OTP Bank Ltd.

IFRS Financial Data
(Consolidated, audited, summarized)
2002.

Budapest, May 15, 2003

THE NATIONAL SAVINGS AND COMMERCIAL BANK LTD. HAS PREPARED ITS CONSOLIDATED AUDITED IFRS REPORT FOR 2002 BELOW WE PRESENT THE SUMMARIZED FINANCIAL STATEMENTS DERIVED FROM THESE CONSOLIDATED IFRS FINANCIAL STATEMENTS, OUR ANALYSIS AND INTERPRETATION.[1]

Consolidated Balance Sheet

On December 31, 2002 the consolidated total assets of the Bank were HUF2,716,591 million, representing a 18.6% increase over the same period a year earlier. The total assets of the Group were 13.7% higher on December 31, 2002 than that of the Bank, thus confirming the overwhelming position of the Bank within the Group.

After consolidating capital reserves of subsidiaries, consolidated shareholder's equity on December 31, 2002 was HUF223,612 million, 33.7% higher than the consolidated shareholders' equity as of December 31, 2001, and 9.9% higher than the unconsolidated shareholders' equity.

ASSETS

Cash, deposits and balances with the NBH decreased by 6.9% compared to 2001, due mainly to the significant drop in short-term HUF and foreign currencies placements with the NBH.

On December 31, 2002 the volume of interbank placements was 10.9% lower due to the change in the structure of placements. Both short-term and long-term placements increased in foreign currencies considerably. Overall HUF placements increased by 80%, FX placements decreased by 43% from a year earlier.

Securities held for trading and available-for-sale decreased by 3.7% to HUF220.1 billion. This volume was 7.7% higher than non-consolidated figure of the Bank, due to securities held by OTP Garancia Insurance, and OTP Building Society subsidiaries. Within trading securities, government bonds grew significantly, by 59.8%, and NBH bonds declined to zero. The volume of securities available-for-sale was HUF103.4 billion which was the result of the decrease of government bonds (0.7%), of other securities (78.7%), and of the increase of other bonds (27.8%).

Volume of total loans grew from HUF821.7 billion to HUF1,336.9 billion as of December 31, 2002 which was 62.7% higher than a year earlier. Within loans, corporate loans at the end of December 2002 were HUF629.3 billion representing 47% of total compared to 56% a year earlier. Consumer lending grew by 12.2% to HUF167.5 billion, in part as a result of growing car loans at Merkantil Bank, and represented 12% of total loans. Volume of housing loans increased by 163.6% to HUF411.8 billion and municipality loans were 129.8% higher than a year earlier.

Within the total loan portfolio the volume of short-term loans, with maturity within one year, grew by 17.2%, while long-term loans were 95.3% higher than a year earlier.

Foreign currency loans represented 18% of the total loan portfolio, compared to 13% one year earlier.

Loans after allowance for possible loan and placement losses were HUF1,280.7 billion at the end of December 2002, 66% higher than a year earlier.

Volume of debt securities held-to-maturity decreased by 12.1% to HUF352.9 billion due to HUF31.6 billion or 8.3% lower holding of government securities. Volume of bonds with maturity within 5 years decreased by 15.6% to HUF274.3 billion and bonds with maturity over 5 years were HUF78.6 billion, 2.7% higher than a year earlier. Bonds with fixed rate were HUF175.7 billion, 3.3% lower, bonds with variable rate were HUF177.3 billion, 19.4% lower at the end of the year.

Net volume of premises equipment and intangible assets increased by 27.6% and reached HUF93.6 billion on December 31, 2002, surpassing the data of the Bank by 31.2%. Land and buildings was 36.2%,

[1] Please note, that the IFRS report forms the Bank's Non-consolidated IFRS Financial Report only accompanied by the Accessory Supplement and Notes of the report

equipment was 27%, intangible assets 27.7% higher than a year earlier due mainly to the broadening of the consolidated subsidiaries and IT investments.

Net volume of other assets was 26.3% higher and surpassed the Bank's figures by 46.5%. Most significant individual items were receivables related to financial leases, the volume of real estate held for sale, fair value of derivative financial instruments and accounts with investment and pension funds.

LIABILITIES

Customer deposits grew by 13.7% reaching HUF2,151.2 billion and were 5.2% higher than the volume at the Bank. Forint deposits increased by 16.8% foreign currency deposits were 0.5% higher than a year earlier.Volume of issued securities was 11.8% higher than on December 31, 2001. This comes from the dynamic increases at the subsidiaries.

