



**OTP Bank Rt.**

**First Quarter 2002  
Stock Exchange Report**

**Budapest, May 15, 2002**

## **OTP Bank's First Quarter 2002 Stock Exchange Report**

OTP Bank's first quarter 2002 Stock Exchange Report contains the HAR and IAS non consolidated and consolidated first quarter 2002 balance sheet and profit and loss account for the 3 months ending 31 March 2002. 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 2002 were HUF10,652 million, HUF1,128 million or 11.8% higher than in the same period in 2001. OTP Group's consolidated after-tax profit was HUF13,062 million, an increase of 16.6% over the first quarter 2001, and 22.6% higher than the figure of the Bank.

Over the 3 months period ending 31 March 2002, total Bank assets grew to HUF2,164,177 million or by 1.7%. This figure is 11.3% higher than a year earlier. Total assets for the group were HUF2,364,030 million on 31 March 2002, which represented a year-on-year growth of 12.5%, and it was 9.2% higher than total assets of the Bank.

1Q2001	1Q2002	Change	<b>Financial highlights</b>	1Q2001	1Q2002	Change
Bank			HAR	Group		
1,944.6	2,164.2	11.3%	Total assets (HUF bn)	2,101.0	2,364.0	12.5%
610.8	826.0	35.2%	Total loans and advances (HUF bn)	659.7	882.2	33.7%
1,610.7	1,788.2	11.0%	Total deposits (HUF bn)	1,685.5	1,877.6	11.4%
37.9%	46.2%	8.27%	Loan/deposit ratio	39.1%	47.0%	7.84%
135.2	166.6	23.2%	Shareholders equity (HUF bn)	152.5	192.7	26.4%
7.0%	7.7%	0.74%	Balance sheet gearing	7.3%	8.2%	0.89%
11.7	13.0	11.6%	Pre-tax profits (HUF bn)	13.7	16.1	17.6%
9.5	10.7	11.8%	After tax profits (HUF bn)	11.2	13.1	16.6%
35.71	40.45	13.3%	EPS undiluted (HUF) <sup>1</sup>	43.24	50.99	17.9%
34.01	38.04	11.8%	EPS fully diluted (HUF) <sup>2</sup>	40.02	46.65	16.6%
1.97%	1.99%	0.02%	Return on Assets <sup>3</sup>	2.15%	2.23%	0.08%
29.0%	26.2%	-2.80%	Return on Equity <sup>3</sup>	30.3%	27.9%	-2.45%
18.7%	20.0%	1.30%	Real Return on Equity <sup>3</sup>	20.0%	21.7%	1.65%
1,889.1	2,092.4	10.8%	Average assets (HUF bn)	2,088.9	2,341.5	12.1%
23.3	24.1	3.2%	Net interest income (HUF bn)	26.0	27.6	6.4%
4.94%	4.60%	-0.34%	Net interest margin <sup>1</sup>	4.97%	4.72%	-0.25%

#### **IAS**

OTP Bank's IAS after-tax profits for the first 3 months of 2002 were HUF10,593 million, HUF665 million or 6.7% higher than in the same period in 2001. OTP Group's consolidated after-tax profit was HUF13,343 million, increase of 16.1% over the first quarter 2001, and 26.0% higher than the figure of the Bank.

Over the 3 months period ending 31 March 2002, total Bank assets grew to HUF2,147,846 million or by 2.1%. This figure is 11.7% higher than a year earlier. Total assets for the group were HUF2,338,275 million on 31 March 2002, which represented a year-on-year growth of 13.1%, and it was 8.9% higher than total assets of the Bank.

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

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

<sup>3</sup> annualized

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1Q2001	1Q2002	Change	Financial highlights	1Q2001	1Q2002	Change
Bank			IAS	Group		
1,923.0	2,147.8	11.7%	Total assets (HUF bn)	2,067.8	2,338.3	13.1%
608.9	808.9	32.9%	Total loans and advances (HUF bn)	636.2	822.9	29.3%
1,670.7	1,843.8	10.4%	Total deposits (HUF bn)	1,708.6	1,892.7	10.8%
36.4%	43.9%	7.43%	Loan/deposit ratio	37.2%	43.5%	6.24%
126.5	161.6	27.7%	Shareholders equity (HUF bn)	134.5	178.3	32.6%
6.6%	7.5%	0.94%	Balance sheet gearing	6.5%	7.6%	1.12%
12.3	12.8	4.6%	Pre-tax profits (HUF bn)	14.2	16.3	14.8%
9.9	10.6	6.7%	After tax profits (HUF bn)	11.5	13.3	16.1%
35.46	37.83	6.7%	EPS undiluted (HUF) <sup>1</sup>	44.35	52.08	17.4%
37.22	40.23	8.1%	EPS fully diluted (HUF) <sup>1</sup>	41.05	47.65	16.1%
2.07%	1.99%	-0.08%	Return on Assets <sup>4</sup>	2.23%	2.31%	0.07%
31.4%	27.0%	-4.37%	Return on Equity <sup>4</sup>	34.4%	30.9%	-3.54%
21.1%	20.8%	-0.27%	Real Return on Equity <sup>4</sup>	24.1%	24.7%	0.56%
1,921.5	2,125.7	10.6%	Average assets (HUF bn) <sup>4</sup>	2,060.5	2,314.0	12.3%
24.0	24.9	3.9%	Net interest income (HUF bn)	27.5	29.6	7.5%
4.99%	4.69%	-0.30%	Net interest margin <sup>2</sup>	5.34%	5.12%	-0.23%

### MAJOR NON-CONSOLIDATED FIGURES FOR THE FIRST 3 MONTHS OF 2002

OTP Bank's pre-tax profit for the first 3 months of 2002 was HUF13,018 million, a 11.6% increase from a year earlier. This profit was obtained by the subtraction of the HUF2,798 million of diminution in value and provisions from the HUF15,816 million operating income. Compared to the base period, this means a 23.3% increase in operating income and a 140.8% higher diminution in value and provisioning expenses.

With 18.2% calculated taxes after tax profit was HUF10,652 million, HUF1,128 million, or 11.8% higher than in the first 3 months of 2001.

After having generated the HUF1,065 million of general reserves and the dividend fund for the period, representing 25% nominal payout ratio, the Bank's retained earnings for the first 3 months were HUF6,992 million, an increase of 3.3% over the same period a year earlier.

Undiluted earning per share<sup>5</sup> for the period was HUF40.45, diluted<sup>6</sup> EPS was HUF38.04 which is 13.3% and 11.8% higher than for the first 3 months of 2001. US dollar equivalents are USD 0.15 and USD 0.14 respectively, based on the central banks average middle exchange rate between 1 January and 31 March 2002 (278.99 HUF/USD).

Annualised return on average equity for the period was 26.2%, on average assets 1.99% (29.0% and 1.97% resp. in 2001). Non consolidated real ROE reached 20.0% - as a result of 23.2% growth in equity and declining inflation (to 6.2% y-on-y) - and was higher than in 2001 and was within the range set by the management.

### NET INTEREST INCOME

The bank's net interest income for the first 3 months of 2002 was HUF24.1 billion, 3.2% higher than in 2001. The net interest income was a result of HUF45.9 billion interest income (3.5% decrease) and HUF21.8 billion interest expenses (10.0% decrease). Yield on average interest earning assets represented 9.66% rate a decline from 11.19% in 2001 and interest paid on interest bearing liabilities represented 4.71% rate, a fall from 5.71%. The interest spread between average interest bearing liabilities and interest earning assets was 4.94% approx. 54 b.p. lower than a year earlier. Average assets were 10.8% higher than a year earlier, average yield on assets declined by 130 bp from 10.08% to 8.78%; and

<sup>4</sup> annualized

<sup>5</sup> Calculation method of undiluted earnings per share: post-tax profit/(ordinary shares-treasury shares)

<sup>6</sup> Calculation method of diluted earnings per share: (post-tax profit)/ (ordinary shares).

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average cost of funds fell by 97 bp., from 5.14% to 4.18%. Interest margin over total average assets was 4.60% a decrease of 33 b.p. from Q1 2001.

Among the interest incomes, compared to the first quarter of 2001, interest earned on interbank accounts was significantly lower partially due to the decline of the proportion of HUF placements. Income from securities decreased by 20.1% due to the decrease of their volumes and yield. In line with 40.7% growth in average volume and in spite of 257 bp. decline in rates, interest income from retail accounts grew by 23.8%. Interest earned on corporate accounts grew by 6.4%. In municipal lending, despite the 20.5% growth in volume the interest income declined by 4.2%.

In spite of the growing volume of customer liabilities, interest expenses decreased on all types of accounts except corporate accounts. In the case of interbank liabilities (mainly on the refinanced receivables) interest expenses were higher because of volume increase. Interest expenses on securities fell by 43.3%. Interest paid on retail accounts decreased by 12.6% and their share in total interest expenses was 77% in line with the liability structure.

Changes in average volume of customer receivables, customer liabilities, of interest income and expense and yield compared to 1st Quarter 2001:

	Average volume	Interest income/expense	Yield (bp)
Customer receivables	+30.2%	+13.5%	-177
Total assets	+10.8%	-3.5%	-130
Customer liabilities	+10.6%	-9.7%	-103
Total liabilities	+10.8%	-10.0%	-97

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

The quality of the loan portfolio deteriorated slightly in the 1st quarter. Qualified portion of total receivables represented 4.2%, while it was 4.0% on 31 December 2001. While increase in total loans was 1.6%, no problem loans grew slower or by 1.4% and qualified loans were up by 6.1%.

Within total receivables, to be monitored loans grew by 3.1%, growth of below average loans was 11.4%, volume of doubtful loans increased by 28.6%. Bad loans declined by 1.7% from 31 December 2001.

Customer receivables grew by 7.3%. During the first quarter 2002 qualified receivables increased in the corporate business by 0,8%, by 16.8% in the retail business and declined by 3.7% in the municipality business.

Compared to 31 March 2001 total receivables increased by 23.4% (customer receivables by 33.6%), total qualified outstanding was 7.8% higher only (increase in customer qualified receivables reached 7.9%), thus portion of qualified receivables dropped from 4.8% to 4.2%.

For HUF47.3 billion of qualified outstanding, total provisions created were HUF22.7 billion resulting in coverage ratio of 48% (48.6% at the end of March 2001, 48.6% at the end of December 2001).

The Bank's receivables and their qualification for 31 March 2002 and 2001 were as follows (in HUF million):

	31 March 2001		31 March 2000	
	Total (HUF mn)	Distribution (%)	Total (HUF mn)	Distribution (%)
Total of loans:	1,136,116	100.0%	920,636	100.0%
Performing	1,088,780	95.8%	876,731	95.2%
Qualified	47,335	4.2%	43,905	4.8%
Provision	22,705		24,805	
Coverage ratio	48,0%		56,5%	

Since 31 March 2001 the share of the corporate business in the qualified portfolio declined from 68.8% to 62.1%, and parallel the proportion of retail business line in the qualified portfolio grew to 36.8%. At the same time 49.7% of the provisions were generated in the corporate and 48.8% in the retail business.

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Compared to the end of December 2001, provisions in corporate business decreased by HUF57 million and provisions in retail business grew by HUF1.1 billion. Quality of the municipal portfolio remained outstanding. Financial institutions represented 0.7% of provisions.

The breakdown of receivables, qualified loans and provisions by businesses were at 31 March 2002 and 2001 as below:

31 March 2001	Retail	Corporate	Interbank	Municipal
Total	21.0%	42.3%	30.8%	5.9%
No problem	20.5%	41.0%	32.4%	6.2%
Qualified	30.6%	68.8%	0.4%	0.2%
Provisions	33.3%	65.6%	0.7%	0.3%

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%

The provisioning and loan losses on customer receivables for the first quarter 2002 was HUF2,311 million (An increase of 47.1% from a year earlier). While in the corporate business normal, ongoing provisioning occurred in 1Q 2002, the provision demand in the retail business was caused partly by the decline in the quality of home equity loans, current account related loans and partly by the housing loans which fell into the debtor restructuring program.

The Bank also generated the required general risk provisions (HUF530 million, an increase of 317.3%), released HUF88 million provision created in 2001 for the uncovered open derivative position and generated HUF45 million other provisions. Loan loss provisioning represented 1.14% (annualized) of the average customer receivables slightly higher than in 2001 (1.01%).

