached HUF 294 million, representing 276.9% increase over 1999. Net sales were HUF 3.6 billion.

**At OTP Factoring** the retail receivables of small individual amount represented large portion of receivables taken over in 2000. During 1H 2000 22,502 receivables with a nominal value of HUF 4.8 billion was purchased from OTP Bank and 1,168 from other sellers. Gross value of receivables taken over until the end of June reached HUF 40 billion with sales price of HUF 2 billion. The successful work-out activity resulted in higher than planned recovery resulting in HUF 234 million pre tax profits.

## **OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT**

**OTP Fund Management** is fully consolidated subsidiary since 31 December 1999. The net assets of funds managed by the company increased by 36% during 1H 2000, while the total market grew by 25.8%. Its market share reached 46.3% and pre tax profits were HUF 686 million.

**OTP Real Estate Asset Management bought** more than 30,000 retail receivables from management and work-out from the Bank including approx. 1,500 during 1H 2000. The other business line is sale of real estate taken as collateral from customers. During 2000 they sold 8 pieces of real estate and taken over 11 pieces valued at HUF 411 million.

### **OWNERSHIP STRUCTURE, TREASURY SHARES**

The company is not aware of significant changes in the ownership structure since 31 March 2000.

As a result of share purchases by the Bank during 2Q 2000, the number of treasury shares was 957,974 on 30 June 2000, up from 458,030 at the end of March 2000.

## Financial Information

**OTP Bank Ltd. First Half 2000 selected non-consolidated financial data**

HUF thousand	First 6 Months of 1999	Audited 1999	First 6 Months of 2000	Change 2000/1999
Interest from interbank accounts	25,484,735	56,285,567	30,967,314	21.5%
Interest from customer accounts	18,099,009	36,405,457	18,079,952	-0.1%
Interest from corporate accounts	19,701,546	39,136,441	17,163,704	-12.9%
Interest from municipal accounts	3,105,103	6,372,015	2,738,841	-11.8%
Interest from bonds	45,044,954	90,262,697	37,064,190	-17.7%
Interest from mandatory reserves	6,825,440	13,421,886	4,757,964	-30.3%
<b>Total interest income</b>	<b>118,260,787</b>	<b>241,884,063</b>	<b>110,771,965</b>	<b>-6.3%</b>
Interest to interbank accounts	2,588,436	4,278,498	1,634,839	-36.8%
Interest on customer accounts	49,078,606	93,778,508	39,063,972	-20.4%
Interest on corporate accounts	4,999,716	9,938,340	5,573,256	11.5%
Interest on municipal accounts	4,295,603	8,515,775	3,171,679	-26.2%
Interest on bonds	16,288,148	39,914,513	19,708,393	21.0%
Interest on subordinated loan	721,586	1,456,446	782,401	8.4%
<b>Total interest expense</b>	<b>77,972,095</b>	<b>157,882,080</b>	<b>69,934,540</b>	<b>-10.3%</b>
<b>Net interest income</b>	<b>40,288,692</b>	<b>84,001,983</b>	<b>40,837,425</b>	<b>1.4%</b>
Fees & commissions income	13,064,227	30,152,943	17,626,360	34.9%
Fees & commissions paid	3,069,800	6,109,606	2,885,621	-6.0%
<b>Net fees &amp; commissions</b>	<b>9,994,427</b>	<b>24,043,337</b>	<b>14,740,739</b>	<b>47.5%</b>
Securities trading	833,159	1,614,459	2,282,712	174.0%
FOREX trading	1,134,027	2,296,361	1,359,075	19.8%
Losses on property transactions	-104,979	-264,202	-128,174	22.1%
Other	1,047,498	2,600,739	832,811	-20.5%
<b>Non interest income</b>	<b>12,904,132</b>	<b>30,290,694</b>	<b>19,087,163</b>	<b>47.9%</b>
Ratio of non interest income to total	24.3%	26.5%	31.9%	31.3%
<b>Total income</b>	<b>53,192,824</b>	<b>114,292,677</b>	<b>59,924,588</b>	<b>12.7%</b>
Staff costs	11,006,572	24,288,774	11,554,515	5.0%
Depreciation	3,699,650	8,187,465	5,096,075	37.7%
Other costs	19,596,806	42,109,616	19,053,407	-2.8%
<b>Operating costs</b>	<b>34,303,028</b>	<b>74,585,855</b>	<b>35,703,997</b>	<b>4.1%</b>
Cost/income ratio	64.5%	65.3%	59.6%	-7.6%
<b>Operating income/Profit</b>	<b>18,889,796</b>	<b>39,706,822</b>	<b>24,220,591</b>	<b>28.2%</b>
Net profit on BankCenter sale		3,813,600		
Provisions	2,423,862	10,248,898	4,964,022	104.8%
<b>Pre-tax profit</b>	<b>16,465,934</b>	<b>33,271,524</b>	<b>19,256,569</b>	<b>16.9%</b>
Taxes	3,121,105	4,933,819	3,549,818	13.7%
Tax rate %	19.0%	14.8%	18.4%	-3.2%
<b>Net income</b>	<b>13,344,829</b>	<b>28,337,705</b>	<b>15,706,751</b>	<b>17.7%</b>