Other liabilities of the Group grew by 20.5%. Within these, insurance technical reserves at OTP Garancia grew by 31.2% to HUF68.5 billion and liabilities from GIRO accounts also grew. Payable accounts, other liabilities and payable dividends decreased.

Consolidated Statement of Operations (Profit and Loss Account)

Confirming the success of the subsidiaries and the efforts aiming at increase the profitability, the 2002 consolidated audited IFRS net income of OTP Bank was HUF59.2 billion, HUF10.3 billion or 21% higher than for 2001 and 14.1% higher than the non-consolidated after-tax profit for the same period. Income before income taxes grew by 20.9% to HUF73.1 billion.

The consolidated net interest income changed from HUF113.5 billion to HUF134.3 billion representing a 18.3% increase from 2001 and was 23.3% higher than at the Bank. Consolidated interest income amounted to HUF230.3 billion, 7.9% above 2001 levels. Increase in interest income was particularly significant from loans (23.9% increase), interbank placements (51.6% increase) and securities held for trading and available-for-sale (31.5% higher) in line with changes in volumes and with the quickening of HUF-foreign currency swap transactions. Interest income from the accounts with NBH and other banks decreased (42.3%).

Interest expense was HUF96 billion, 3.9% lower than in 2001, and was 11.4% above the interest expenses of the Bank. Interest paid on customers' deposits declined by 7% to HUF85.4 billion and was 5.5% above the Bank. Interest on issued securities were 0.1% higher. Consolidated interest expenses on securities were HUF3.1 billion above the Bank due to securities issued by Merkantil Bank.

Gross consolidated interest margin over average total assets was 5.36%, 14 bps above 2001 figure.

Consolidated provisions for possible loan losses were 43.3% higher than for 2001 and 41.9% higher than at the Bank. Besides the release of provisions for possible placement losses at the Bank, reaching HUF7 million also showed up in the consolidated accounts.

Net interest income after provision for possible loan and placement losses was 16.9% higher than in 2001. Net interest margin over average total assets reached 5.01% higher than in 2001 (4.94%).

Non-interest income was 25.9% higher than in the previous year and reached HUF124.6 billion. Within non-interest income the increase in fee and commission income to HUF63.6 billion, by 29.2%, was significant. It was 1.7% lower than net fees and commissions at the Bank, due to the consolidation of fees from OTP Mortgage Bank. Profit on securities trading were HUF1,062 million contrary to the loss of HUF255 billion in 2001. Net loss on foreign exchange transactions was HUF2.8 billion while it was HUF3.1 gain in 2001. Real estate transactions results were HUF0.8 billion. Consolidated non-interest income was 82.5% higher than at the Bank, partly due to the insurance premium of HUF49.7 billion (an increase of 27.6%) at OTP Garancia Insurance subsidiary. Other income increased by 129.4% to HUF11.5 billion.

Consolidated total income after provision for possible loan and placement losses reached HUF250 billion, an increase of 21.2% and 46.3% above the Banks performance. The non-interest income within total income (calculated as above) represented 49.8% compared to 48% in 2001.

Consolidated non-interest expenses reached HUF176.9 billion and were 21.3% higher than during 2001 and 63.9% above the figures of the Bank. Consolidated fee and commission expenses grew by 42.6% and were 65.1% higher than at the Bank. Consolidated personnel expenses were 21.5% higher than a year earlier, and 33.7% above the Bank's figures. Other expenses grew by 20.4%. The increase was largely due to the HUF3.7 billion net increase in insurance claims paid (18.6%), HUF0.2 billion increase in provision for off-balance sheet commitments and contingent liabilities. Administration expenses, including rent increased by HUF3.1 billion and by HUF1.3 billion the advertising expenses due to the boosted business activity and the expansion of the subsidiaries' number and activities. The change in insurance reserves was HUF16.3 billion which is HUF3.9 billion or 31.2% higher than in 2001.

Consolidated cost-income ratio was 70.8% up 8 bp from 2001, mainly due to the consolidation of the Slovak subsidiary. Consolidated ROAA on average total assets grew considerably to 2.36% (2.25% in 2001), while consolidated ROAE reached 30.3% nominal, 2.3%points lower than a year earlier. Real ROAE increased form 23.4% to 25%. Consolidated net asset value per share was HUF799 on December 31 2002. Undiluted earnings per share (EPS) reached HUF231, HUF40 above 2001 data.