### NON-INTEREST INCOME

During first 3 months of 2002 non-interest income increased by 55% over the same period in 2001, and reached HUF13,575 million. Net fees and commissions represented HUF12,009 million, a 42.3% increase (fees and commissions received increased by 39.4%, fees and commissions paid were 20.5% higher). Fees and commissions on HUF transactions increased by 12.3%, on FX transactions by 26.5%.

Within fee income the rapid increase of fees on the card business continued further, the over HUF4 billion income in the first 3 months of 2002 was 42.8% higher than in the same period of 2001.

Fee income from the retail current accounts increased by 20.6% as compared to the first quarter of 2001. Because of the higher lending activity the fees on loans also grew by 139% to above HUF2 billion. Corporate lending growth positively influenced HUF and FX related fee income, while in retail business the confirmed demand for 2000 and Mortgage Bank loans lifted fees. Transfer of loans to Mortgage Bank has also generated meaningful fees. Deposit business increased fee income by 10.8%, securities transaction fees were 64.5% higher.

Net loss on securities trading in the first quarter were HUF86 compared to HUF927 million in the first 3 months of 2001, when the splitting the trading and investment portfolio generated losses; partly by the government bonds in the trading portfolio and partly by the investment portfolio and the one-time loss time-proportionately accounted on the part of the portfolio maturing in 2002 and later according to the new rules valid from 1 January 2002. Thus during 1Q 2002 the Bank realized HUF747.1 million lower losses on the Hungarian Government Bonds.

Foreign exchange gains reached HUF563 million, 41% lower than for the first quarter of 2001. The Bank, due to high volume of HUF/FX swaps held a long average FX position in its balance sheet, which had no effect on the profitability, but caused restructuring of profit components (from HUF interest income to FX interest income). The open position caused by the swaps did not influence the balance sheet FX re-evaluation account either.

Losses on real estate transactions in the first quarter were HUF426 million lower, other non interest income HUF372 million higher than during the comparable period in 2001.

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Non-interest income represented 36.1% of total income, 8.8% higher than a year earlier.

Total income for the Bank reached HUF37,648 million, a 17.4% increase over the same period in 2001.

### ***NON-INTEREST EXPENSES***

During the first 3 months of 2002 non-interest expenses reached HUF21,832 million, 13.4% higher than a year earlier and above inflation.

The 10.9% increase in personnel expenses was according to projections. Personnel expenses were influenced by an average 10% salary increase for non-management employees at the beginning of the year and by the accrual of the cost of the option program. Personnel expenses represented 20.2% of total income compared to 21.4% during 1Q 2001.

Depreciation grew by 4.0% to HUF2,756 million.

Increase in other non-interest expenses was significantly above inflation (17.7%). Within these the increase in material cost and other expenses was 16.5%. Cash transport and money handling fees increased above inflation (15.7%). The rental costs of the Bank decreased by 12.8% in connection with the rationalisation of its real estate holdings, while the fees paid for specialists increased significantly in connection with ongoing IT projects.

For 1Q 2002 the Bank's cost/income ratio was 58.0%, 200 bps lower than in 2001, and lower than the projected figure for the year.

### ***NON-CONSOLIDATED HAR BALANCE SHEET AS AT 31 MARCH 2002***

OTP Bank's total assets as at 31 March 2002 were HUF2,164,177 million, 11.3% higher than in 2001, and represented 23.2% of the banking system's total assets (on 31 March 2001 22.8%). The increase is higher than the inflation resulting in real asset growth for the preceding 12 months.

Since 31 March 2001 within banking assets, cash and banks increased by 7.1% driven by 50.3% increase in cash and a 19.4% growth in NBH account balances. Short term placements with the NBH declined.

The volume of government securities on 31 March 2002 was 9.7% lower than a year earlier. Trading securities declined by HUF110.2 million, or 69.4%, investment securities grew by HUF60.9 million or 17.6% in line with the splitting of the portfolio into trading and investment parts and changes in mandatory reserve regulations.

The volume of the interbank placements increased by 0.5% since the March 2001 and represented 13.4% of total assets. Within interbank placements the higher FX deposits with foreign and domestic banks represented the most significant changes.

Within total assets, receivables from customers represented 37.9% (31.1% on 31 March 2001), and were HUF819.6 billion, which was 35.5% higher than a year earlier. Within the commercial loan portfolio retail lending grew by 41.7%, corporate lending grew by 33.5%. Loans to municipalities grew by 25.4%.

Within corporate lending reaching HUF508.9 billion, loans extended to economic entities was 46.7% higher than a year earlier reaching HUF464.1 billion, within them loans for investment purposes grew by 99.2%, current asset financing loans by 12.5%. Current account loans were representing 24.2% of total commercial loans. Foreign currency loans grew by 20% and represented 27% of total. Loans granted to small businesses increased by 16%, to HUF2.1 billion, the share of loans to small businesses within the corporate loan portfolio dropped from 3.9% to 3.1%.

Retail loans grew by 41.7% to HUF263.8 billion from a year earlier. The volume of housing loans increased by 44.5%, from HUF105.3 billion in the end of March 2001 to HUF152.1 billion due to the considerable volume of new housing loans granted. The mortgage lending product introduced in August 2001 generated volume above HUF16.5 billion. The volume of 2000 condition loans increased by 118.2% to HUF78.6 billion during 12 months to March 2002. Old loans continued to decline. Volume of mortgage-based home equity loans grew by HUF48.6 billion or 66.9% over 31 March 2001.

Consumer loans were 21.9% higher and reached HUF63.1 billion at the end of March 2002. Within consumer loans current account related loans increased by 30% reaching HUF58.5 billion. The growth of

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C-loans was 165.9% since March 2001 and the volume reached HUF15.2 billion. Loans financing consumer purchases and personal loans declined further.

The market share of the Bank in retail housing loans was 42.7% (51.8% in 2001) and was 21.2% (20.9%) in consumer and Lombard loans. The Group's housing market share reached 46.4% (55.3% in 2001).

The volume of municipal loans increased further and reached HUF46.9 billion from HUF37.4 billion. The Bank retained its leading position in municipal lending. Loans to budgetary organisations were lower than on 31 March 2001 and were HUF8.3 billion.

At the end of 2001 the market share of the Bank in lending showed a varied picture. Based on preliminary data, on 31 March 2002 the market share of the Bank was 16.6% in overall lending (14.4% on 31 March 2001), and granted 29.6% (31.0%) of retail, 12.6% (10.6%) of corporate and 65% (70.6%) of municipal loans.

On 31 March 2002, customer deposits represented 83.2% of the Bank's liabilities. Their volume was HUF159.7 billion or 9.7% higher than a year earlier and reached HUF1,800.7 billion. The increase in retail business was HUF94.1 billion, in corporate business was HUF50.8 billion, while deposits of municipalities grew by HUF12.8 billion. HUF deposits increased by HUF127.1 billion, while FX deposits expressed in HUF declined by HUF33 billion. On 31 March 2002 the preliminary market share of the Bank was 31.3% in total deposits with banks (32.4% at the end of March 2001).

Volume of retail deposits increased by 7.2% to HUF1,409.8 billion during 12 months, their share within customer deposits represented 78.3%. 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 HUF529.2 billion to HUF674.9 billion or by 27.5% and their share in retail deposits grew from 54.5% to 61.5%. The increase of sight deposits exceeded the increase of term deposits reflecting the growing number of clients and increases in salaries deposited on the accounts. Within retail deposits, during the 12 months preceding 31 March 2002, foreign currency deposits expressed in HUF decreased by 9.6%, while HUF deposits were up by 13.1%. At the end of March 2002 the Bank managed 39.4% of retail HUF (41.3% in 2001), and 36.2% of retail foreign currency deposits (37.9%). OTP Group managed 38.4% of household savings with credit institutions and 26.5% of gross financial assets (40.7% and 26.1% in 2001).

On 31 March 2002 the volume of savings in the Bank's securities, partly as a result of the decrease in interest rates during the year, decreased by 31.1% and was HUF12.4 billion. By the end of March 2002 the Bank's market share of securities issued by banks reached 0.8% (2.3% in 2001).

Volume of corporate deposits increased by 26.2% in the period of analysis. Deposits of legal entities increased by 2.4% in HUF and by 21.4% in foreign currencies. HUF deposits of small enterprises and individual entrepreneurs grew by 67.3%, and by 159.6% in foreign currency. The Bank's market share of corporate deposits was 12.5%, with 1% above the market share at the end of March 2001.

Municipal deposits increased by 10.4% and were HUF136 billion on 31 March 2002. Local governments placed 75.7% of their deposits at the Bank (78% in 2001).

Within the Bank's liabilities the volume of provisions grew from HUF11 billion at the end of 1Q 2001 to HUF15.7 billion on 31 March 2002.

### **SHAREHOLDERS' EQUITY**

**Shareholders' equity** of OTP Bank on 31 March 2002 reached HUF166.6 billion, an increase of 23.2%. The increase of HUF31.3 billion was a result of an additional HUF4 billion in general reserves, as well as a HUF26.9 billion increase in retained earnings, HUF0.3 billion increase in fixed reserves and a HUF0.2 billion growth in net profits. Non-audited book value of 1 share on 31 March 2002 was HUF595.

On 31 March 2002, the **HAR guarantee capital** of the Bank stood at HUF122.3 billion (HUF129.3 billion including after tax profits for the period).

With HUF918.1 billion risk weighted assets the **capital adequacy ratio** - calculated according to Hungarian regulations - was 13.32% as at 31 March 2002 (14.08% including after tax profits for the period), well in excess of the 8 % required by the Banking Act.

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### OTHER

The number of **retail current accounts**, the leading product of the Bank, expanded by 110 thousand to 2,632.9 thousand, based on the present product range. The number of time deposits connected to current accounts reached 658.5 thousand. In March of 2002 1,493 thousand salary and pension transfer have been sent to the accounts. The number of transfers from the accounts was nearly 3.6 million.

The number of cards issued connected to the retail current accounts exceeded 2.8 million on 31 March 2002, compared to 2.6 million at the end of March 2001. Within this number, the identification cards issued for current account owners was 160.8 thousand, the number of B-loan cards connected to retail current accounts was 174 thousand and the number of C-loan cards was 83 thousand on 31 March, 2002. Including corporate and FX based cards, the total number of cards issued approached 3,173 thousand, an increase of 11.7% over 2001. The Bank's estimated market share of cards issued was over 60%.

The number of the Bank's ATMs expanded from 1,069 a year earlier to 1,112, the number represented approximately 70% of ATMs operating in Hungary. The number of transactions executed by the Bank's card owners, performed through the Bank's ATMs, reached 14,4 million in the first 3 months of 2002, while the turnover of transactions was HUF295.6 billion, an increase of 7.4% and 23.5%, resp. over the first 3 months of 2001. The number of POS terminals on 31 March 2002 stood at 16,508, 1,263 more than one year earlier. Out of them 2,515 were operating in the Bank's branches and 9,455 at commercial establishments, which include gas stations. The number of withdrawal transactions on the Bank's own POS network was 1.3 million, the turnover was HUF124.2 billion. The number of purchases on POS terminals at merchants was 6.3 million (36.6% increase) valuing HUF49.2 billion (38.8% increase). The number of client terminals operating through telephone lines reached 10,046 on March 31, 2002. At the end of March 2002 the number of contracted customers for the telephone banking service surpassed 376,000, for mobile banking service 106,000 and for Internet banking service 154,000. The number of transactions arranged through the electronic distribution network of the Bank in the first 3 months of 2001 was 23.1 million valuing HUF500.1 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 2002. The closing staff number increased by 103 during the first 3 months of 2002 and was 248 higher than a year earlier. The increase in 2002 was caused by the integration of OTP Securities (18 persons) and new staff for housing lending (71 persons) in line with increased demand.

Trend in the number of OTP Bank staff:

	31 March 2001	31 December 2001	31 March 2002	Change (%) Over 31 March 2001
Average number of employees	8,143	8,188	8,358	2,6%
Employees at the end of period	8,148	8,293	8,396	3,0%

### 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.

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

	Equity		Total assets		Pre-tax profits	
	31-March-2001	31-March-2002	31-March-2001	31-March-2002	1 Q 2001	1 Q 2002
OTP Bank Ltd.	135,221	166,573	1,944,633	2,164,177	11,665	13,018
Subsidiaries total	48,101	61,589	228,432	304,175	2,555	3,369
Total (non consolidated)	183,322	228,162	2,173,065	2,468,352	14,220	16,387
Consolidated	152,509	192,744	2,100,962	2,364,030	13,667	16,079



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The group of fully consolidated subsidiaries changed compared to the corresponding period of previous year because OTP Fund Servicing and Consulting Ltd. And OTP Mortgage Bank have been a fully consolidated subsidiary since the preparation of the consolidated Stock Exchange Report of 31 December 2001.