**OTP Bank Ltd. First Half 2000 selected consolidated financial data**

HUF thousand	First 6 Months of 1999	Audited 1999	First 6 Months of 2000	Change 2000/1999
Interest from interbank accounts	24,495,277	54,271,337	30,386,939	24.1%
Interest from customer accounts	20,219,893	41,067,574	20,758,887	2.7%
Interest from corporate accounts	21,562,860	43,489,941	19,647,604	-8.9%
Interest from municipal accounts	3,105,104	6,372,015	2,738,842	-11.8%
Interest from bonds	46,551,340	93,560,242	39,383,388	-15.4%
Interest from mandatory reserves	6,906,698	13,588,433	4,852,283	-29.7%
<i>Total interest income</i>	<i>122,841,172</i>	<i>252,349,542</i>	<i>117,767,943</i>	<i>-4.1%</i>
Interest to interbank accounts	3,517,537	6,182,556	2,435,124	-30.8%
Interest on customer accounts	49,371,656	94,451,448	39,533,127	-19.9%
Interest on corporate accounts	4,983,506	9,900,576	5,257,527	5.5%
Interest on municipal accounts	4,295,635	8,515,859	3,171,742	-26.2%
Interest on bonds	17,134,096	41,595,598	21,207,848	23.8%
Interest on subordinated loan	721,586	1,456,446	782,401	8.4%
<i>Total interest expense</i>	<i>80,024,016</i>	<i>162,102,483</i>	<i>72,387,769</i>	<i>-9.5%</i>
<b>Net interest income</b>	<b>42,817,156</b>	<b>90,247,059</b>	<b>45,380,174</b>	<b>6.0%</b>
Fees & commissions income	13,858,911	33,758,193	18,861,052	36.1%
Fees & commissions paid	3,914,436	8,212,064	3,628,299	-7.3%
Net fees & commissions	9,944,475	25,546,129	15,232,753	53.2%
Securities trading	1,626,888	2,423,458	2,881,226	77.1%
Forex trading	1,154,008	2,291,564	1,061,160	-8.0%
Losses on property transactions	948,706	1,554,807	676,025	-28.7%
Other	14,275,602	33,070,100	23,690,106	65.9%
<b>Non interest income</b>	<b>27,949,679</b>	<b>64,886,058</b>	<b>43,541,270</b>	<b>55.8%</b>
<i>Ratio of non interest income</i>	<i>39.5%</i>	<i>41.8%</i>	<i>49.0%</i>	<i>24.1%</i>
<b>Total income</b>	<b>70,766,835</b>	<b>155,133,117</b>	<b>88,921,444</b>	<b>25.7%</b>
Staff costs	14,100,652	30,588,559	15,040,528	6.7%
Depreciation	4,595,619	10,016,179	5,871,371	27.8%
Other costs	30,156,059	68,707,429	39,117,161	29.7%
<b>Operating costs</b>	<b>48,852,330</b>	<b>109,312,167</b>	<b>60,029,060</b>	<b>22.9%</b>
<i>Cost/income ratio</i>	<i>69.0%</i>	<i>70.5%</i>	<i>67.5%</i>	<i>-2.2%</i>
<b>Operating income/Profit</b>	<b>21,914,505</b>	<b>45,820,950</b>	<b>28,892,384</b>	<b>31.8%</b>
Net profit on BankCenter sale		4,671,722		
Provisions	3,594,842	13,006,172	5,781,489	60.8%
<b>Pre-tax profit</b>	<b>18,319,663</b>	<b>37,486,500</b>	<b>23,110,895</b>	<b>26.2%</b>
Taxes	3,446,040	7,379,910	4,244,157	23.2%
Tax due to consolidation	-121,288	462,832	-129,921	7.1%
<i>Tax rate %</i>	<i>18.1%</i>	<i>20.9%</i>	<i>17.8%</i>	<i>-1.7%</i>
<b>Net income</b>	<b>14,994,911</b>	<b>29,643,758</b>	<b>18,996,659</b>	<b>26.7%</b>

**OTP Bank Ltd. First Half 2000 selected financial data in US Dollars**

<b>USD 000s</b>	<b>First Half 1999 OTP Bank</b>	<b>First Half 2000 OTP Bank</b>	<b>First Half 1999 Consolidated</b>	<b>First Half 2000 Consolidated</b>
Interest from interbank accounts	110,328	115,390	106,045	113,228
Interest from customer accounts	78,354	67,369	87,536	77,352
Interest from corporate accounts	85,292	63,955	93,350	73,211
Interest from municipal accounts	13,443	10,206	13,442	10,205
Interest from bonds	195,008	138,109	201,530	146,750
Interest from mandatory reserves	29,548	17,729	29,900	18,081
<i>Total interest income</i>	<b>511,973</b>	<b>412,758</b>	<b>531,803</b>	<b>438,827</b>
Interest on interbank accounts	11,206	6,092	15,228	9,074
Interest on customer accounts	212,470	145,560	213,740	147,308
Interest on corporate accounts	21,645	20,767	21,574	19,591
Interest on municipal accounts	18,596	11,818	18,597	11,818
Interest on bonds	70,515	73,438	74,177	79,025
Interest on long term debt	3,124	2,915	3,124	2,915
<i>Total interest expense</i>	<b>337,556</b>	<b>260,590</b>	<b>346,440</b>	<b>269,731</b>
<b>Net interest income</b>	<b>174,417</b>	<b>152,168</b>	<b>185,363</b>	<b>169,096</b>
Fees & commissions income	56,558	65,679	59,998	70,280
Fees & commissions paid	13,290	10,752	16,947	13,520
Net fees & commissions	43,268	54,927	43,051	56,760
Gains (losses) on securities trading	3,607	8,506	7,043	10,735
Gains (losses) on FOREX trading	4,909	5,064	4,996	3,954
Gains (losses) on property transactions	-454	-477	4,107	2,519
Other	4,535	3,103	61,802	88,274
<b>Non interest income</b>	<b>55,865</b>	<b>71,123</b>	<b>120,999</b>	<b>162,243</b>
<i>Ratio of non interest income to total</i>	<i>24.3%</i>	<i>31.9%</i>	<i>39.5%</i>	<i>49.0%</i>
<b>Total income</b>	<b>230,282</b>	<b>223,291</b>	<b>306,362</b>	<b>331,339</b>
Staff costs	47,650	43,054	61,045	56,044
Depreciation	16,016	18,989	19,895	21,878
Other operating expenses	84,838	70,997	130,551	145,758
<b>Operating costs</b>	<b>148,504</b>	<b>133,040</b>	<b>211,491</b>	<b>223,680</b>
<i>Cost/Income ratio %</i>	<i>64.5%</i>	<i>59.6%</i>	<i>69.0%</i>	<i>67.5%</i>
<b>Operating income</b>	<b>81,778</b>	<b>90,251</b>	<b>94,871</b>	<b>107,659</b>
Provisions for losses on loans	10,494	18,497	15,562	21,543
<b>Income before Income taxes</b>	<b>71,284</b>	<b>71,754</b>	<b>79,309</b>	<b>86,116</b>
Taxes	13,512-	13,228-	14,918	15,815
Taxes due to consolidation			-525	-484
<i>Tax rate %</i>	<i>19.0%</i>	<i>18.4%</i>	<i>18.1%</i>	<i>17.8%</i>
<b>Net income</b>	<b>57,772</b>	<b>58,526</b>	<b>64,916</b>	<b>70,785</b>