Reconciliation of the difference between profits before tax calculated under IFRS and HAR

Breakdown of consolidated pre-tax profit

(in HUF million)

	MSZSZ	IFRS (IAS)	Change
OTP Bank Ltd.	**58,083**	**63,001**	**4,918**
Merkantil Group	3,086	3,327	241
HIF Ltd.	236	238	2
OTP Garancia Insurance Ltd.	1,602	2,186	584
Concordia-Info Ltd.	8	8	0
OTP Real Estate Ltd.	1,076	1,076	0
OTP Securities Ltd.	-65	-65	0
OTP Factoring Asset Management Ltd.	177	177	0
OTP Factoring Ltd.	880	880	0
OTP LTP Ltd.	1,604	1,627	23
Bank Center No 1. Ltd.	639	639	0
Inga Companies Ltd.	134	134	0
OTP Fund Services Ltd.	19	19	0
OTP Mortgage Bank Ltd.	651	651	0
OTP Fund Management Ltd.	3,501	3,501	0
OTP Banka Slovensko, a. s.	-3,505	-1,330	2,175
I. Consolidated pre-tax profit	**68,126**	**76,069**	**7,943**
Change compared with the Bank	*13,548*	*14,398*	
Equity method	239	160	-79
Capital consolidation	1,113	699	-414
Avoiding intra-group double reporting	-1,303	-1,303	0
II. Total consolidation effect	***49***	***-444***	***-493***
III. Effect of other differences *(IFRS 39)*	***--***	***-2,497***	***-2,497***
Consolidated pre-tax profits	**68,175**	**73,128**	**4,953**
Change compared with the Bank	*10,092*	*10,127*	*35*

Part of the differences revealed in a comparison of the consolidated financial statements of 31 December 2002 prepared according to Hungarian rules and those prepared according to international standards is attributable to the growth in OTP Bank Ltd.'s figures, with further contributory factors being the individual figures of the various subsidiaries, as well as the effect of the valuation of the financial instruments held by the subsidiaries (IFRS 39), and of the steps taken in the course of performing the consolidation.

I) DIFFERENCES ARISING UPON CONSOLIDATION OF THE REPORTS[3]

Merkantil Group

A basic difference between the reports prepared according to Hungarian rules and those prepared based on international standards is that in the IFRS (IAS) report Merkantil Group's operative leasing transactions are treated as financial leasing and must be shown under receivables. Thus, in 2002 the reclassification of these transactions has the effect of increasing pre-tax profit by HUF 229 million.

Merkantil Group and OTP Building Society Ltd.

The general risk reserve calculated according to the relevant government decree and included in the HAR-based report is ignored in the IFRS (IAS) report. In the IFRS (IAS) report, the release of the provision increases pre-tax profits by HUF 35 million.

Merkantil Group	HUF +12 million
OTP Building Society Ltd.	HUF +23 million

HIF Ltd. and OTP Banka Slovensko, a. s.

In the IFRS consolidated report, when translating the foreign currency P&L figures of HIF Ltd. and OTP Banka Slovensko, a. s. (OBS) into HUF, the difference arising from the conversion must be posted to equity, while under HAR the revaluation difference from foreign currency translation must be posted to other revenue (expense). Due to the above, the IFRS pre-tax profit is modified by HUF 62 million.

HIF Ltd.	HUF +2 million
OTP Banka Slovensko, a. s.	HUF -64 million

OTP Banka Slovensko, a. s.

Under IFRS (IAS), upon consolidation the entire loss that arose prior to the purchase of OBS is separated and taken off the books through a set-off against reserves. The fact that this loss is taken off the books increases profits by HUF 2,348 million. In the HAR-based report, upon consolidation the loss of HUF 1,866 million prior to the purchase of OBS remains in the individual company report, and is it taken off the books in the course of capital consolidation.

The general risk reserve calculated according to the relevant government decree and included in the HAR report is ignored in the IFRS (IAS) report. In the HAR report, the reserve set aside was higher than necessary, as in March 2002 the adjusted balance sheet total was higher than in December 2002. Under HAR, the release of risk reserve that took place due to the excess generation of reserves was HUF 103 million. This causes a modification in the IFRS after-tax profits by HUF 103 million.