In preparing the Stock Exchange Report of 31 March 2002, the bank applied the following methodology:

Fully consolidated subsidiaries	17
Equity consolidated companies	15
of which	
- daughter companies	11
- mutually managed companies	--
- associated companies	4

On April 4, 2002 OTP Bank acquired 92.55% interest in Investicna a rozvojova banka (IRB) Slovak bank, the purchase price was SKK700,000,000 (HUF4,081 million). The face value of OTP Bank's interest in the Slovak bank with this package grew from SKK33,353 thousand (HUF194,448 thousand) in December 2001 to SKK999,517 thousand ( HUF5,827,185 thousand). Due to the ownership increase, IRB is considered as a subsidiary from April 4 2002. Non audited total assets of IRB stood at SKK19.97 billion on 31 March 2002, and 1Q 2002 after tax profits reached SKK26.5 million.

### **CONSOLIDATED BALANCE SHEET**

Total assets of the group as at 31 March, 2002 were HUF2,364 billion, 9.2% higher than total assets of the Bank. The consolidated balance sheet total for the Group increased by HUF263 billion or 12.5% from a year earlier. Among daughter companies total assets of OTP-Garancia Insurance increased the most (by HUF19.6 billion). Due to its booming finance leasing business and foreign currency denominated loans, Merkantil-Car's assets rose by HUF16.8 billion. Asset growth of OTP Buildig Society was HUF14.4 billion and Merkantil Bank increased by HUF6.5 billion disregarding consolidation steps.

The increase of current assets was a result of the increase in receivables (HUF70 billion) and in cash (HUF25 billion) and the decrease of trading securities (HUF92 billion).

Within the 6.8% increase of consolidated cash and balances with banks the most significant amounts were the increase of the term deposits with the NBH and balances with NBH at OTP Bank (HUF7.7 billion) and of the volume of cash and foreign currencies (HUF17.8 billion).

The 40% decrease in consolidated volume of trading securities was mostly caused by the HUF101 billion lower volume of government securities and the growth by HUF5 billion in shares and by HUF4 billion in mortgage bonds. At OTP Bank, the volume of government papers decreased by HUF110 billion. Among the subsidiaries the HUF6 billion increase of investments of OTP Building Society was significant compared to the same period of the previous year. Out of the HUF28.7 billion volume of own shares in current year, OTP Bank holds 65% according to the book value, while the rest is owned by two subsidiaries.

In the consolidated balance sheet of 31 March 2002, the volume of short term receivables increased by 12.1% compared to the corresponding period of previous year. Within this, receivables from credit institutions increased by HUF13.5 billion (5.2%), while receivables from customers rose by HUF 49.9 billion (17.7%). Other receivables increased by HUF6.3 billion (20.4%) in the consolidated report.

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

In the change of receivables from customers, excluding OTP Bank, among the subsidiaries the Merkantil Group and the London based HIF was significant.

Compared to the same period of 2001, the volume of investments was 29.7% higher in the consolidated balance sheet. The receivables from customers grew with largest amount (HUF144.8 billion), the change was influenced considerably by the OTP Bank (HUF144.8 bilion), Merkantil Group (HUF15.8 billion) and

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OTP Mortgage Bank (HUF11.4 billion) Beside this the increase of investment securities (HUF78.6 billion) was significant, due to the OTP Bank.

Consolidated value of tangible assets increased by HUF2 billion. The change was connected to the Merkant Bérlet which operates long term lease.

On the liability side, the increase of the consolidated balance sheet total compared to the previous period was the result of HUF194 billion increase of liabilities, HUF22 billion increase of provisions and HUF40 billion increase of shareholders' equity, and an increase of HUF7 billion in accrued liabilities.

In the consolidated balance sheet within liabilities short-term liabilities increased by 11.7% (by HUF201 billion) and long-term liabilities decreased by 5.1% (by HUF7.1 billion). The change in long-term liabilities was due to the decrease (HUF19.9 billion) at OTP Bank which was counterbalanced by the increasing liabilities to customers at OTP Building Society and Merkantil Bank. Within liabilities short-term liabilities to customers the increase by HUF198.7 billion at the OTP Bank was enhanced by the growing liabilities to customers of the OTP Mortgage Bank and Merkantil Group, and it was counterbalanced by the consolidation steps. Within the liabilities short term liabilities to customers grew by HUF190.3 billion, caused by the change in OTP Bank's deposits volume.

The proportion of customer liabilities within total liabilities was 91.3% as at 31 March 2002 and 90.4% as at 31 March 2001. The indicators were 91.6% and 90.8% in the case of OTP Bank.

Provisions on the liability side in the consolidated balance sheet rose by HUF22.4 billion. Provisions for contingent and future liabilities decreased by HUF1.7 billion, general risk provisions and other provisions increased by HUF2.9 and HUF17.8 billion, respectively. Within the latter, reserves of OTP Garancia Insurance were HUF16.6 billion higher compared to 31 March 2001.

Consolidated shareholders' equity was HUF192.7 billion (26.4% growth) at the end of March 2002 representing 8.2% of balance sheet total opposed to 7.3% on 31 March 2001.

## **CONSOLIDATED RESULTS**

Consolidated pre-tax profit for 1Q 2002 was HUF16,079 million, 23.5% higher than pre-tax profit of the parent company, and 17.6% higher than consolidated pre-tax profit for the same period of 2001.

Consolidated after tax profits for 1Q 2002 was HUF13,062 million, which was 16.6% higher than at the Bank, and 22.6% higher than consolidated after-tax profit for the same period of 2001.

Consolidated after tax earnings per share calculated for 1Q 2002 were HUF50.99 undiluted, whereas diluted EPS was HUF46.65. US dollar equivalents were USD 0.18 and USD 0.17 respectively, based on the National Bank's average middle exchange rate between 1 January and 31 March 2002 (i.e. 278.99 HUF/USD).

Consolidated net interest income for the first quarter of 2002 reached HUF27.617 million, 6.4% higher than in 2001 and 14.7% more than that of the Bank. This can be explained by the successful operation of Merkantil Group and the return of investments at OTP Building Society. Consolidated interest income and expenses were 1.0% and 8.5% lower than in the same period of 2001, respectively.

Within consolidated interest income (HUF50.9 billion) retail accounts hold the biggest part both consolidated (HUF14.5 billion) and non-consolidated level (HUF11.9 billion). Interest income from securities (HUF12.2 billion and HUF11 billion) and from corporate accounts (HUF12 billion and HUF11 billion) are considerable as well. The increase of retail interest income (HUF3.1 billion) and the decrease of interest income from securities (HUF2.6 billion) were the largest amounts.

Within interest expenses (HUF23.3 billion and OTP Bank HUF 21.9 billion) the interests paid on retail deposits represented the largest part in both the consolidated (HUF17.4 billion) and non-consolidated (HUF16.8 billion) data. Their decrease was the largest compared to the previous year (HUF2.2 billion).

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Non-interest income increased by 55.8%. Consolidated net fees and commissions increased by 39.5%, at a lower rate than at the Bank, where the increase was 42.3%. Majority of non-interest income of the subsidiaries, mainly from the insurance subsidiary, shows up at other non-interest income, which was HUF15.4 billion higher than at the Bank and represented 56.3% increase from the base period. In the first quarter of 2002, the proportion of non-interest income in total income on a consolidated basis was 51.7%, compared to 42.2% in the same period of 2001.

Consolidated total income increased by 27.3% and reached HUF57.2 billion and it was HUF19.6 billion higher than the Bank's total income.

Consolidated non-interest expenses were HUF38 billion which represents 29.1% growth. Personal expenses grew by 15.1% and other non-interest income increased by 39.6% mainly due to the insurance subsidiary.

Cost to income ratio at consolidated basis increased from 65.6% in the previous year to 66.5% in the current period. The same figures at OTP Bank were 60.0% in the first quarter of 2001 and 58.0% in the first quarter of 2002.

Consolidated operating income was HUF3.7billion higher (23.9%), and provisioning was 71.0% higher than a year ago.

In the first quarter of 2002, provisioning and loan losses came to 16.0% of operating income as opposed to 11.6% a year earlier.

Consolidated annualized ROAA in the first quarter of 2002 reached 2.23% (2.15% in 2001) and consolidated ROAE was 27.8% (30.3% in 2001), that means 21.6% real ROAE (20.0% in 2001).

### **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 2002:

	in HUF millions		
	1Q 2001	1Q 2002	Change
OTP-Garancia Insurance Ltd.	300	405	35.0%
Merkantil Bank Ltd.	473	627	32.6%
Merkantil-Car Ltd.	105	69	-34.3%
Merkantil Bérlet Ltd.	85	4	-95.3%
OTP Fund Management Ltd.	491	737	50.1%
OTP Fund Servicing and Consulting Ltd.	-	15	
OTP Building Society Ltd.	362	577	59.4%
OTP Mortgage Bank Ltd.	-	216	
HIF Ltd.	32	125	290.6%
OTP Securities Ltd.	-102	-8	
OTP Real Estate Ltd.	264	290	9.8%
OTP Factoring	344	288	-16.3%
OTP Factoring Management Ltd.	225	33	-85.3%
Bank Center No. I. Ltd.	-42	12	
Other subsidiaries	18	-21	
Subsidiaries total	2,255	2,964	31.4%

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

OTP Garancia Insurance reached HUF405 million pre tax profit in the first quarter of 2002. In contrast with a HUF9.2 billion premium income in the corresponding period of last year, the insurance company realized HUF13.6 billion in the 1<sup>st</sup> quarter. The premium income in life and bank assurance business reached HUF7.9 billion, in non-life business HUF5.7 billion. Its market share increased to 10.8% within

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that in life insurance business the company is the third largest insurer in Hungary with 15.8% share. The HUF6.2 billion single payment insurance means 58.6% market share.

In the 1<sup>st</sup> quarter of 2002, total insurance expenses amounted to HUF13.9 billion in which damages and services was HUF5.3 billion. Thus, the damage to premium ratio in the non life insurance business reached 57.9%. Insurance technical reserves increased by 40.2% from HUF41.2 to HUF57.8 in accordance with the long term strategic and business policy goals of the company. Total assets of the company increased by 41% compared to the corresponding period of last year (from HUF47.9 to HUF67.6 billion). Shareholders' equity increased from HUF5.6 billion in the 1Q 2001 to HUF7.5 billion, which includes the effect of HUF 1.5 billion capital increase during 1Q2002.

Merkantil Bank Ltd. closed the 1<sup>st</sup> quarter of 2002 with total assets of HUF58.9 billion. Its pre tax profit amounted to HUF627 million, 32.6% higher than a year earlier. The interest margin over average total assets (HUF59.2 billion) was according to projections.

Gross volume of car loans represented 77.2% of Merkantil Bank's assets while the share of dealer financing was 9.3%. The volume of car loans increased by HUF3.3 billion and amounted to HUF45.5 billion on March 31, 2002.

Within the car financing the share of the loans and financial leasing based on foreign exchange (which appears on the books of Merkantil Car Ltd) increased, and the share of used cars in the portfolio also increased. The number of car financing transactions in Merkantil Group reached 10,988 in the first 3 months of 2002 of which the number of new car financing was 6,317. The share of foreign currency based financial leasing was 36.1%, and the share of loans based on foreign exchange was 33.2%.

Total assets of Merkantil Car was HUF40.7 billion, which is HUF6.6 billion higher than at the end of 2001. The volume of foreign exchange car-leasing is HUF30.1 billion, 3.8% or HUF1.1 billion higher compared to the last year. The volume of capital goods leasing business was HUF4.7 billion. In 2002 Merkantil Car introduced the foreign currency based car loan, and the volume of this loan reached at the end of the first quarter HUF4 billion. The company reached HUF69 million pre-tax profit.

The profit of OTP Fund Management rose also in 2002. The pre-tax profits of the company for the 1<sup>st</sup> quarter of 2002 reached HUF737 million, which is 50.1% higher than in the corresponding period of 2001. By the end of March 2002, the assets managed by the company increased from HUF367.3 billion at the end of 2001 to HUF434.9 billion. The market share of the company was 52.5%. The assets of the managed pension funds grew from HUF101.7 billion to HUF113.2 billion.