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 230.99 HUF/USD for the First Half 1999, and 268.37 HUF/USD for First Half 2000.

FORMS

Forms Related to Financial Reports

PK1. General information about financial data

	Yes	No		
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Consolidated	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Accounting principles		Hungarian	<input checked="" type="checkbox"/>	IAS
Other:	..		<input type="checkbox"/>	Other
			<input type="checkbox"/>	<input type="checkbox"/>

PK2. Consolidated companies

Name		Equity/Registered Capital	Interest held (%)	Ratio of votes	Classification <sup>1</sup>
OTP-Garancia Biztosító Rt.		5.851.000.000	100,00	100,00	L
OTP Értékpapír Rt.		1.000.000.000	100,00	100,00	L
OTP Ingatlan Rt.		1.670.000.000	100,00	100,00	L
Concordia-Info Rt.		2.695.000.000	100,00	100,00	L
Merkantil Bank Rt.		1.500.000.000	100,00	100,00	L
Merkantil Car Rt.		20.000.000	100,00	100,00	L
OTP Lakástakarékpénztár Rt.		1.000.000.000	100,00	100,00	L
Bank Center No. 1. Kft.		5.955.780.000	100,00	100,00	L
OTP Ingatlan Vagyonkezelő Kft.		61.000.000	100,00	100,00	L
OTP Faktoring Rt.		300.000.000	100,00	100,00	L
OTP Alapkezelő Rt.		500.000.000	100,00	100,00	L
INGA EGY Kft.		391.000.000	100,00	100,00	L
INGA KETTŐ Kft.		5.664.840.000	100,00	100,00	L
HIF Ltd.	GBP	2.800.000	100,00	100,00	L
Air-Invest Kft. *		100.000.000	50,00	50,00	K
Fonolit Holding Rt.		593.826.000	54,37	54,37	T
GIRO Elszámolásforgalmi Rt.		2.496.000.000	15,22	15,22	T
Hajdú-Bét Rt.		8.686.650.000	48,35	48,35	T
Hortobágy-Nyírmada Takarmánygyártó Kft.		300.000.000	50,00	50,00	K
Merkant-Ház Kft.		3.000.000	100,00	100,00	T
Merkant-Ház 2000 Kft.		3.000.000	50,00	50,00	T
MONOPOST Kft.		200.000.000	25,10	25,10	T
Nagybani Piac Rt.		1.018.100.000	17,19	17,19	T
OTP Immobilienverwertung GmbH.	ATS	500.000	90,00	90,00	T
OTP Ingatlan Bau Kft.		55.120.000	100,00	100,00	T
OTP Ingatlan Bauker Kft.		11.850.000	100,00	100,00	T
OTP Ingatlan International Kft.		3.000.000	100,00	100,00	T
OTP Pénztárszolgáltató Kft.		200.240.000	100,00	100,00	T
OTP Travel Kft.		27.000.000	100,00	100,00	T

<sup>1</sup> Full (L); Jointly Managed (K); Associated (T)  
 (If classification is not clearly determined by interest held and the ratio of votes, the quick report shall offer an explanation.)