Before it was purchased, OBS did not prepare an individual company IFRS (IAS) report, only an IFRS (IAS)-based consolidated report. For this reason, the profit generated by OBS's previously consolidated investments is taken off the IFRS (IAS) company report, resulting in a decrease in profits of HUF 149 million. The result of the revaluation due to IFRS 39 is HUF +16 million. In the IFRS (IAS) report, the revenue from the distribution of bonds amounts to HUF 97 million. The effect of the adjustments related to other reserves increases profits by a total of HUF 28 million.

The above items increase the IFRS profit by HUF 2,237 million.

OTP Garancia Insurance Ltd.

Compared with the HAR figures, in the IFRS (IAS) report the deletion of the reporting year's amortisation of the capitalised value of restructuring is a profit-increasing factor (HUF +70 million). The value of restructuring capitalised in the previous years was accounted for in the IFRS (IAS) reports of the

[3] The differences with regard to the Bank are analysed in an earlier chapter of the report.

previous years as a profit-reducing item, and thus amortisation expenses are now deleted, as a profit-increasing item.

In the IFRS (IAS) reports of the previous years, OTP Garancia Insurance Ltd.'s receivable from re-insurance (stop-loss transactions) arising from compulsory car insurance was written off, as IFRS did not recognise revenues from the transfer of compensation payments (recovered damages). Due to the decrease in receivables in the reporting year, in the IFRS (IAS) report the write-off of receivables had to be adjusted by a HUF 214 million profit-increasing item.

The release in the reporting year of the insurance technical reserve that was additionally generated in the previous years in the IFRS (IAS) reports, was a profit-increasing item (of HUF +300 million).

The combined effect of the above items is to increase the IFRS after-tax profit by HUF 584 million.

II) DIFFERENCES IN THE EFFECTS OF CONSOLIDATION UNDER HAR AND IFRS

Effect of the equity method

The basic difference between the equity method used in the HAR and in the IFRS report is that in the HAR report both the relevant act and the Bank's accounting policy on consolidation specify which companies must be consolidated under this method. (These are subsidiaries that are exempt from full consolidation, as well as associated companies in which the Bank holds a significant interest that is equal to a nominal value of at least HUF 50 million of the share capital based on the ownership stake and that, at the minimum, represents a 10% ownership stake. There are a total of 20 such companies.)

In the international report, the equity method must be used, based on a case-by-case judgement, with respect to the investments in which the stake of the parent company within the shareholders' equity represents a sizeable proportion.

Overall, the companies that were included in the HAR consolidated report had a higher profit in 2002 than Nagybani Piac Ltd. (HUF 28 million) and GIRO Elszámolásforgalmi Központ Ltd. (HUF 132 million), which were included in the IFRS (IAS) report based on the equity method. It is due to this dissimilarity that there is a difference between the two reports in terms of the amount of profit posted as a change in equity in proportion to the equity held by the parent company.

The above items decrease the IFRS results by HUF 79 million.

Effect of capital consolidation

One of the reasons that the effect of the capital consolidation is different in the two reports is the difference in the disclosure of the amortisation expense of the active capital consolidation differences.

Under HAR, the active capital consolidation difference from the Inga Ltd. companies, i.e. the difference between the cost price and the equity of these companies as at the purchase date, must be amortised on a straight-line basis over five years, while under IFRS (IAS) the complete amount of the difference was written off in 1998. For this reason, in the HAR report profits are decreased by the pro rata amortisation expense of HUF 15 million, while in the IFRS (IAS) reports after 1998 there is no such profit-decreasing item.

In the consolidated report according to HAR, the separation of the revenue (HUF -572 million) originating from the badwill that was accounted for in OTP's books, decreases profits. In contrast to this, that amount of the badwill that is accounted for in the IFRS (IAS) consolidated report as a revenue for the purpose of a set-off against incurred costs increases profits by HUF +892 million. As a result, the IFRS (IAS) report shows a difference of HUF +1,464 million compared to the HAR report.

In the course of capital consolidation, the value of the investment is taken off the books and set off against the equity of the investment. Under HAR, the loss (HUF +1,866 million) of OBS from the time before the purchase is taken off the books and set off against equity in the course of capital consolidation, while in the IFRS (IAS) report this had already been taken into account at the time of the consolidation of the reports. This explains why the IFRS (IAS) capital consolidation shows a difference of HUF -1,866 compared to the HAR capital consolidation.

In the HAR report, the separation of the losses accruing to external owners improved the profits by HUF +70 million, while in the IFRS (IAS) report it improved the results by HUF +55 million. Consequently, the difference between the two reports is HUF -15 million.