In the 1<sup>st</sup> quarter of 2002, OTP Building Society concluded 20,192 contracts in cooperation with agent firms and the branches of OTP Bank in the value of HUF18,193 million. These figures exceed the planned data for the period. The volume of customer deposits was HUF49.7 billion on March 31, 2002. In November 2001 the withdrawal of the customer deposits and the disbursement of loans has started. In the first 3 months of the year customers withdrew HUF4.3 billion and took HUF1.6 billion loan. The company closed the quarter with HUF577 million pre-tax profit, with 59.4% higher than in the previous year.

OTP Mortgage Bank started its operation in February 2002 as a specialised lending institution. Its business target is to purchase high quality housing loans from the Bank and finance it with the issuance of mortgage bonds. During 1Q 2002 the Mortgage Bank purchase mortgage loans with a value of HUF 11.5 billion from OTP Bank. The Mortgage Bank and OTP Bank grant loans together as a consortium. The result of this co-operation that customers can get the subsidies, which they can obtain only from mortgage banks.

The company reached higher figures in the first quarter of 2002 than planned. Total assets of the mortgage bank was HUF15 billion, its pre-tax profit reached HUF216 million.

In the 1<sup>st</sup> quarter of 2002, the operation of the London-based Hungarian International Finance Ltd. corresponded, in most respect, with its business plan, and the profitability considerably exceeded the planned level. Shareholder's equity was almost HUF1,898 million (GBP 4.76 million) at the end of the first quarter of 2002. Pre-tax profit of the company totaled HUF125 million (GBP 313 thousand), which is almost four times bigger than in the first quarter of 2001. It is due to some highly profitable business during the first quarter.

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The Central and Eastern European market remained the main region of the company's business strategy, constituting more than 62.2% of total assets, commitments and guarantees. Transaction-value in the markets of Central and South America represented more than 9.5% of receivables, while Central-East and North Africa represented 18% end of the period.

At OTP Securities – according to the strategic concept of OTP Group – rationalization of capital market services continued in the first quarter of 2002. The migration of investment services of OTP securities to the mother bank was finished in March 2002. While customer stock was handed over to the OTP Bank, employees of the investment services departments work in the OTP Bank, therefore the basic operation of OTP Securities expired. The company abolished the membership of the Budapest Stock Exchange and OTP Bank bought its membership.

In the 1<sup>st</sup> quarter of 2002, the result of investment services totaled HUF172.5 million with HUF284.3 million income and HUF111.8 million expenditures.

In spite of the restructuring process OTP Securities closed the 1<sup>st</sup> quarter with a minimalised loss of HUF8 million, due to the investment banking services.

In the 1st quarter of 2002, net sales of OTP Real Estate totaled HUF2.8 billion. Its pre-tax profit reached HUF290 million, it exceeded the planned figure and the amount of the same period of the previous year. The company's total assets were HUF10.9 billion. Current assets amounted to HUF9.4 billion of which inventories represented HUF7.2 billion. Inventories were financed partly from own sources, partly from customer payments in advance, from project financing and current account related loans.

In the 1st quarter of 2002, OTP Factoring concluded contracts in gross value of HUF3,854 million, of which the value of claims purchased from OTP Bank totaled HUF1,562 million. The gross income exceeded HUF1.6 billion in the first quarter of 2002. HUF1 billion from the total income covered the return on purchase prices (scored price) and the net factoring income reached HUF629 million. Due to this the first quarter pre tax profit of the company was HUF288 million, which meets the plans.

### **PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE FIRST QUARTER OF 2002 AT OTP BANK LTD**

During the first quarter of 2002 the auditor of the Bank, the Board of Directors and the Supervisory Board remained unchanged.

Budapest, 15 May 2002

For further information please contact:

George Fenyo  
managing director  
Investor Relations  
OTP Bank Ltd.

Phone: +36 1 269 1693  
Fax: + 36 1 331 6312  
email: FenyoG@otpbank.hu  
www.otpbank.hu

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FINANCIAL DATA

## OTP Bank's First Quarter 2002 Stock Exchange Report

### FIRST QUARTER 2002 SELECTED NON-CONSOLIDATED FINANCIAL DATA (HUF)

HUF millions	First 3 Months of 2001	First 3 Months of 2002	Change 2002/2001
Interest from interbank accounts	11.077	9.478	-14,4
Interest from customer accounts	9.649	11.946	23,8
Interest from corporate accounts	10.313	10.968	6,4
Interest from municipal accounts	1.422	1.362	-4,2
Interest from bonds	13.759	10.990	-20,1
Interest from mandatory reserves	1.389	1.181	-15,0
<b>Total interest income</b>	<b>47.609</b>	<b>45.925</b>	<b>-3,5</b>
Interest on interbank accounts	702	779	11,0
Interest on customer accounts	19.260	16.827	-12,6
Interest on corporate accounts	1.973	2.209	12,0
Interest on municipal accounts	1.545	1.540	-0,3
Interest on bonds	430	244	-43,3
Interest on long term debt	378	253	-33,1
<b>Total interest expense</b>	<b>24.288</b>	<b>21.852</b>	<b>-10,0</b>
<b>Net interest income</b>	<b>23.321</b>	<b>24.073</b>	<b>3,2</b>
Fees & commissions income	9.756	13.597	39,4
Fees & commissions paid	1.318	1.588	20,5
<b>Net fees &amp; commissions</b>	<b>8.438</b>	<b>12.009</b>	<b>42,3</b>
Gains (losses) on securities trading	-927	-86	-90,7
Gains (losses) on forex trading	955	563	-41,0
Gains (losses) on property transactions	-41	385	-1039,0
Other	332	704	112,0
<b>Non interest income</b>	<b>8.757</b>	<b>13.575</b>	<b>55,0</b>
Share of non interest income in total income	27,3%	36,1%	32,1
<b>Total income</b>	<b>32.078</b>	<b>37.648</b>	<b>17,4</b>
Staff costs	6.864	7.612	10,9
Depreciation	2.650	2.756	4,0
Other operating expenses	9.737	11.464	17,7
<b>Operating costs</b>	<b>19.251</b>	<b>21.832</b>	<b>13,4</b>
Cost/Income ratio %	60,0%	58,0%	-3,4
<b>Operating income</b>	<b>12.827</b>	<b>15.816</b>	<b>23,3</b>
Diminution in value, provisions and loan losses	1.162	2.798	140,8
<b>Income before income taxes</b>	<b>11.665</b>	<b>13.018</b>	<b>11,6</b>
Taxes	2.141	2.366	10,5
Tax rate %	18,4%	18,2%	-1,0
<b>After tax profits</b>	<b>9.524</b>	<b>10.652</b>	<b>11,8</b>

The Bank's non-audited 1Q 2001, 1Q 2002 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

**OTP Bank's First Quarter 2002 Stock Exchange Report**

FIRST QUARTER 2002 SELECTED NON-CONSOLIDATED FINANCIAL DATA  
(USD)

USD '000	First 3 Months of 2001	First 3 Months of 2002	Change 2002/2001
Interest from interbank accounts	38.397	33.972	-11,5
Interest from customer accounts	33.449	42.818	28,0
Interest from corporate accounts	35.752	39.311	10,0
Interest from municipal accounts	4.928	4.883	-0,9
Interest from bonds	47.692	39.393	-17,4
Interest from mandatory reserves	4.815	4.232	-12,1
<b>Total interest income</b>	<b>165.033</b>	<b>164.609</b>	<b>-0,3</b>
Interest on interbank accounts	2.435	2.794	14,7
Interest on customer accounts	66.761	60.312	-9,7
Interest on corporate accounts	6.841	7.915	15,7
Interest on municipal accounts	5.353	5.521	3,1
Interest on bonds	1.493	874	-41,5
Interest on long term debt	1.309	908	-30,6
<b>Total interest expense</b>	<b>84.192</b>	<b>78.324</b>	<b>-7,0</b>
<b>Net interest income</b>	<b>80.841</b>	<b>86.285</b>	<b>6,7</b>
Fees & commissions income	33.818	48.736	44,1
Fees & commissions paid	4.570	5.693	24,6
<b>Net fees &amp; commissions</b>	<b>29.248</b>	<b>43.043</b>	<b>47,2</b>
Gains (losses) on securities trading	-3.216	-303	-90,6
Gains (losses) on forex trading	3.315	2.015	-39,2
Gains (losses) on property transactions	-145	1.380	-1051,7
Other	1.109	2.524	127,6
<b>Non interest income</b>	<b>30.311</b>	<b>48.659</b>	<b>60,5</b>
Ratio of non interest income	27,3%	36,1%	32,2
<b>Total income</b>	<b>111.152</b>	<b>134.944</b>	<b>21,4</b>
Staff costs	23.794	27.285	14,7
Depreciation	9.186	9.880	7,6
Other operating expenses	33.753	41.091	21,7
<b>Operating costs</b>	<b>66.733</b>	<b>78.256</b>	<b>17,3</b>
Cost/Income ratio %	60,0%	58,0%	-3,4
<b>Operating income</b>	<b>44.419</b>	<b>56.688</b>	<b>27,6</b>
Diminution in value, provisions and loan losses	3.983	10.027	151,7
<b>Income before Income taxes</b>	<b>40.436</b>	<b>46.661</b>	<b>15,4</b>
Taxes	7.422	8.480	14,3
Tax rate %	18,4%	18,2%	-1,0
<b>After tax profits</b>	<b>33.014</b>	<b>38.181</b>	<b>15,7</b>

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is . 288,48 HUF/USD for 1Q 2001, 278,99HUF/USD for 1Q 2002.



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FIRST QUARTER 2002 SELECTED CONSOLIDATED FINANCIAL DATA (HUF )

HUF millions	First 3 Months of 2001	First 3 Months of 2002	Change 2002/2001
Interest from interbank accounts	10.954	9.690	-11,5
Interest from customer accounts	11.390	14.471	27,0
Interest from corporate accounts	11.467	12.015	4,8
Interest from municipal accounts	1.422	1.362	-4,2
Interest from bonds	14.745	12.153	-17,6
Interest from mandatory reserves	1.436	1.213	-15,6
<b>Total interest income</b>	<b>51.414</b>	<b>50.904</b>	<b>-1,0</b>
Interest to interbank accounts	843	858	1,8
Interest on customer accounts	19.569	17.365	-11,3
Interest on corporate accounts	1.940	2.213	14,1
Interest on municipal accounts	1.544	1.540	-0,3
Interest on bonds	1.181	1.057	-10,5
Interest on subordinated loan	378	254	-32,6
<b>Total interest expense</b>	<b>25.455</b>	<b>23.287</b>	<b>-8,5</b>
<b>Net interest income</b>	<b>25.959</b>	<b>27.617</b>	<b>6,4</b>
Fees & commissions income	10.590	14.466	36,6
Fees & commissions paid	2.083	2.601	24,9
<b>Net fees &amp; commissions</b>	<b>8.507</b>	<b>11.865</b>	<b>39,5</b>
Securities trading	-1.284	290	-122,6
Forex trading	825	714	-13,5
Losses on property transactions	666	652	-2,1
Other	10.272	16.060	56,3
<b>Non interest income</b>	<b>18.986</b>	<b>29.581</b>	<b>55,8</b>
Ratio of non interest income	42,2%	51,7%	22,5
<b>Total income</b>	<b>44.945</b>	<b>57.198</b>	<b>27,3</b>
Staff costs	8.744	10.063	15,1
Depreciation	3.421	3.805	11,2
Other costs	17.318	24.180	39,6
<b>Operating costs</b>	<b>29.483</b>	<b>38.048</b>	<b>29,1</b>
Cost/income ratio	65,6%	66,5%	1,4
<b>Operating income/Profit</b>	<b>15.462</b>	<b>19.150</b>	<b>23,9</b>
Diminution in value, provisions and loan losses	1.795	3.071	71,0
<b>Pre-tax profit</b>	<b>13.667</b>	<b>16.079</b>	<b>17,6</b>
Taxes	2.589	3.022	16,7
Taxes due to consolidation	-128	-5	-96,2
Tax rate %	18,0%	18,8%	4,4
<b>After tax profits</b>	<b>11.206</b>	<b>13.062</b>	<b>16,6</b>

The Bank's non-audited 1Q 2001, 1Q 2002 financial statements were prepared on the basis of Hungarian Accounting Rules and are here presented in a structure closer to international practice

**OTP Bank's First Quarter 2002 Stock Exchange Report**

FIRST QUARTER 2002 SELECTED CONSOLIDATED FINANCIAL DATA (USD )