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

### PK3. Balance Sheet

#### BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at June 30, 2000

	in HUF 000			
	1999	2000	1999	2000
	Bank audited	Bank	consolidated	consolidated
A. CURRENT ASSETS	<b>1,375,735,170</b>	<b>1,491,193,893</b>	<b>1,443,408,522</b>	<b>1,591,721,706</b>
I. CASH AND BANK	484,333,134	540,525,738	486,750,674	545,037,751
II. SECURITIES	172,835,797	144,532,460	196,754,983	184,211,480
Debt securities and marketable securities, short term	169,644,181	134,247,212	189,284,744	167,137,838
government securities issued by the Republic of Hungary,	169,644,169	133,346,235	188,629,613	166,186,218
other issued securities	12	900,977	655,131	951,620
Shares and other non-interest bearing securities	736,949	836,644	4,355,188	4,516,448
Treasury shares	2,454,784	9,448,721	3,115,188	12,557,331
Provisions on securities (-)	117	117	137	137
III. RECEIVABLES	715,850,722	803,468,352	751,719,021	854,770,881
Placements with, loans and advances to other banks, short term	235,084,697	204,162,422	220,608,217	200,085,942
sight	1,275,570	2,598,394	1,299,090	2,621,914
other	233,809,127	201,564,028	219,309,127	197,464,028
Loans and advances to customers, short term	215,547,644	245,833,974	233,968,503	254,796,316
Other receivables	14,523,271	65,514,627	24,602,542	71,854,578
Placements with, loans and advances to other banks, long term	12,266,265	13,985,976	11,966,265	13,685,976
with National Bank of Hungary	3,239,001	5,097,359	3,239,001	5,097,359
Loans and advances to customers, long term	260,919,913	300,973,077	304,032,091	356,449,056
Receivables from financial leasing			3,449,975	12,772,145
Provisions for possible losses on loans and advances (-)	20,763,971	25,531,569	45,180,893	53,402,977
Provisions on accrued interest receivables (-)	1,727,097	1,470,155	1,727,679	1,470,155
IV. INVENTORIES	2,715,517	2,667,343	8,183,844	7,701,594
Raw materials and consumable goods	1,239,525	1,118,973	1,320,020	1,221,348
Goods purchased for re-sale	1,371,173	1,561,737	1,946,233	2,477,788
Capitalised value of subcontractors' work	180,559	214,309	4,847,259	3,981,184
Self-manufactured inventories	2,702		109,124	143,571
Advances for inventories			39,650	105,379
Provisions for inventories (-)	78,442	227,676	78,442	227,676
<b>B. FIXED ASSETS</b>	<b>281,317,912</b>	<b>296,907,596</b>	<b>296,279,785</b>	<b>319,855,770</b>
I. FINANCIAL INVESTMENTS	234,807,860	244,477,593	228,286,472	254,932,570
Shares in fully consolidated companies	28,556,917	31,031,201	6,505,387	6,965,076
in financial institutions	2,202,748	2,602,570	12,256	12,079
in other companies	26,354,169	28,428,631	6,493,131	6,952,997
Shares in associated companies	4,650,014	4,498,755	14,501,860	28,845,892
Bonds and other interest-bearing securities, long term	204,029,186	216,744,439	207,429,553	222,033,877
government bonds issued by the Republic of Hungary,	192,709,962	205,728,383	195,926,166	210,931,780
other issued securities	11,319,224	11,016,056	11,503,387	11,102,097
Provisions for diminution in value of investments (-)	2,428,257	7,796,802	418,718	3,107,054
Capital consolidation difference			268,390	194,779
from subsidiaries			268,390	194,779
II. INTANGIBLE ASSETS	8,167,867	10,474,631	9,542,325	12,197,362
III. TANGIBLE FIXED ASSETS	38,342,185	41,955,372	58,450,988	52,725,838
Tangible fixed assets in banking activity	36,829,217	38,783,227	52,781,315	45,004,143
real estates	21,918,383	24,028,955	36,759,415	29,373,762
premises, equipments and vehicles	10,076,189	12,268,958	11,183,561	13,040,803
construction in progress	3,067,786	2,219,581	3,029,819	2,253,378
prepayments on construction in progress	1,766,859	265,733	1,808,520	336,200
Tangible fixed assets in non-banking activity	1,512,968	3,172,145	5,669,673	7,721,695
real estates	1,329,474	2,227,365	4,853,913	5,826,867
premises, equipments and vehicles	136,765	121,480	676,068	1,025,756
construction in progress	46,729	823,300	101,220	858,358
prepayments on construction in progress			38,472	10,714
<b>C. ACCRUED RECEIVABLES AND DEFERRED CHARGES</b>	<b>27,573,642</b>	<b>25,241,996</b>	<b>30,129,769</b>	<b>27,870,197</b>
<b>TOTAL ASSETS</b>	<b>1,684,626,724</b>	<b>1,813,343,485</b>	<b>1,769,818,076</b>	<b>1,939,447,673</b>

**OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT**

	1999	2000	1999	2000
	<b>Bank audited</b>	<b>Bank</b>	<b>consolidated</b>	<b>consolidated</b>
	<b>1,555,253,683</b>	<b>1,653,031,344</b>	<b>1,607,985,631</b>	<b>1,727,310,623</b>
				in HUF '000
<b>D. LIABILITIES</b>				
<i>I. SHORT TERM LIABILITIES</i>	1,467,013,146	1,551,805,064	1,492,331,257	1,573,270,952
Short term liabilities to banks	50,373,216	17,308,707	65,286,579	31,253,238
liabilities at sight	647,035	462,482	647,708	462,482
fixed term liabilities	45,996,614	13,719,516	60,909,304	27,664,047
with National Bank of Hungary	3,729,567	3,126,709	3,729,567	3,126,709
Short term liabilities to customers	1,382,029,401	1,465,598,592	1,384,803,881	1,464,629,285
sight deposits	33,204,689	39,141,617	33,204,689	39,141,617
fixed term savings deposits	352,076,665	339,378,533	352,076,665	339,378,533
other sight liabilities	337,268,968	385,941,502	336,181,079	384,876,295
liabilities from investment services	4,376	21,512	4,376	21,512
other fixed term liabilities	659,474,703	701,115,428	663,337,072	701,211,328
Bonds and other interest bearing securities issued, short term	3,556,164	1,171,883	3,556,164	1,171,883
Other short term liabilities	31,054,365	67,725,882	38,246,415	75,324,129
(Calculated) Corporate tax liability due to consolidation			438,218	892,417
<i>II. LONG TERM LIABILITIES</i>	88,240,537	101,226,280	115,654,374	154,039,671
Long term liabilities to banks	19,660,522	19,818,863	19,697,004	21,030,795
with National Bank of Hungary	13,646,125	11,526,307	13,682,608	11,542,036
Long term liabilities to customers	43,754,403	62,441,524	70,303,254	113,521,338
Bonds and other marketable interest bearing securities issued, long term	8,601,351	1,684,459	8,889,570	1,690,691
bonds	1,230	970	289,449	7,202
other securities	8,600,121	1,683,489	8,600,121	1,683,489
Subordinated loans	16,224,261	17,281,434	16,224,261	17,281,434
subordinated loan	16,224,261	17,281,434	16,224,261	17,281,434
Other long term liabilities			121,252	96,380
Capital consolidation difference from subsidiaries			419,033	419,033
<b>E. ACCRUED EXPENSES AND DEFERRED REVENUES</b>	<b>28,375,982</b>	<b>34,685,921</b>	<b>33,184,051</b>	<b>38,831,938</b>
<b>F. PROVISIONS</b>	<b>11,419,802</b>	<b>11,968,700</b>	<b>29,872,738</b>	<b>47,104,605</b>
Provisions for contingent liabilities and commitments	1,673,386	2,239,078	1,316,222	2,237,268
Provisions for exchange rate losses	316,000	452,000	316,000	452,000
Provisions for exchange rate risk	1,587,633		1,587,633	
General provisions	6,123,378	7,842,843	6,496,484	8,356,499
Other provisions	1,719,405	1,434,779	20,156,399	36,058,838
<b>G. SHAREHOLDER'S EQUITY</b>	<b>89,577,257</b>	<b>113,657,520</b>	<b>98,775,656</b>	<b>126,200,507</b>
Registered capital	28,000,001	28,000,001	28,000,001	28,000,001
Capital reserve	51,775	51,775	51,775	51,775
other	51,775	51,775	51,775	51,775
Retained earnings	31,114,444	50,241,518	32,664,867	51,586,100
retained earnings	31,114,444	50,241,518	31,306,621	50,349,568
changes in equity of subsidiaries accounted for under the equity method			1,358,246	1,236,532
General reserve	20,862,390	23,932,353	20,862,390	23,932,353
Net profit	9,548,647	11,431,873	11,108,203	14,551,519
Subsidiaries' equity increases/decreases (+-)			4,578,824	4,871,566
Increases/decreases due to consolidation (+-)			1,446,178	3,103,610
Participation of outside members (other owners)			63,418	103,583
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,684,626,724</b>	<b>1,813,343,485</b>	<b>1,769,818,076</b>	<b>1,939,447,673</b>

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

### BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at June 30, 2000

	in USD '000			
	1999	2000	1999	2000
	Bank audited	Bank	consolidated	consolidated
<b>A. CURRENT ASSETS</b>	<b>5,692,147</b>	<b>5,495,868</b>	<b>5,972,148</b>	<b>5,866,368</b>
I. CASH AND BANK	2,003,944	1,992,134	2,013,946	2,008,763
II. SECURITIES	715,113	532,681	814,080	678,920
Debt securities and marketable securities, short term		494,774	783,172	615,995
government securities issued by the Republic of Hungary,	701,908	491,454	780,461	612,488
other issued securities	701,908	3,320	2,711	3,507
Shares and other non-interest bearing securities	3,049	3,083	18,020	16,645
Treasury shares	10,157	34,824	12,889	46,281
Provisions on securities (-)	1		1	1
III. RECEIVABLES	2,961,855	2,961,222	3,110,261	3,150,300
Placements with, loans and advances to other banks, short term	972,670	752,451	912,773	737,427
sight	5,278	9,577	5,375	9,663
other	967,392	742,874	907,398	727,764
Loans and advances to customers, short term	891,835	906,033	968,052	939,064
Other receivables	60,091	241,457	101,794	264,824
Placements with, loans and advances to other banks, long term	50,752	51,546	49,511	50,440
with National Bank of Hungary	13,401	18,787	13,401	18,787
Loans and advances to customers, long term	1,079,565	1,109,251	1,257,942	1,313,710
Receivables from financial leasing			14,274	47,072
Provisions for possible losses on loans and advances (-)	85,912	94,098	186,937	196,819
Provisions on accrued interest receivables (-)	7,146	5,418	7,148	5,418
IV. INVENTORIES	11,235	9,831	33,861	28,385
Raw materials and consumable goods	5,129	4,124	5,462	4,501
Goods purchased for re-sale	5,673	5,756	8,053	9,132
Capitalised value of subcontractors' work	747	790	20,056	14,673
Self-manufactured inventories	11		451	529
Advances for inventories			164	389
Provisions for inventories (-)	325	839	325	839
<b>B. FIXED ASSETS</b>	<b>1,163,962</b>	<b>1,094,268</b>	<b>1,225,867</b>	<b>1,178,844</b>
I. FINANCIAL INVESTMENTS	971,525	901,034	944,542	939,566
Shares in fully consolidated companies	118,155	114,367	26,916	25,670
in financial institutions	9,114	9,592	51	44
in other companies	109,041	104,775	26,865	25,626
Shares in associated companies	19,240	16,580	60,002	106,313
Bonds and other interest-bearing securities, long term	844,177	798,822	858,246	818,317
government bonds issued by the Republic of Hungary,	797,343	758,222	810,651	777,400
other issued securities	46,834	40,600	47,595	40,917
Provisions for diminution in value of investments (-)	10,047	28,735	1,732	11,452
Capital consolidation difference			1,110	718
from subsidiaries			1,110	718
II. INTANGIBLE ASSETS	33,795	38,605	39,482	44,954
III. TANGIBLE FIXED ASSETS	158,642	154,629	241,843	194,324
Tangible fixed assets in banking activity	152,382	142,938	218,385	165,865
real estates	90,688	88,560	152,093	108,258
premises, equipments and vehicles	41,691	45,218	46,273	48,063
construction in progress	12,693	8,181	12,536	8,305
prepayments on construction in progress	7,310	979	7,483	1,239
Tangible fixed assets in non-banking activity	6,260	11,691	23,458	28,459
real estates	5,501	8,209	20,083	21,475
premises, equipments and vehicles	566	448	2,797	3,780
construction in progress	193	3,034	419	3,164
prepayments on construction in progress			159	40
<b>C. ACCRUED RECEIVABLES AND DEFERRED CHARGES</b>	<b>114,087</b>	<b>93,030</b>	<b>124,663</b>	<b>102,717</b>
<b>TOTAL ASSETS</b>	<b>6,970,196</b>	<b>6,683,166</b>	<b>7,322,678</b>	<b>7,147,929</b>