Other differences decreased the IFRS after-tax profits by HUF 12 million.

The total capital consolidation difference decreases the IFRS after-tax profits by HUF 414 million.

Effect of avoiding intra-group double reporting

There were no differences in the consolidation steps involved in preparing the consolidated HAS and IFRS (IAS) reports.

III) OTHER DIFFERENCES – EFFECT OF THE RE-VALUATION ACCORDING TO IFRS 39

In the balance sheet prepared according to IFRS (IAS), trading and saleable securities as well as equity investments that qualify as saleable financial assets must be disclosed at their market value.

The market valuation, dated 31 December 2002, of OTP Mortgage Bank Ltd., OTP Building Society Ltd., OTP Garancia Insurance Ltd. and OTP Fund Management Ltd. increases the IFRS pre-tax profit by a total of HUF 431 million with respect to the reporting year.

In OTP Bank's IFRS (IAS) company report, the market valuation of the portfolio of mortgage notes issued by OTP Mortgage Bank Ltd. and disclosed in OTP Bank's books increased the pre-tax profit by HUF 2,928 million. Based on the elimination of intra-group double reporting, the upward valuation was also deleted from the consolidated report. This decreases the IFRS pre-tax profit by HUF 2,928 million.

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2002 AND 2001
(in HUF mn)

	2002	*2001*
Cash, due from banks and balances with the National Bank of Hungary	355,440	381,773
Placements with other banks, net of allowance for possible placement losses	295,892	332,088
Securities held for trading and available-for-sale	220,091	228,563
Loans, net of allowance for possible loan losses	1,280,710	771,334
Accrued interest receivable	26,195	29,797
Equity investments	5,464	2,816
Securities held-to-maturity	352,916	401,603
Premises, equipment and intangible assets, net	93,568	73,334
Other assets	86,315	68,337
TOTAL ASSETS	**2,716,591**	**2,289,645**
Due to banks and deposits from the National Bank of Hungary and other banks	79,060	36,952
Deposits from customers	2,151,169	1,891,512
Liabilities from issued securities	84,862	40,074
Accrued interest payable	12,627	12,626
Other liabilities	149,345	123,902
Subordinated bonds and loans	15,511	17,293
TOTAL LIABILITIES	**2,492,574**	**2,122,359**
Share capital	28,000	28,000
Retained earnings and reserves	223,412	165,643
Treasury shares	(27,800)	(26,357)
TOTAL SHAREHOLDERS' EQUITY	**223,612**	**167,286**
MINORITY INTEREST	**405**	**--**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,716,591**	**2,289,645**

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
(in HUF mn)

	2002	*2001*
Interest Income:		
Loans	129,711	104,722
Placements with other banks	26,653	17,584
Due from banks and balances with the National Bank of Hungary	19,251	33,359
Securities held for trading and available-for-sale	21,879	16,632
Securities held-to-maturity	32,822	41,165
Total Interest Income	*230,316*	*213,462*
Interest Expense:		
Due to banks and deposits from the National Bank of Hungary and other banks	6,440	3,276
Deposits from customers	85,441	91,884
Liabilities from issued securities	3,193	3,189
Subordinated bonds and loans	963	1,391
Other	4	234
Total Interest Expense	*96,041*	*99,974*
NET INTEREST INCOME	**134,275**	**113,488**
Provision for possible loan and placement losses	8,817	6,152
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**125,458**	**107,336**
Non-Interest Income:		
Fees and commissions	63,618	49,233
Foreign exchange losses and gains, net	(2,768)	3,067
Gains and losses on securities, net	1,062	(255)
Gains on real estate transactions, net	809	2,244
Dividend income	600	673
Insurance premiums	49,715	38,975
Other	11,545	5,033
Total Non-Interest Income	*124,581*	*98,970*
Non-Interest Expenses:		
Fees and commissions	12,965	9,094
Personnel expenses	50,241	41,366
Depreciation and amortization	17,021	15,017
Other	96,684	80,324
Total Non-Interest Expense	*176,911*	*145,801*
INCOME BEFORE INCOME TAXES	**73,128**	**60,505**
Income taxes	(13,952)	(11,552)
NET INCOME AFTER INCOME TAXES	**59,176**	**48,953**
Minority interest	55	--
NET INCOME	**59,231**	**48,953**
Consolidated earnings per share (in HUF)		
basic	**231**	**1,912**
diluted	**231**	**1,907**

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
(in HUF mn)