USD 000s	First 3 Months of 2001	First 3 Months of 2002	Change 2002/2001
Interest from interbank accounts	37.972	34.733	-8,5
Interest from customer accounts	39.483	51.868	31,4
Interest from corporate accounts	39.749	43.066	8,3
Interest from municipal accounts	4.928	4.882	-0,9
Interest from bonds	51.114	43.561	-14,8
Interest from mandatory reserves	4.979	4.346	-12,7
<b>Total interest income</b>	<b>178.225</b>	<b>182.456</b>	<b>2,4</b>
Interest to interbank accounts	2.921	3.076	5,3
Interest on customer accounts	67.836	62.242	-8,2
Interest on corporate accounts	6.725	7.930	17,9
Interest on municipal accounts	5.353	5.521	3,1
Interest on bonds	4.095	3.790	-7,5
Interest on subordinated loan	1.309	908	-30,6
<b>Total interest expense</b>	<b>88.239</b>	<b>83.467</b>	<b>-5,4</b>
<b>Net interest income</b>	<b>89.986</b>	<b>98.989</b>	<b>10,0</b>
Fees & commissions income	36.708	51.850	41,3
Fees & commissions paid	7.219	9.322	29,1
Net fees & commissions	29.489	42.528	44,2
Securities trading	-4.451	1.039	-123,3
Forex trading	2.859	2.562	-10,4
Losses on property transactions	2.308	2.336	1,2
Other	35.607	57.563	61,7
<b>Non interest income</b>	<b>65.812</b>	<b>106.028</b>	<b>61,1</b>
Ratio of non interest income	42,2%	51,7%	22,5
<b>Total income</b>	<b>155.798</b>	<b>205.017</b>	<b>31,6</b>
Staff costs	30.309	36.068	19,0
Depreciation	11.860	13.637	15,0
Other costs	60.031	86.670	44,4
<b>Operating costs</b>	<b>102.200</b>	<b>136.375</b>	<b>33,4</b>
Cost/income ratio	65,6%	66,5%	1,4
<b>Operating income/Profit</b>	<b>53.598</b>	<b>68.642</b>	<b>28,1</b>
Diminution in value, provisions and loan losses	6.223	11.010	76,9
<b>Pre-tax profit</b>	<b>47.375</b>	<b>57.632</b>	<b>21,6</b>
Taxes	8.975	10.833	20,7
Taxes due to consolidation	-445	-21	-95,3
Tax rate %	18,0%	18,8%	4,4
<b>Net income</b>	<b>38.845</b>	<b>46.820</b>	<b>20,5</b>

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is . 288,48 HUF/USD for 1Q 2001, 278,99HUF/USD for 1Q 2002.

## OTP Bank's First Quarter 2002 Stock Exchange Report

### PK3. Balance Sheet

#### BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at December 31, 2001

	in HUF million					
	31-Mar-01 OTP Bank	31-Mar-02 OTP Bank	Change (%)	31-Mar-01 Consolidated	31-Mar-02 Consolidated	Change (%)
<b>ASSETS:</b>						
<b>1. Cash in hand, balances with central banks</b>	372.352	398.952	7,1%	376.791	402.283	6,8%
<b>2. Treasury bills</b>	505.636	456.416	-9,7%	584.337	561.784	-3,9%
a) held for trade	158.787	48.625	-69,4%	200.018	98.819	-50,6%
b) held as financial fixed assets (for long term investment)	346.849	407.791	17,6%	384.319	462.965	20,5%
<b>3. Loans and advances to credit institutions</b>	289.447	290.870	0,5%	287.249	300.603	4,6%
a) repayable on demand	1.845	3.967	115,0%	1.847	3.969	114,9%
b) other receivables from financial services	287.602	286.832	-0,3%	285.402	296.563	3,9%
ba) maturity not more than one year	262.077	261.445	-0,2%	260.177	271.476	4,3%
bb) maturity more than one year	25.525	25.387	-0,5%	25.225	25.087	-0,5%
c) receivables from investment services		71			71	
<b>4. Loans and advances to customers</b>	610.799	826.030	35,2%	659.723	882.153	33,7%
a) receivables from financial services	610.587	824.783	35,1%	658.240	880.061	33,7%
aa) maturity not more than one year	288.305	357.671	24,1%	280.135	329.377	17,6%
ab) maturity more than one year	322.282	467.112	44,9%	378.105	550.684	45,6%
b) receivables from investment services	212	1.247	488,2%	1.483	2.092	41,1%
<b>5. Debt securities including fixed-income securities</b>	14.933	22.299	49,3%	15.568	23.546	51,2%
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%
aa) held for trade						
ab) held as financial fixed assets (for long term investment)						
b) securities issued by other bodies	14.933	22.299	49,3%	15.568	23.546	51,2%
ba) held for trade		4.255		40	4.258	10545,0%
bb) held as financial fixed assets (for long term investment)	14.933	18.044	20,8%	15.528	19.288	24,2%
<b>6. Shares and other variable-yield securities</b>	1.420	6.028	324,5%	3.219	8.730	171,2%
a) shares and participations for trade		4.347		1.035	4.445	329,5%
b) other variable-yield securities	1.420	1.681	18,4%	2.184	4.285	96,2%
ba) held for trade	1.420		-100,0%	2.104	2.604	23,8%
bb) held as financial fixed assets (for long term investment)		1.681		80	1.681	2001,3%
<b>7. Shares and participating interest as financial fixed assets</b>	590	926	56,9%	4.963	5.900	18,9%
a) shares and participating interest as financial fixed assets	590	926	56,9%	4.963	5.900	18,9%
b) revaluation surplus on shares and participating interests						
<b>8. Shares and participating interest in affiliated undertakings</b>	25.708	31.485	22,5%	2.071	2.385	15,2%
a) shares and participating interest in affiliated undertakings	25.708	31.485	22,5%	1.915	2.280	19,1%
b) revaluation surplus on shares and participating interests						
c) capital consolidation difference				156	105	-32,7%
<b>9. Intangible assets</b>	10.653	11.414	7,1%	12.510	13.823	10,5%
<b>10. Tangible assets</b>	41.401	41.419	0,0%	55.853	57.934	3,7%
a) tangible assets for financial and investment services	37.974	38.991	2,7%	43.755	50.493	15,4%
b) tangible assets not for directly financial and investment services	3.427	2.428	-29,2%	12.098	7.441	-38,5%
c) revaluation surplus on tangible assets						
<b>11. Own shares</b>	18.346	18.647	1,6%	28.136	28.686	2,0%
<b>12. Other assets</b>	27.100	33.939	25,2%	40.936	47.253	15,4%
a) stocks (inventories)	2.213	1.751	-20,9%	9.822	9.801	-0,2%
b) other receivables (not from financial and investment securities)	24.887	32.188	29,3%	31.114	37.452	20,4%
<b>13. Prepayments and accrued income</b>	26.248	25.752	-1,9%	29.606	28.950	-2,2%
<b>TOTAL ASSETS</b>	<b>1.944.633</b>	<b>2.164.177</b>	<b>11,3%</b>	<b>2.100.962</b>	<b>2.364.030</b>	<b>12,5%</b>
<b>From this:</b>						
- CURRENT ASSETS	1.130.444	1.133.166	0,2%	1.192.702	1.195.333	0,2%
- FIXED ASSETS	787.941	1.005.259	27,6%	878.654	1.139.747	29,7%

## OTP Bank's First Quarter 2002 Stock Exchange Report

in HUF million forintban

	31-Mar-01 OTP Bank	31-Mar-02 OTP Bank	Change (%)	31-Mar-01 Consolidated	31-Mar-02 Consolidated	Change (%)
<b>LIABILITIES</b>						
<b>1. Liabilities to credit institutions</b>	<b>32.632</b>	<b>42.072</b>	<b>28,9%</b>	<b>38.169</b>	<b>51.483</b>	<b>34,9%</b>
a) repayable on demand	2.409	4.510	87,2%	2.415	4.512	86,8%
b) liabilities from financial services with maturity dates or periods of notice	30.223	37.562	24,3%	35.754	46.971	31,4%
ba) not more than one year	13.402	20.834	55,5%	12.563	30.238	140,7%
bb) more than one year	16.821	16.728	-0,6%	23.191	16.733	-27,8%
c) liabilities from investment services						
<b>2. Liabilities to customers</b>	<b>1.610.669</b>	<b>1.788.177</b>	<b>11,0%</b>	<b>1.685.548</b>	<b>1.877.632</b>	<b>11,4%</b>
a) saving deposits	357.092	344.034	-3,7%	357.092	344.034	-3,7%
aa) repayable on demand	41.583	40.801	-1,9%	41.583	40.801	-1,9%
ab) maturity not more than one year	305.321	303.233	-0,7%	305.321	303.233	-0,7%
ac) maturity more than one year	10.188		-100,0%	10.188		-100,0%
b) other liabilities from financial services	1.239.907	1.443.474	16,4%	1.314.044	1.532.813	16,6%
ba) repayable on demand	456.044	552.603	21,2%	456.396	552.763	21,1%
bb) maturity not more than one year	768.730	882.837	14,8%	774.831	885.221	14,2%
bc) maturity more than one year	15.133	8.034	-46,9%	82.817	94.829	14,5%
c) liabilities from investment services	13.670	669	-95,1%	14.412	785	-94,6%
<b>3. Liabilities from issued debt securities</b>	<b>77.200</b>	<b>69.839</b>	<b>-9,5%</b>	<b>77.200</b>	<b>69.839</b>	<b>-9,5%</b>
a) issued bond	1	1	0,0%	1	1	0,0%
aa) maturity not more than one year						
ab) maturity more than one year	1	1	0,0%	1	1	0,0%
b) issued other debt securities	835	442	-47,1%	835	442	-47,1%
ba) maturity not more than one year	750	442	-41,1%	750	442	-41,1%
bb) maturity more than one year	85		-100,0%	85		-100,0%
c) issued debt securities according to act on accounting, but the act on securities not qualifies that certificates as securities	76.364	69.396	-9,1%	76.364	69.396	-9,1%
ca) maturity not more than one year	71.555	65.911	-7,9%	71.555	65.911	-7,9%
cb) maturity more than one year	4.809	3.485	-27,5%	4.809	3.485	-27,5%
<b>4. Other liabilities</b>	<b>34.589</b>	<b>34.867</b>	<b>0,8%</b>	<b>44.168</b>	<b>41.019</b>	<b>-7,1%</b>
a) maturity not more than one year	34.589	34.867	0,8%	43.363	40.167	-7,4%
b) maturity more than one year				72	49	-31,9%
c) (Calculated ) Corporate tax difference due to consolidation				733	803	9,5%
<b>5. Accruals and deferred income</b>	<b>24.949</b>	<b>29.655</b>	<b>18,9%</b>	<b>29.894</b>	<b>36.519</b>	<b>22,2%</b>
<b>6. Provisions</b>	<b>11.043</b>	<b>15.742</b>	<b>42,6%</b>	<b>54.710</b>	<b>77.098</b>	<b>40,9%</b>
a) provisions for pensions and similar obligations						
b) risk provision for off-balance sheet items (for pending and future liabilities)	1.326	2.689	102,8%	1.565	3.220	105,8%
c) general risk provision	8.676	11.460	32,1%	9.289	12.211	31,5%
d) other provision	1.041	1.593	53,0%	43.856	61.667	40,6%
<b>7. Subordinated liabilities</b>	<b>18.330</b>	<b>17.252</b>	<b>-5,9%</b>	<b>18.764</b>	<b>17.696</b>	<b>-5,7%</b>
a) subordinated loan capital	18.330	17.252	-5,9%	18.330	17.252	-5,9%
aa) equity consolidation difference				434	444	2,3%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives						
c) other subordinated liabilities						
<b>8. Subscribed capital</b>	<b>28.000</b>	<b>28.000</b>	<b>0,0%</b>	<b>28.000</b>	<b>28.000</b>	<b>0,0%</b>
From this: repurchased own shares at face value	1.741	1.726	-0,9%	2.496	2.476	-0,8%
<b>9. Subscribed but unpaid capital (-)</b>						
<b>10. Capital reserves</b>	<b>52</b>	<b>52</b>	<b>0,0%</b>	<b>52</b>	<b>52</b>	<b>0,0%</b>
a) premium (from share issue)						
b) other	52	52	0,0%	52	52	0,0%
<b>11. General reserves</b>	<b>26.563</b>	<b>30.515</b>	<b>14,9%</b>	<b>26.563</b>	<b>30.515</b>	<b>14,9%</b>
<b>12. Retained earnings (accumulated profit reserve) (+)</b>	<b>55.494</b>	<b>82.367</b>	<b>48,4%</b>	<b>56.788</b>	<b>84.323</b>	<b>48,5%</b>
<b>13. Legal reserves</b>	<b>18.346</b>	<b>18.647</b>	<b>1,6%</b>	<b>18.346</b>	<b>18.647</b>	<b>1,6%</b>
<b>14. Revaluation reserve</b>						
<b>15. Profit or loss for the financial year according to the balance sheet (+)</b>	<b>6.766</b>	<b>6.992</b>	<b>3,3%</b>	<b>8.378</b>	<b>9.360</b>	<b>11,7%</b>
<b>16. Subsidiaries' equity increases/decreases (+-)*</b>				<b>11.315</b>	<b>19.077</b>	<b>68,6%</b>
<b>17. Increases/decreases due to consolidation (+-)</b>				<b>3.067</b>	<b>2.770</b>	<b>-9,7%</b>
- from debt consolidation difference				4.754	4.687	-1,4%
- from intermediate result difference				-1.687	-1.917	13,6%
<b>18. Participation of outside members (other owners)</b>						
<b>19. Difference from exchange rate</b>						
<b>TOTAL LIABILITIES</b>	<b>1.944.633</b>	<b>2.164.177</b>	<b>11,3%</b>	<b>2.100.962</b>	<b>2.364.030</b>	<b>12,5%</b>
<b>From this:</b>						
- <b>SHORT-TERM LIABILITIES</b>	<b>1.708.053</b>	<b>1.906.707</b>	<b>11,6%</b>	<b>1.723.922</b>	<b>1.924.876</b>	<b>11,7%</b>
- <b>LONG-TERM LIABILITIES</b>	<b>65.367</b>	<b>45.500</b>	<b>-30,4%</b>	<b>139.927</b>	<b>132.793</b>	<b>-5,1%</b>
- <b>EQUITY (CAPITAL AND RESERVES)</b>	<b>135.221</b>	<b>166.573</b>	<b>23,2%</b>	<b>152.509</b>	<b>192.744</b>	<b>26,4%</b>
* Book value of shares owned by subsidiaries				9.790	10.039	