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 241.69 HUF/USD for 30 June 1999, and 271.33 HUF/USD for 30 June 2000.

**OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT**

	in USD 000			
	1999	2000	1999	2000
	<b>Bank audited</b>	<b>Bank</b>	<b>consolidated</b>	<b>consolidated</b>
<b>D. LIABILITIES</b>	<b>6,434,911</b>	<b>6,092,328</b>	<b>6,653,091</b>	<b>6,366,088</b>
<i>I. SHORT TERM LIABILITIES</i>	6,069,813	5,719,254	6,174,568	5,798,367
Short term liabilities to banks	208,421	63,792	270,125	115,185
liabilities at sight	2,677	1,704	2,680	1,704
fixed term liabilities	190,313	50,564	252,014	101,957
with National Bank of Hungary	15,431	11,524	15,431	11,524
Short term liabilities to customers	5,718,190	5,401,536	5,729,670	5,397,963
sight deposits	137,386	144,259	137,386	144,259
fixed term savings deposits	1,456,728	1,250,796	1,456,728	1,250,796
other sight liabilities	1,395,461	1,422,407	1,390,960	1,418,480
liabilities from investment services	18	79	18	79
other fixed term liabilities	2,728,597	2,583,995	2,744,578	2,584,349
Bonds and other interest bearing securities issued, short term	14,714	4,319	14,714	4,319
Other short term liabilities	128,488	249,607	158,246	277,611
(Calculated) Corporate tax liability due to consolidation			1,813	3,289
<i>II. LONG TERM LIABILITIES</i>	365,098	373,074	478,523	567,721
Long term liabilities to banks	81,346	73,043	81,497	77,510
with National Bank of Hungary	56,461	42,481	56,612	42,539
Long term liabilities to customers	181,035	230,131	290,882	418,389
Bonds and other marketable interest bearing securities issued, long term	35,588	6,208	36,780	6,231
bonds	5	3	1,198	26
other securities	35,583	6,205	35,583	6,205
Subordinated loans	67,129	63,692	67,129	63,692
subordinated loan	67,129	63,692	67,129	63,692
Other long term liabilities			501	355
Capital consolidation difference from subsidiaries			1,734	1,544
<b>E. ACCRUED EXPENSES AND DEFERRED REVENUES</b>	<b>117,406</b>	<b>127,837</b>	<b>137,300</b>	<b>143,117</b>
<b>F. PROVISIONS</b>	<b>47,250</b>	<b>44,111</b>	<b>123,599</b>	<b>173,606</b>
Provisions for contingent liabilities and commitments	6,924	8,252	5,446	8,245
Provisions for exchange rate losses	1,307	1,666	1,307	1,666
Provisions for exchange rate risk	6,569		6,569	
General provisions	25,336	28,905	26,879	30,798
Other provisions	7,114	5,288	83,398	132,897
<b>G. SHAREHOLDER'S EQUITY</b>	<b>370,629</b>	<b>418,890</b>	<b>408,688</b>	<b>465,118</b>
Registered capital	277,148	277,148	277,148	277,148
Capital reserve	373	373	373	373
other	373	373	373	373
Retained earnings	167,209	146,199	176,798	254,652
retained earnings	167,209	146,199	168,628	247,139
changes in equity of subsidiaries accounted for under the equity method			8,170	7,513
General reserve	167,455	179,464	167,455	179,464
Net profit	41,338	42,597	48,090	54,222
Subsidiaries' equity increases/decreases (+/-)			19,613	20,750
Increases/decreases due to consolidation (+/-)			8,380	15,360
Participation of outside members (other owners)			310	465
	-282,894	-226,891	-289,479	-337,316
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,970,196</b>	<b>6,683,166</b>	<b>7,322,678</b>	<b>7,147,929</b>

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 241.69 HUF/USD for 30 June 1999, and 271.33 HUF/USD for 30 June 2000.

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

(unconsolidated and consolidated, based on HAR) for the 6 months ended 30 June 2000