	2002	*2001*
OPERATING ACTIVITIES		
Net Income before income taxes	**73,128**	**60,505**
Adjustments to reconcile Net Income before income taxes to net cash provided by operating activities		
Income tax paid	(15,436)	(12,449)
Depreciation and amortization	17,021	15,017
Provision for possible loan and placement losses	8,817	6,152
Provision for permanent diminution in value of held-to-maturity investments	26	--
Credit for permanent diminution in value of equity investments	(1,548)	(1,340)
Credit for possible losses on other assets	(1,317)	(353)
Provision for possible losses on off-balance sheet commitments and contingent liabilities, net	2,355	2,145
Net income from accounting for associates under the equity method of accounting	160	131
Net increase in insurance reserves	16,316	12,437
Unrealised gains on fair value adjustment of securities held for trading and available-for-sale	(369)	(687)
Unrealised (gains)/losses on fair value adjustment of derivative financial instruments	(5,610)	796
Effect of deferred taxes	82	464
Minority interest	55	--
Changes in operating assets and liabilities		
Net decrease/(increase) in accrued interest receivable	3,928	(1,317)
Net increase in other assets, excluding advances for investments and before allowance for possible losses	(12,410)	(13,692)
Net decrease in accrued interest payable	(730)	(1,012)
Net increase/(decrease) in other liabilities	10,201	(5,726)
Net Cash Provided by Operating Activities	**94,669**	**61,071**
INVESTING ACTIVITIES		
Net decrease/(increase) in placements with other banks, before provision for possible placement losses	48,522	(115,721)
Net decrease/(increase) in securities held for trading and available-for-sale, before unrealised gains or losses	32,265	(40,661)
Net (increase)/decrease in equity investments, before provision for permanent diminution in value	(861)	931
Purchase of investment in subsidiary, net	(3,288)	--
Net decrease/(increase) in debt securities held-to-maturity	48,740	(38,225)
Net decrease in advances for investments, included in other assets	17	38
Net increase in loans, before provision for possible loan losses	(448,152)	(141,697)
Net additions to premises, equipment and intangible assets	(31,791)	(18,254)
Net Cash Used in Investing Activities	**(354,548)**	**(353,589)**
FINANCING ACTIVITIES		
Net increase/(decrease) in due to banks and deposits from the National Bank of Hungary and other banks	6,815	(14,993)
Net increase in deposits from customers	194,716	193,546
Net increase in liabilities from issued securities	43,590	9,629
Decrease in subordinated bonds and loans	(1,782)	(467)
Minority interest	24	--
(Loss)/Profit on sale of treasury shares	(1,102)	72
Foreign currency translation losses	(360)	(84)
Increase in treasury shares	(1,443)	(7,501)
Net decrease in compulsory reserves at National Bank of Hungary	15,055	77,955
Dividends paid	(6,912)	(3,404)
Net Cash Provided by Financing Activities	**248,601**	**254,753**
Net Decrease in Cash and Cash Equivalents	**(11,278)**	**(37,765)**
Cash and cash equivalents at the beginning of the year	271,504	309,269
Cash and Cash Equivalents at end of the year	**260,226**	**271,504**

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001
(in HUF mn)

	Share Capital	Retained Earnings and Reserves	Treasury Shares	Total
Balance as at January 1, 2001	**28,000**	**123,504**	**(18,856)**	**132,648**
Net income	--	48,953	--	48,953
Profit on sale of treasury shares	--	72	--	72
Change in carrying value of treasury shares	--	--	(7,501)	(7,501)
Dividends declared on common shares	--	(7,050)	--	(7,050)
Effects of adoption of IFRS 39	--	248	--	248
Foreign currency translation gain	--	(84)	--	(84)
Balance as at December 31, 2001	**28,000**	**165,643**	**(26,357)**	**167,286**
Net income	--	59,231	--	59,231
Loss on sale of treasury shares	--	(1,102)	--	(1,102)
Change in carrying value of treasury shares	--	--	(1,443)	(1,443)
Foreign currency translation gain	--	(360)	--	(360)
Balance as at December 31, 2002	**28,000**	**223,412**	**(27,800)**	**223,612**

For further information, please contact:

OTP Bank Ltd.

Investor Relations

George Fenyõ, Managing Director

H-1051 Budapest, Nádor u. 16.

Phone: + 36 1 269 1693

Fax:+ 36 1 331 6312

e-mail: FenyoG@otpbank.hu

www.otpbank.hu