## OTP Bank's First Quarter 2002 Stock Exchange Report

### PK3. Balance Sheet

#### BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at 31 March 2001

	in '000 USD					
	31-Mar-01	31-Mar-02	Change	31-Mar-01	31-Mar-02	Change
	OTP Bank	OTP Bank	(%)	Consolidated	Consolidated	(%)
<b>ASSETS:</b>						
<b>1. Cash in hand, balances with central banks</b>	<b>1.229.737</b>	<b>1.429.015</b>	<b>16,2%</b>	<b>1.244.398</b>	<b>1.440.946</b>	<b>15,8%</b>
<b>2. Treasury bills</b>	<b>1.669.923</b>	<b>1.634.843</b>	<b>-2,1%</b>	<b>1.929.842</b>	<b>2.012.266</b>	<b>4,3%</b>
a) held for trade	524.414	174.170	-66,8%	660.584	353.962	-46,4%
b) held as financial fixed assets (for long term investment)	1.145.509	1.460.673	27,5%	1.269.258	1.658.304	30,7%
<b>3. Loans and advances to credit institutions</b>	<b>955.934</b>	<b>1.041.874</b>	<b>9,0%</b>	<b>948.675</b>	<b>1.076.734</b>	<b>13,5%</b>
a) repayable on demand	6.093	14.209	133,2%	6.100	14.217	133,1%
b) other receivables from financial services	949.841	1.027.410	8,2%	942.575	1.062.262	12,7%
ba) maturity not more than one year	865.541	936.476	8,2%	859.266	972.403	13,2%
bb) maturity more than one year	84.300	90.934	7,9%	83.309	89.859	7,9%
c) receivables from investment services		255			255	
<b>4. Loans and advances to customers</b>	<b>2.017.238</b>	<b>2.958.771</b>	<b>46,7%</b>	<b>2.178.815</b>	<b>3.159.799</b>	<b>45,0%</b>
a) receivables from financial services	2.016.537	2.954.306	46,5%	2.173.917	3.152.306	45,0%
aa) maturity not more than one year	952.161	1.281.150	34,6%	925.179	1.179.802	27,5%
ab) maturity more than one year	1.064.376	1.673.156	57,2%	1.248.738	1.972.504	58,0%
b) receivables from investment services	701	4.465	536,9%	4.898	7.493	53,0%
<b>5. Debt securities including fixed-income securities</b>	<b>49.318</b>	<b>79.875</b>	<b>62,0%</b>	<b>51.415</b>	<b>84.340</b>	<b>64,0%</b>
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%
aa) held for trade						
ab) held as financial fixed assets (for long term investment)						
b) securities issued by other bodies	49.318	79.875	62,0%	51.415	84.340	64,0%
ba) held for trade		15.242		134	15.252	11282,1%
bb) held as financial fixed assets (for long term investment)	49.318	64.633	31,1%	51.281	69.088	34,7%
<b>6. Shares and other variable-yield securities</b>	<b>4.689</b>	<b>21.590</b>	<b>360,4%</b>	<b>10.630</b>	<b>31.268</b>	<b>194,1%</b>
a) shares and participations for trade		15.568		3.418	15.919	365,7%
b) other variable-yield securities	4.689	6.022	28,4%	7.212	15.349	112,8%
ba) held for trade	4.689		-100,0%	6.947	9.327	34,3%
bb) held as financial fixed assets (for long term investment)		6.022		265	6.022	2172,5%
<b>7. Shares and participating interest as financial fixed assets</b>	<b>1.948</b>	<b>3.317</b>	<b>70,3%</b>	<b>16.392</b>	<b>21.132</b>	<b>28,9%</b>
a) shares and participating interest as financial fixed assets	1.948	3.317	70,3%	16.392	21.132	28,9%
b) revaluation surplus on shares and participating interests						
<b>8. Shares and participating interest in affiliated undertakings</b>	<b>84.904</b>	<b>112.776</b>	<b>32,8%</b>	<b>6.841</b>	<b>8.544</b>	<b>24,9%</b>
a) shares and participating interest in affiliated undertakings	84.904	112.776	32,8%	6.325	8.168	29,1%
b) revaluation surplus on shares and participating interests						
c) capital consolidation difference				516	376	-27,1%
<b>9. Intangible assets</b>	<b>35.182</b>	<b>40.883</b>	<b>16,2%</b>	<b>41.314</b>	<b>49.514</b>	<b>19,8%</b>
<b>10. Tangible assets</b>	<b>136.730</b>	<b>148.359</b>	<b>8,5%</b>	<b>184.460</b>	<b>207.516</b>	<b>12,5%</b>
a) tangible assets for financial and investment services	125.411	139.661	11,4%	144.504	180.863	25,2%
b) tangible assets not for directly financial and investment services	11.319	8.698	-23,2%	39.956	26.653	-33,3%
c) revaluation surplus on tangible assets						
<b>11. Own shares</b>	<b>60.591</b>	<b>66.793</b>	<b>10,2%</b>	<b>92.921</b>	<b>102.752</b>	<b>10,6%</b>
<b>12. Other assets</b>	<b>89.502</b>	<b>121.568</b>	<b>35,8%</b>	<b>135.196</b>	<b>169.256</b>	<b>25,2%</b>
a) stocks (inventories)	7.310	6.273	-14,2%	32.438	35.107	8,2%
b) other receivables (not from financial and investment securities)	82.192	115.295	40,3%	102.758	134.149	30,5%
<b>13. Prepayments and accrued income</b>	<b>86.686</b>	<b>92.242</b>	<b>6,4%</b>	<b>97.779</b>	<b>103.696</b>	<b>6,1%</b>
<b>TOTAL ASSETS</b>	<b>6.422.382</b>	<b>7.751.906</b>	<b>20,7%</b>	<b>6.938.678</b>	<b>8.467.763</b>	<b>22,0%</b>
<b>From this:</b>						
- CURRENT ASSETS	3.733.429	4.058.911	8,7%	3.939.041	4.281.584	8,7%
- FIXED ASSETS	2.602.267	3.600.753	38,4%	2.901.858	4.082.483	40,7%

# OTP Bank's First Quarter 2002 Stock Exchange Report

## PK3. Balance Sheet

### BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at 31 March 2001

	in HUF million					
	31-Mar-01 OTP Bank	31-Mar-02 OTP Bank	Change (%)	31-Mar-01 Consolidated	31-Mar-02 Consolidated	Change (%)
<b>LIABILITIES</b>						
<b>1. Liabilities to credit institutions</b>	<b>107.771</b>	<b>150.697</b>	<b>39,8%</b>	<b>126.057</b>	<b>184.407</b>	<b>46,3%</b>
a) repayable on demand	7.956	16.153	103,0%	7.977	16.162	102,6%
b) liabilities from financial services with maturity dates or periods of notice						
ba) not more than one year	99.815	134.544	34,8%	118.080	168.245	42,5%
bb) more than one year	44.262	74.624	68,6%	41.489	108.309	161,1%
c) liabilities from investment services	55.553	59.920	7,9%	76.591	59.936	-21,7%
<b>2. Liabilities to customers</b>	<b>5.319.426</b>	<b>6.405.105</b>	<b>20,4%</b>	<b>5.566.722</b>	<b>6.725.525</b>	<b>20,8%</b>
a) saving deposits	1.179.337	1.232.303	4,5%	1.179.337	1.232.303	4,5%
aa) repayable on demand	137.331	146.146	6,4%	137.331	146.146	6,4%
ab) maturity not more than one year	1.008.359	1.086.157	7,7%	1.008.359	1.086.157	7,7%
ac) maturity more than one year	33.647	33.647	-100,0%	33.647		-100,0%
b) other liabilities from financial services	4.094.942	5.170.407	26,3%	4.339.787	5.490.409	26,5%
ba) repayable on demand	1.506.141	1.979.379	31,4%	1.507.301	1.979.950	31,4%
bb) maturity not more than one year	2.538.822	3.162.252	24,6%	2.558.971	3.170.790	23,9%
bc) maturity more than one year	49.979	28.776	-42,4%	273.515	339.669	24,2%
c) liabilities from investment services	45.147	2.395	-94,7%	47.598	2.813	-94,1%
<b>3. Liabilities from issued debt securities</b>	<b>254.961</b>	<b>250.159</b>	<b>-1,9%</b>	<b>254.961</b>	<b>250.159</b>	<b>-1,9%</b>
a) issued bond	4	3	-25,0%	4	3	-25,0%
aa) maturity not more than one year				1		-100,0%
ab) maturity more than one year	4	3	-25,0%	3	3	0,0%
b) issued other debt securities	2.756	1.585	-42,5%	2.756	1.585	-42,5%
ba) maturity not more than one year	2.476	1.583	-36,1%	2.476	1.583	-36,1%
bb) maturity more than one year	280	2	-99,3%	280	2	-99,3%
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	236.320	236.088	-0,1%	236.320	236.088	-0,1%
cb) maturity more than one year	15.881	12.483	-21,4%	15.881	12.483	-21,4%
<b>4. Other liabilities</b>	<b>114.235</b>	<b>124.890</b>	<b>9,3%</b>	<b>145.871</b>	<b>146.926</b>	<b>0,7%</b>
a) maturity not more than one year	114.235	124.890	9,3%	143.213	143.874	0,5%
b) maturity more than one year				238	176	-26,1%
c) (Calculated ) Corporate tax difference due to consolidation				2.420	2.876	18,8%
<b>5. Accruals and deferred income</b>	<b>82.397</b>	<b>106.222</b>	<b>28,9%</b>	<b>99.730</b>	<b>130.810</b>	<b>32,5%</b>
<b>6. Provisions</b>	<b>36.473</b>	<b>56.386</b>	<b>54,6%</b>	<b>180.688</b>	<b>276.157</b>	<b>52,8%</b>
a) provisions for pensions and similar obligations						
b) risk provision for off-balance sheet items (for pending and future liabilities)	4.381	9.633	119,9%	5.170	11.533	123,1%
c) general risk provision	28.655	41.049	43,3%	30.678	43.739	42,6%
d) other provision	3.437	5.704	66,0%	144.840	220.885	52,5%
<b>7. Subordinated liabilities</b>	<b>60.537</b>	<b>61.796</b>	<b>2,1%</b>	<b>61.970</b>	<b>63.385</b>	<b>2,3%</b>
a) subordinated loan capital	60.537	61.796	2,1%	60.537	61.796	2,1%
aa) equity consolidation difference				1.433	1.589	10,9%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives						
c) other subordinated liabilities						
<b>8. Subscribed capital</b>	<b>277.148</b>	<b>277.148</b>	<b>0,0%</b>	<b>277.148</b>	<b>277.148</b>	<b>0,0%</b>
From this: repurchased own shares at face value	17.236	17.082	-0,9%	24.708	24.506	-0,8%
<b>9. Subscribed but unpaid capital (-)</b>						
<b>10. Capital reserves</b>	<b>373</b>	<b>373</b>	<b>0,0%</b>	<b>373</b>	<b>373</b>	<b>0,0%</b>
a) premium (from share issue)						
b) other	373	373	0,0%	373	373	0,0%
<b>11. General reserves</b>	<b>188.440</b>	<b>202.345</b>	<b>7,4%</b>	<b>188.440</b>	<b>202.345</b>	<b>7,4%</b>
<b>12. Retained earnings (accumulated profit reserve) (+)</b>	<b>187.495</b>	<b>357.273</b>	<b>90,6%</b>	<b>277.069</b>	<b>367.919</b>	<b>32,8%</b>
<b>13. Legal reserves</b>	<b>60.591</b>	<b>66.793</b>	<b>10,2%</b>	<b>60.591</b>	<b>66.793</b>	<b>10,2%</b>
<b>14. Revaluation reserve</b>						
<b>15. Profit or loss for the financial year according to the balance sheet (+)</b>	<b>23.455</b>	<b>25.063</b>	<b>6,9%</b>	<b>29.043</b>	<b>33.550</b>	<b>15,5%</b>
<b>16. Subsidiaries' equity increases/decreases (+-)*</b>				<b>43.692</b>	<b>70.764</b>	<b>62,0%</b>
<b>17. Increases/decreases due to consolidation (+-)</b>				<b>15.228</b>	<b>14.519</b>	<b>-4,7%</b>
- from debt consolidation difference				26.338	26.105	-0,9%
- from intermediate result difference				-11.110	-11.586	4,3%
<b>18. Participation of outside members (other owners)</b>						
<b>19. Difference from exchange rate</b>	<b>-290.920</b>	<b>-332.344</b>	<b>14,2%</b>	<b>-387.905</b>	<b>-343.017</b>	<b>-11,6%</b>
<b>TOTAL LIABILITIES</b>	<b>6.422.382</b>	<b>7.751.906</b>	<b>20,7%</b>	<b>6.938.678</b>	<b>8.467.763</b>	<b>22,0%</b>
<b>From this:</b>						
- SHORT-TERM LIABILITIES	5.641.049	6.829.667	21,1%	5.693.456	6.894.748	21,1%
- LONG-TERM LIABILITIES	215.881	162.980	-24,5%	462.125	475.654	2,9%
- EQUITY (CAPITAL AND RESERVES)	446.582	596.651	33,6%	503.679	690.394	37,1%