in HUF 000

	1999	2000	1999	2000
	Bank	Bank	consolidated	consolidated
	audited	Bank	consolidated	consolidated
Interest received and similar income	118,260,787	110,771,965	122,841,172	117,767,943
Interest paid and similar expense (-)	77,972,095	69,934,540	80,024,016	72,387,769
<b>Net interest income from banking activity</b>	<b>40,288,692</b>	<b>40,837,425</b>	<b>42,817,156</b>	<b>45,380,174</b>
Dividends received	36,615	24,929	155,089	328,457
Income from other financial services activities	17,430,410	20,362,342	17,970,912	20,620,437
Other income	6,015,429	9,822,301	6,711,426	10,101,719
Consolidation difference - added to profit - due to debt consolidation			429	154
Other income due to consolidation			761,349	229,639
Income from investment services	4,931,582	5,667,505	9,089,224	7,558,689
Expenses of other banking activity (-)	9,681,110	7,321,045	9,487,320	7,456,882
Other expenses (-)	12,086,726	18,650,778	14,548,370	20,168,099
Consolidation difference - charged against profit - due to debt consolidation				2,128
Other expenses due to consolidation (-)			183,186	76,169
Expenses of investment services	2,368,941	1,963,321	5,634,621	3,470,256
Expenses of banking activity (-)	28,135,900	29,890,451	29,833,985	31,980,048
<b>Profit from banking activities</b>	<b>16,430,051</b>	<b>18,888,907</b>	<b>17,818,103</b>	<b>21,065,687</b>
Net income of non banking activity	<b>1,480,824</b>	<b>1,985,819</b>	<b>19,894,927</b>	<b>41,984,756</b>
Net income of non banking activity of consolidated banks			3,594,334	14,512,531
Net sales income of consolidated companies			3,193,023	4,834,362
Activated performance of consolidated companies			12,857	26,486
Insurance technical income of consolidated insurance company			11,782,795	19,950,161
Income from finance activities of consolidated companies			578,432	2,265,017
Other income of consolidated companies			733,486	396,199
Expenses of non banking activity (-)	<b>1,313,521</b>	<b>1,512,212</b>	<b>19,314,763</b>	<b>39,793,029</b>
Expenses of non banking activity of consolidated banks			3,585,938	14,181,907
Expenses of consolidated companies			3,349,199	3,802,946
Total insurance expenses of consolidated insurance company			11,756,607	19,216,711
Expenses of finance activity of consolidated companies			230,478	1,903,913
Other expenses of consolidated companies			392,541	687,552
<b>Profit/loss from non-banking activities</b>	<b>167,303</b>	<b>473,607</b>	<b>580,164</b>	<b>2,191,727</b>
<b>Profit from ordinary activities</b>	<b>16,597,354</b>	<b>19,362,514</b>	<b>18,398,267</b>	<b>23,257,414</b>
<b>Extraordinary profit</b>	<b>-131,420</b>	<b>-105,945</b>	<b>-78,604</b>	<b>-146,519</b>
<b>Profit before taxation</b>	<b>16,465,934</b>	<b>19,256,569</b>	<b>18,319,663</b>	<b>23,110,895</b>
Income tax (-)	3,121,105	3,549,818	3,446,040	4,244,157
(Calculated ) Corporate tax difference due to consolidation (±)			-121,288	-129,921
<b>Profit after taxation</b>	<b>13,344,829</b>	<b>15,706,751</b>	<b>14,994,911</b>	<b>18,996,659</b>
Transfer from/to general reserve (±)	-1,334,483	-1,570,675	-1,425,009	-1,740,937
Dividend paid (declared) (-)	2,461,699	2,704,203	2,461,699	2,704,203
<b>Net profit</b>	<b>9,548,647</b>	<b>11,431,873</b>	<b>11,108,203</b>	<b>14,551,519</b>

**OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT**

**PROFIT AND LOSS ACCOUNT**

(unconsolidated and consolidated, based on HAR) for the 6 months ended 30 June 2000

	in USD 000			
	1999	2000	1999	2000
	Bank audited	Bank	consolidated	consolidated
Interest received and similar income	511,973	412,758	531,803	438,827
Interest paid and similar expense (-)	337,556	260,590	346,440	269,731
<b>Net interest income from banking activity</b>	<b>174,417</b>	<b>152,168</b>	<b>185,363</b>	<b>169,096</b>
Dividends received	158	93	671	1,224
Income from other financial services activities	75,460	75,874	77,799	76,836
Other income	26,042	36,600	29,055	37,641
Consolidation difference - added to profit - due to debt consolidation			2	1
Other income due to consolidation			3,296	855
Income from investment services	21,350	21,118	39,349	28,165
Expenses of other banking activity (-)	41,911	27,279	41,072	27,786
Other expenses (-)	52,326	69,496	62,983	75,150
Consolidation difference - charged against profit - due to debt consolidation				8
Other expenses due to consolidation (-)			793	284
Expenses of investment services	10,255	7,316	24,393	12,931
Expenses of banking activity (-)	121,806	111,378	129,157	119,164
<b>Profit from banking activities</b>	<b>71,129</b>	<b>70,384</b>	<b>77,137</b>	<b>78,495</b>
Net income of non banking activity	<b>6,411</b>	<b>7,400</b>	<b>86,129</b>	<b>156,444</b>
Net income of non banking activity of consolidated banks			15,561	54,077
Net sales income of consolidated companies			13,823	18,014
Activated performance of consolidated companies			56	99
Insurance technical income of consolidated insurance company			51,010	74,338
Income from finance activities of consolidated companies			2,504	8,440
Other income of consolidated companies			3,175	1,476
Expenses of non banking activity (-)	<b>5,687</b>	<b>5,635</b>	<b>83,617</b>	<b>148,277</b>
Expenses of non banking activity of consolidated banks			15,524	52,845
Expenses of consolidated companies			14,499	14,171
Total insurance expenses of consolidated insurance company			50,897	71,605
Expenses of finance activity of consolidated companies			998	7,094
Other expenses of consolidated companies			1,699	2,562
<b>Profit/loss from non-banking activities</b>	<b>724</b>	<b>1,765</b>	<b>2,512</b>	<b>8,167</b>
<b>Profit from ordinary activities</b>	<b>71,853</b>	<b>72,149</b>	<b>79,649</b>	<b>86,662</b>
<b>Extraordinary profit</b>	<b>-569</b>	<b>-395</b>	<b>-340</b>	<b>-546</b>
<b>Profit before taxation</b>	<b>71,284</b>	<b>71,754</b>	<b>79,309</b>	<b>86,116</b>
Income tax (-)	13,512	13,228	14,918	15,815
(Calculated ) Corporate tax difference due to consolidation (±)			-525	-484
<b>Profit after taxation</b>	<b>57,772</b>	<b>58,526</b>	<b>64,916</b>	<b>70,785</b>
Transfer from/to general reserve (±)	-5,777	-5,853	-6,169	-6,487
Dividend paid (declared) (-)	10,657	10,076	10,657	10,076
<b>Net profit</b>	<b>41,338</b>	<b>42,597</b>	<b>48,090</b>	<b>54,222</b>

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 230.99 HUF/USD for the First Half 1999, and 268.37 HUF/USD for First Half 2000.