\* Book value of shares owned by subsidiaries

32.330 35.939

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 269.94HUF/USD for 31 March 2001, 302.79 HUF/USD for 31 March 2002.

## OTP Bank's First Quarter 2002 Stock Exchange Report

### PK4. Profit and Loss Statement

#### PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the 3 months ended 31 March 2002

	in HUF million					
	3M 2001	3M 2002	Change %	3M 2001	3M 2002	Change %
	OTP Bank			Consolidated		
<i>1. Interest received and interest-type income</i>	47.609	45.925	-3,5%	51.414	50.904	-1,0%
a) interest received on securities with fixed-interest signifying a creditor relationship	13.759	10.990	-20,1%	14.745	12.153	-17,6%
b) other interest received and interest-type income	33.850	34.935	3,2%	36.669	38.751	5,7%
<i>2. Interest paid and interest-type expenses</i>	24.288	21.852	-10,0%	25.455	23.287	-8,5%
<b>Interest difference (1-2)</b>	<b>23.321</b>	<b>24.073</b>	<b>3,2%</b>	<b>25.959</b>	<b>27.617</b>	<b>6,4%</b>
<i>3. Incomes from securities</i>		186		10	189	1790,0%
<i>4. Fees and Commission received</i>	9.669	13.475	39,4%	9.464	12.980	37,2%
a) revenues from other financial services	8.904	12.197	37,0%	8.903	12.139	36,3%
b) revenues from investment services (except incomes from trading activities)	765	1.278	67,1%	561	841	49,9%
<i>5. Fees and Commission paid</i>	1.318	1.588	20,5%	1.514	2.080	37,4%
a) expenses on other financial services	1.316	1.538	16,9%	1.488	2.021	35,8%
b) expenses on investment services (except expenses from trading activities)	2	50	2400,0%	26	59	126,9%
<i>6. Profit or loss from financial transactions (6/a-6/b+6/c-6/d)</i>	-783	-454	-42,0%	-664	11	-101,7%
a) revenues from other financial services	2.714	4.806	77,1%	2.859	4.229	47,9%
b) expenses on other financial services	3.354	4.606	37,3%	3.492	3.664	4,9%
c) revenues from investment services (revenues from trading activities)	163	675	314,1%	559	786	40,6%
b) expenses on investment services (expenses from trading activities)	306	1.329	334,3%	590	1.340	127,1%
<i>7. Other incomes from business</i>	1.600	16.897	956,1%	21.006	32.269	53,6%
a) incomes from non financial and investment services	734	1.578	115,0%	19.838	28.129	41,8%
a1) income of consolidated investment service providers				5.842	8.736	49,5%
a2) income of consolidated insurance companies				9.089	14.079	54,9%
a3) income of other consolidated companies				4.907	5.314	8,3%
b) other revenues				866	15.319	1668,9%
Including: -reversal of write-off of inventory				1.168	4.140	254,5%
b1) income of consolidated investment service providers				876	3.618	313,0%
b2) income of consolidated insurance companies				46	34	-26,1%
b3) income of other consolidated companies				246	488	98,4%
ba) consolidation difference income due to debtor consolidation				6	10	66,7%
bb) other income due to consolidation				66	54	-18,2%
<i>8. General administration expenses</i>	13.660	15.527	13,7%	14.749	16.597	12,5%
a) personnel expenses	6.864	7.612	10,9%	7.435	8.295	11,6%
b) other administration expenses	6.796	7.915	16,5%	7.314	8.302	13,5%
<i>9. Depreciation and amortization</i>	2.650	2.756	4,0%	2.773	2.848	2,7%
<i>10. Other expenses from business</i>	3.249	19.688	506,0%	21.027	33.519	59,4%
a) expenses from non-financial and investment services	517	1.283	148,2%	12.026	19.410	61,4%
a1) expense of consolidated investment service providers				5.667	8.579	51,4%
a2) expense of consolidated insurance companies				6.354	10.827	70,4%
a3) expense of other consolidated companies				5	4	-20,0%
b) other expenses	2.732	18.405	573,7%	3.080	7.460	142,2%
b1) expense of consolidated investment service providers				2.707	6.735	148,8%
b2) expense of consolidated insurance companies				65	100	53,8%
b3) expense of other consolidated companies				308	625	102,9%
ba) consolidation difference expense due to debtor consolidation				2		-100,0%
bb) other expense due to consolidation				84	138	64,3%
c) expense of consolidated investment service providers				5.835	6.511	11,6%
c1) expense of consolidated insurance companies				2.346	2.683	14,4%
c2) expense of other consolidated companies				3.489	3.828	9,7%
<i>11. Write-off of loans and provision for contingent and future liabilities</i>	2.038	3.736	83,3%	3.303	6.102	84,7%
a) write-off of loans	1.903	3.047	60,1%	3.206	5.242	63,5%
b) provision for contingent and future liabilities	135	689	410,4%	97	860	786,6%
<i>12. Reversal of write-off of loans and credit for contingent and future liabilities</i>	124	1.920	1448,4%	1.255	4.137	229,6%
a) reversal of write-off of loans	124	1.888	1422,6%	1.255	3.966	216,0%
b) credit for contingent and future liabilities		32			171	
<i>13. Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company</i>	8	32	300,0%	8		-100,0%
<i>14. Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company</i>	657	248	-62,3%	1		-100,0%
<b>15 Result of ordinary business activities</b>	<b>11.665</b>	<b>13.018</b>	<b>11,6%</b>	<b>13.729</b>	<b>16.121</b>	<b>17,4%</b>
Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	11.448	12.723	11,1%	11.833	14.116	19,3%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	217	295	35,9%	1.896	2.005	5,7%
<i>16. Extraordinary revenues</i>		1			2	
<i>17. Extraordinary expenses</i>		1		62	44	-29,0%
<b>18 Extraordinary profit or loss (16-17)</b>		<b>0</b>		<b>-62</b>	<b>-42</b>	<b>-32,3%</b>
<b>19 Profit or loss before tax (±15±18)</b>	<b>11.665</b>	<b>13.018</b>	<b>11,6%</b>	<b>13.667</b>	<b>16.079</b>	<b>17,6%</b>
<i>20. Tax liabilities</i>	2.141	2.366	10,5%	2.589	3.022	16,7%
Tax difference due to consolidation				-128	-5	-96,1%
<b>21 After-tax profit or loss (±19-20)</b>	<b>9.524</b>	<b>10.652</b>	<b>11,8%</b>	<b>11.206</b>	<b>13.062</b>	<b>16,6%</b>
<i>22. Formation and utilization of general reserves (±)</i>	-953	-1.065	11,8%	-1.023	-1.182	15,5%
<i>23. Use of accumulated profit reserve for dividends and profit-sharings</i>						
<i>24. Dividends and profit-sharings paid (approved)</i>	1.805	2.595	43,8%	1.805	2.520	39,6%
<b>25. Balance-sheet profit or loss figure (±21±22+23-24)</b>	<b>6.766</b>	<b>6.992</b>	<b>3,3%</b>	<b>8.378</b>	<b>9.360</b>	<b>11,7%</b>