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

PK6. Significant off-balance sheet items as at June 30, 2000 <sup>1</sup>

Description	(HUF 000) Value	
	Bank	Consolidated
Contingent liabilities	220,815,627	222,279,131
Future liabilities	107,870,620	123,109,805
Total	328,686,247	345,388,936

<sup>1</sup> Any financial liabilities of material importance in respect of financial evaluation not reflected in the balance sheet (e.g. surety, guarantees given, liabilities under lien, etc.)

### Forms Related to the Structure of Shares and Ownership

RS1. Ownership structure, Ratio of Holdings

Description of owner	Total equity				Listed series			
	Opening		Closing		Opening		Closing	
	%	Qty	%	Qty	%	Qty	%	Qty
Domestic institution	28,5	7.966.302	28,5	7.987.139	28,5	7.966.302	28,5	7.987.139
Foreign institution	35,0	9.800.000	41,7	11.673.593	35,0	9.800.000	41,7	11.673.593
Domestic individual	28,4	7.957.118	20,5	5.744.637	28,4	7.957.118	20,5	5.744.637
Foreign individual	0,0	11.292	0,1	29.399	0,0	11.292	0,1	29.399
Employees senior officers	5,6	1.568.104	4,9	1.368.104	5,6	1.568.104	4,9	1.368.104
Treasury shares	1,6	458.030	3,4	957.974	1,6	458.030	3,4	957.974
Government held owner <sup>2</sup>	0,9	239.155	0,9	239.155	0,9	239.154	0,9	239.154
International Development Institutions <sup>3</sup>	0,0	0	0,0	0	0,0	0	0,0	0

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

<sup>2</sup> Pl.: State Privatization Holding Co. Ltd., Social Security, Municipality, etc.

<sup>3</sup> Pl.: EBRD, EIB, etc.

RS2. Volume (qty) of treasury shares held in the year under review

1 January	31 March	30 June	30 September	31 December
458.030	458.030	957.974		

In addition to providing the figures, please indicate in this section if a 100% subsidiary holds any of the Issuer's shares.

RS3. List and description of shareholders with more than 5% (at the end of the period)

Name	Nationality <sup>4</sup>	Activity <sup>5</sup>	Quantity	Interest (%) <sup>6</sup>	Remarks <sup>7</sup>
--					

<sup>4</sup> Domestic (B), Foreign (K)

<sup>5</sup> Custodian (L), Government (Á), International Development Institute (F), Institutional (I), Individual (M), Employee, senior officer (D)

<sup>6</sup> Figure should be rounded to two decimal points

<sup>7</sup> E.g. strategic investor, financial investor, etc.

TSZ2. Changes in headcount (persons)

	End of reference period	Current period opening	Current period closing
Bank	9.217	8.497	8.459
Consolidated	11.912	11.335	11.303

TSZ3. Senior officers, strategic employees

## OTP BANK S FIRST HALF 2000 STOCK EXCHANGE REPORT

Type <sup>1</sup>	Name	Position	Beginning of assignment	End of assignment
IT	dr. Csányi Sándor	Chairman-CEO	1992.05.15.	2002.
IT	dr. Spéder Zoltán	Vice Chairman, Deputy CEO	1991.08.30.	2002.
IT	Baumstark Mihály	Board Member	1999.04.29.	2002.
IT	dr. Bíró Tibor	Board Member	1992.05.15.	2002.
IT	Braun Péter	Board Member, Deputy CEO	1997.04.29.	2002.
IT	Endrődi György	Board Member, Deputy CEO	1993.04.30.	2002.
IT	dr. Horváth Judit	Board Member tag	1991.04.05.	2002.
IT	dr. Kocsis István	Board Member tag	1997.04.29.	2002.
IT	dr. Vörös József	Board Member tag	1992.05.15.	2002.
FB	Tolnay Tibor	Supervisory Board Chairman	1992.05.15.	2002.
FB	Gyulainé Zsakó Zsófia	Supervisory Board Member	1993.05.26.	2002.
FB	dr. Horváth Gábor	Supervisory Board Member	1995.05.19.	2002.
FB	dr. Nagy Gábor	Supervisory Board Member	1992.05.15.	2002.
FB	Vécsei Klára	Supervisory Board Member	1991.01.25.	2002.
FB	dr. Zimányi Tibor	Supervisory Board Member	1992.05.15.	2002.
ST	Wolf László	Deputy CEO	-	-
ST	Kolossváry Ádám	Deputy CEO	-	-

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



**FOR FURTHER INFORMATION, PLEASE CONTACT:**

**OTP Bank Ltd.  
Investor Relation  
George Fenyo, Managing Director**

H-1051 Budapest, Nádor u. 16.

Phone: + 36 1 269 1693

Fax: + 36 1 131 6312

**e-mail:** [FenyoG@otpbank.hu](mailto:FenyoG@otpbank.hu)

[www.otpbank.hu](http://www.otpbank.hu)