## OTP Bank's First Quarter 2002 Stock Exchange Report

### PK4. Profit and Loss Statement

#### PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the 3 months ended 31 March 2002

	in '000 USD					
	3M 2001	3M 2002	Change	3M 2001	3M 2002	Change
	OTP Bank		%	Consolidated		%
<i>1. Interest received and interest-type income</i>	165.033	164.609	-0,3%	178.225	182.456	2,4%
a) interest received on securities with fixed-interest signifying a creditor relationship	47.692	39.393	-17,4%	51.114	43.560	-14,8%
b) other interest received and interest-type income	117.341	125.216	6,7%	127.111	138.896	9,3%
<i>2. Interest paid and interest-type expenses</i>	84.192	78.324	-7,0%	88.239	83.467	-5,4%
<b>Interest difference (1-2)</b>	<b>80.841</b>	<b>86.285</b>	<b>6,7%</b>	<b>89.986</b>	<b>98.989</b>	<b>10,0%</b>
<i>3. Incomes from securities</i>		665		36	677	1780,6%
<i>4. Fees and Commission received</i>	33.516	48.299	44,1%	32.807	46.525	41,8%
a) revenues from other financial services activities)	30.863	43.718	41,7%	30.863	43.510	41,0%
	2.653	4.581	72,7%	1.944	3.015	55,1%
<i>5. Fees and Commission paid</i>	4.570	5.693	24,6%	5.248	7.457	42,1%
a) expenses on other financial services activities)	4.563	5.514	20,8%	5.158	7.244	40,4%
	7	179	2457,1%	90	213	136,7%
<i>6. Profit or loss from financial transactions (6/a-6/b+6/c-6/d)</i>	-2.712	-1.627	-40,0%	-2.303	42	-101,8%
a) revenues from other financial services	9.408	17.228	83,1%	9.910	15.160	53,0%
b) expenses on other financial services	11.626	16.509	42,0%	12.105	13.133	8,5%
c) revenues from investment services (revenues from trading activities)	565	2.419	328,1%	1.937	2.818	45,5%
b) expenses on investment services (expenses from trading activities)	1.059	4.765	350,0%	2.045	4.803	134,9%
<i>7. Other incomes from business</i>	5.547	60.565	991,9%	73.065	115.895	58,6%
a) incomes from non financial and investment services	2.545	5.657	122,3%	68.767	100.823	46,6%
a1) income of consolidated investment service providers				20.252	31.313	54,6%
a2) income of consolidated insurance companies				31.506	50.464	60,2%
a3) income of other consolidated companies				17.009	19.046	12,0%
b) other revenues				4.048	14.841	266,6%
Including: -reversal of write-off of inventory	3.002	54.908	1729,0%	3.037	12.969	327,0%
b1) income of consolidated investment service providers				158	122	-22,8%
b2) income of consolidated insurance companies				853	1.750	105,2%
b3) income of other consolidated companies				21	37	76,2%
ba) consolidation difference income due to debtor consolidation				229	194	-15,3%
bb) other income due to consolidation						
<i>8. General administration expenses</i>	47.351	55.654	17,5%	51.128	59.490	16,4%
a) personnel expenses	23.794	27.285	14,7%	25.774	29.733	15,4%
b) other administration expenses	23.557	28.369	20,4%	25.354	29.757	17,4%
<i>9. Depreciation and amortization</i>	9.186	9.880	7,6%	9.614	10.209	6,2%
<i>10. Other expenses from business</i>	11.266	70.570	526,4%	72.888	120.144	64,8%
a) expenses from non-financial and investment services	1.794	4.599	156,4%	41.686	69.572	66,9%
a1) expense of consolidated investment service providers				19.643	30.752	56,6%
a2) expense of consolidated insurance companies				22.025	38.806	76,2%
a3) expense of other consolidated companies				18	14	-22,2%
b) other expenses	9.472	65.971	596,5%	10.676	26.739	150,5%
b1) expense of consolidated investment service providers				9.384	24.141	157,3%
b2) expense of consolidated insurance companies				225	358	59,1%
b3) expense of other consolidated companies				1.067	2.240	109,9%
ba) consolidation difference expense due to debtor consolidation				7		-100,0%
bb) other expense due to consolidation				292	494	69,2%
c) expense of consolidated investment service providers				20.227	23.339	15,4%
c1) expense of consolidated insurance companies				8.131	9.618	18,3%
c2) expense of other consolidated companies				12.096	13.721	13,4%
<i>11. Write-off of loans and provision for contingent and future liabilities</i>	7.065	13.389	89,5%	11.448	21.873	91,1%
a) write-off of loans	6.599	10.919	65,5%	11.113	18.790	69,1%
b) provision for contingent and future liabilities	466	2.470	430,0%	335	3.083	820,3%
<i>12. Reversal of write-off of loans and credit for contingent and future liabilities</i>	431	6.883	1497,0%	4.351	14.829	240,8%
a) reversal of write-off of loans	431	6.769	1470,5%	4.351	14.214	226,7%
b) credit for contingent and future liabilities		114			615	
<i>13. Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company</i>	27	113	318,5%	27		-100,0%
<i>14. creditor relationship, and equity investments in associated or other company</i>	2.278	890	-60,9%	2		-100,0%
<b>15 Result of ordinary business activities</b>	<b>40.436</b>	<b>46.661</b>	<b>15,4%</b>	<b>47.591</b>	<b>57.784</b>	<b>21,4%</b>
Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	39.685	45.603	14,9%	41.018	50.598	23,4%
- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	751	1.058	40,9%	6.573	7.186	9,3%
<i>16. Extraordinary revenues</i>		4		1	7	600,0%
<i>17. Extraordinary expenses</i>		4		217	159	-26,7%
<b>18 Extraordinary profit or loss (16-17)</b>		<b>0</b>		<b>-216</b>	<b>-152</b>	<b>-29,6%</b>
<b>19 Profit or loss before tax (±15±18)</b>	<b>40.436</b>	<b>46.661</b>	<b>15,4%</b>	<b>47.375</b>	<b>57.632</b>	<b>21,7%</b>
<i>20. Tax liabilities</i>	7.422	8.480	14,3%	8.975	10.833	20,7%
Tax difference due to consolidation				-445	-21	-95,3%
<b>21 After-tax profit or loss (±19-20)</b>	<b>33.014</b>	<b>38.181</b>	<b>15,7%</b>	<b>38.845</b>	<b>46.820</b>	<b>20,5%</b>
<i>22. Formation and utilization of general reserves (±)</i>	-3.301	-3.818	15,7%	-3.544	-4.236	19,5%
<i>23. Use of accumulated profit reserve for dividends and profit-sharings</i>						
<i>24. Dividends and profit-sharings paid (approved)</i>	6.258	9.300	48,6%	6.258	9.034	44,4%
<b>25 Balance-sheet profit or loss figure (±21±22+23-24)</b>	<b>23.455</b>	<b>25.063</b>	<b>6,9%</b>	<b>29.043</b>	<b>33.550</b>	<b>15,5%</b>



**OTP Bank's First Quarter 2002 Stock Exchange Report**

IAS FINANCIAL REPORTS

NATIONAL SAVINGS AND COMMERCIAL BANK LTD. UNCONSOLIDATED BALANCE SHEETS IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS (in HUF mn)			
	MARCH 31, 2002	MARCH 31, 2001	Change
Cash, due from banks and balances with the National Bank of Hungary	401.891	382.401	5,1%
Placements with other banks, net of allowance for possible placement losses	287.859	279.399	3,0%
Securities held for trading and available-for-sale	103.221	104.971	-1,7%
Loans, net of allowance for possible loan losses	808.933	608.886	32,9%
Accrued interest receivable	20.604	24.983	-17,5%
Equity investments	33.423	27.308	22,4%
Debt securities held-to-maturity	380.861	415.550	-8,3%
Premises, equipment and intangible assets, net	56.746	54.704	3,7%
Other assets	54.308	24.800	119,0%
<b>TOTAL ASSETS</b>	<b>2.147.846</b>	<b>1.923.002</b>	<b>11,7%</b>
Due to banks and deposits from the National Bank of Hungary and other banks	42.072	32.632	28,9%
Deposits from customers	1.843.838	1.670.652	10,4%
Liabilities from issued securities	443	836	-47,0%
Accrued interest payable	13.425	15.735	-14,7%
Other liabilities	69.266	58.328	18,8%
Subordinated bonds and loans	17.252	18.330	-5,9%
<b>TOTAL LIABILITIES</b>	<b>1.986.296</b>	<b>1.796.513</b>	<b>10,6%</b>
Share capital	28.000	28.000	0,0%
Retained earnings and reserves	152.197	116.835	30,3%
Treasury shares	-18.647	-18.346	1,6%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>161.550</b>	<b>126.489</b>	<b>27,7%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2.147.846</b>	<b>1.923.002</b>	<b>11,7%</b>

## OTP Bank's First Quarter 2002 Stock Exchange Report

NATIONAL SAVINGS AND COMMERCIAL BANK LTD. UNCONSOLIDATED STATEMENTS OF OPERATIONS IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS (in HUF mn)			
	Three months ended		
	31-Mar-2002	31-Mar-2001	Change
<b>Interest Income:</b>			
Loans	25.266	21.291	18,7%
Placements with other banks	4.225	4.687	-9,9%
Due from banks and balances with the National Bank of Hungary	6.198	7.938	-21,9%
Securities held for trading and available-for-sale	1.592	1.695	-6,1%
Debt securities held-to-maturity	9.429	12.060	-21,8%
<i>Total Interest Income</i>	<b>46.710</b>	<b>47.671</b>	<b>-2,0%</b>
<b>Interest Expense:</b>			
Due to banks and deposits from the National Bank of Hungary and other banks	707	88	703,4%
Deposits from customers	20.806	23.173	-10,2%
Liabilities from issued securities	13	41	-68,3%
Subordinated bonds and loans	253	377	-32,9%
<i>Total Interest Expense</i>	<b>21.779</b>	<b>23.679</b>	<b>-8,0%</b>
<b>NET INTEREST INCOME</b>	<b>24.931</b>	<b>23.992</b>	<b>3,9%</b>
Provision for possible loan losses	2.087	1.974	5,7%
Credit for possible placement losses	-2	1	-300,0%
	<b>2.085</b>	<b>1.975</b>	<b>5,6%</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES</b>	<b>22.846</b>	<b>22.017</b>	<b>3,8%</b>
<b>Non-Interest Income:</b>			
Fees and commissions	13.563	9.767	38,9%
Foreign exchange gains and losses, net	-96	526	-118,3%
Gains and losses on securities, net	131	-321	-140,8%
Gains and losses on real estate transactions, net	36	-22	-263,6%
Dividend income	186	0	
Other	293	347	-15,6%
<i>Total Non-Interest Income</i>	<b>14.113</b>	<b>10.297</b>	<b>37,1%</b>
<b>Non-Interest Expenses:</b>			
Fees and commissions	1.605	1.361	17,9%
Personnel expenses	7.612	6.864	10,9%
Depreciation and amortization	3.057	2.982	2,5%
Other	11.846	8.835	34,1%
<i>Total Non-Interest Expenses</i>	<b>24.120</b>	<b>20.042</b>	<b>20,3%</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>12.839</b>	<b>12.272</b>	<b>4,6%</b>
Income taxes	2.246	2.344	-4,2%
<b>NET INCOME AFTER INCOME TAXES</b>	<b>10.593</b>	<b>9.928</b>	<b>6,7%</b>

## OTP Bank's First Quarter 2002 Stock Exchange Report

RECONCILIATION OF FINANCIAL STATEMENTS PREPARED UNDER HUNGARIAN ACCOUNTING STANDARDS AND FINANCIAL STATEMENTS PREPARED UNDER INTERNATIONAL ACCOUNTING STANDARDS (in HUF mn)				
	Retained Earnings and Reserves January 1, 2002	Income for the three months period ended March 31, 2002	Direct Movements on Reserves	Retained Earnings and Reserves March 31, 2002
<b>Hungarian financial statements</b>	<b>130.515</b>	<b>10.652</b>	-	<b>141.167</b>
<i>Adjustments to Hungarian financial statements:</i>				
Reversal of statutory general provision	10.929	530	-	11.459
Premium and discount amortization on investment securities	-3	8	-	5
Allowance for possible loan losses	-1.340	-	-	-1.340
Allowance for possible losses on off-balance sheet commitments and contingent liabilities	-297	2	-	-295
Increase of investment in subsidiary, recorded as an expense in the Hungarian financial statements	1.012	-	-	1.012
Difference in accounting for finance leases	149	-412	-	-263
Deferred taxation	22	120	-	142
Difference in accounting for off-balance sheet financial instruments	319	-1.484	-	-1.165
Fair value adjustment of derivative financial instruments	-821	938	-	117
Fair value adjustment of held for trading and available-for-sale financial assets	532	284	-	816
Profit on sale of Treasury Shares	-	-45	45	-
Reclassification of direct charge related to local tax	542	-	-	542
<b>International financial statements</b>	<b>141.559</b>	<b>10.593</b>	<b>45</b>	<b>152.197</b>

## OTP Bank's First Quarter 2002 Stock Exchange Report

### NATIONAL SAVINGS AND COMMERCIAL BANK LTD. CONSOLIDATED BALANCE SHEET (in HUF mn)

	March 31, 2002	March 31, 2001	Change
Cash, due from banks and balances with the National Bank of Hungary	405.222	386.842	4,8%
Placements with other banks, net of allowance for possible placement losses	297.613	277.223	7,4%
Securities held for trading and available-for-sale	232.687	187.495	24,1%
Loans, net of allowance for possible loan losses	822.871	636.208	29,3%
Accrued interest receivable	22.781	26.671	-14,6%
Equity investments	2.929	2.592	13,0%
Debt securities held-to-maturity	383.718	418.408	-8,3%
Premises, equipment and intangible assets, net	73.891	69.088	7,0%
Other assets	96.563	63.236	52,7%
<b>TOTAL ASSETS</b>	<b><u>2.338.275</u></b>	<b><u>2.067.763</u></b>	<b><u>13,1%</u></b>
Due to banks and deposits from the National Bank of Hungary and other banks	51.542	41.117	25,4%
Deposits from customers	1.892.748	1.708.624	10,8%
Liabilities from issued securities	40.936	34.485	18,7%
Accrued interest payable	17.652	18.516	-4,7%
Other liabilities	139.825	112.223	24,6%
Subordinated bonds and loans	17.252	18.330	-5,9%
<b>TOTAL LIABILITIES</b>	<b><u>2.159.955</u></b>	<b><u>1.933.295</u></b>	<b><u>11,7%</u></b>
Share capital	28.000	28.000	0,0%
Retained earnings and reserves	179.006	134.603	33,0%
Treasury shares	-28.686	-28.135	2,0%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>178.320</u></b>	<b><u>134.468</u></b>	<b><u>32,6%</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>2.338.275</u></b>	<b><u>2.067.763</u></b>	<b><u>13,1%</u></b>



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)

[investor.relations@otpbank.hu](mailto:investor.relations@otpbank.hu)

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