OTP Bank Rt.

First 9 Months 2002
Stock Exchange Report

Budapest, November 14, 2002

OTP Bank's third quarter 2002 Stock Exchange Report contains the HAR and IAS non consolidated and consolidated balance sheet and profit and loss account for the 9 months ending 30 September 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 9 months of 2002 were HUF 34,614 million, HUF 6,169 million or 21.7% higher than in the same period in 2001. OTP Group's consolidated after-tax profits were HUF 40,282 million, an increase of 17.9% over the first 9 months 2001, and 16.4% higher than the figure of the Bank.

For the first 9 months of 2002 OTP Bank's HAR pre-tax profits were HUF42,252 million, 21.2% higher than in 2001. OTP Group's consolidated pre-tax profits were HUF49,804 million, an increase of 19.5% over the same period of 2001 and 17.9% higher than the figure of the Bank.

Over the 3 months period ending 30 September 2002, total Bank assets grew to HUF2,257,726 million or by 3.3%. This figure is 11.6% higher than a year earlier. Total assets for the group were HUF2,568.694 million on 30 September 2002, which represented a year-on-year growth of 16.3%, and it was 13.8% higher than total assets of the Bank.

9M2001	9M2002	Change	**Financial highlights**	9M2001	9M2002	Change
Bank			HAR	Group		
2,023.9	2,257.7	11.6%	Total assets (HUF bn)	2,208.2	2,568.7	16.3%
717.4	1,040.6	45.0%	Total loans and advances (HUF bn)	769.9	1,203.5	56.3%
1,682.6	1,858.0	10.4%	Total deposits (HUF bn)	1,745.9	1,983.4	13.6%
43.2%	56.6%	13.4%	Loan/deposit ratio	44.1%	60.7%	16.6%
150.5	185.3	23.1%	Shareholders equity (HUF bn)	171.8	215.0	25.1%
13.4	12.2	-9.4%	Balance sheet gearing	12.9	11.9	-7.8%
34.9	42.3	21.2%	Pre-tax profits (HUF bn)	41.7	49.8	19.5%
28.4	34.6	21.7%	After tax profits (HUF bn)	34.2	40.3	17.9%
107.8	131.3	21.8%	EPS undiluted (HUF)[1]	133.25	157.28	18.0%
101.6	123.6	21.7%	EPS fully diluted (HUF)[2]	121.97	143.86	17.9%
1.92%	2.11%	0.19%	Return on Assets[3]	2.13%	2.20%	0.07%
27.3%	26.8%	-0.5%	Return on Equity[3]	28.9%	27.0%	-1.9%
17.4%	21.4%	4.0%	Real Return on Equity[3]	19.0%	21.6%	2.6%
1,910.5	2,144.9	12.3%	Average assets (HUF bn)	2,142.6	2,444.8	14.1%
72.4	75.6	4.3%	Net interest income (HUF bn)	81.4	89.4	9.8%
5.06%	4.70%	-0.36%	Net interest margin[1]	5.1%	4.9%	-0.2%

IAS

OTP Bank's IAS after-tax profits for the first 9 months of 2002 were HUF 38,326 million, HUF 7,782 million or 25.5% higher than in the same period in 2001. OTP Group's consolidated after-tax profit was HUF44,571 million, increase of 23.3% over the first half 2001, and 16.3% higher than the figure of the Bank.

Over the 3 months period ending 30 September 2002, total Bank assets grew to HUF2,226,883 million or by 3.1%. This figure is 11.2% higher than a year earlier. Total assets for the group were HUF2,525,461 million on 30 September 2002, which represented a year-on-year growth of 16.1%, and it was 13.4% higher than total assets of the Bank.

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[1] Calculation method of undiluted earnings per share: post-tax profit/(ordinary shares -shareholders` equity)
[2] Calculation method of diluted earnings per share: (post-tax profit)/ (ordinary shares)

[3] annualized

9M2001	9M2002	Change	**Financial highlights**	9M2001	9M2002	Change
	Bank		IAS		Group	
2,002.6	2,226.9	11.2%	Total assets (HUF bn)	2,175.7	2,525.5	16.1%
712.8	1,025.8	43.9%	Total loans and advances (HUF bn)	735.2	1,143.8	55.6%
1,719.0	1,890.3	10.0%	Total deposits (HUF bn)	1,765.2	1,995.1	13.0%
41.5%	54.3%	12.8%	Loan/deposit ratio	41.6%	57.3%	15.7%
147.2	188.7	28.2%	Shareholders equity (HUF bn)	159.7	208.1	30.3%
13.6	11.8	-13.3%	Balance sheet gearing	13.6	12.1	-11.0%
37.1	46.1	24.4%	Pre-tax profits (HUF bn)	43.9	54.4	23.8%
30.5	38.3	25.5%	After tax profits (HUF bn)	36.1	44.6	23.3%
115.97	145.43	25.4%	EPS undiluted (HUF)[1]	141.00	174.03	23.4%
109.09	136.88	25.5%	EPS fully diluted (HUF)[1]	129.06	159.18	23.3%
2.08%	2.36%	0.28%	Return on Assets[4]	2.28%	2.47%	0.19%
29.8%	30.0%	0.24%	Return on Equity[4]	33.0%	31.7%	-1.30%
19.9%	24.6%	4.7%	Real Return on Equity[4]	23.1%	26.3%	3.20%
1,961.3	2,165.2	10.4%	Average assets (HUF bn)[4]	2,114.4	2,407.6	13.9%
71.9	81.9	14.0%	Net interest income (HUF bn)	83.8	99.0	18.1%
4.58%	4.67%	0.09%	Net interest margin[2]	5.01%	5.21%	0.20%

MAJOR TENDENCIES FOR THE THIRD QUARTER OF 2002

Below we summarize and present the major performance data for 3Q 2002 and compare it to the performance of the bank during 2Q 2002 and 3Q 2001:

Main financial indicators of the Bank				**Change**	
HAR	**3q2001**	**2q2002**	**3q2002**	**3q02/3q01**	**3Q02/2Q02**
Total assets (HUF bn)	2,023.9	2,185.3	2,257.7	11.6%	3.3%
Total loans and advances (HUF bn)	710.8	920.5	1,042.7	46.7%	13.3%
Total deposits (HUF bn)	1,682.6	1,789.9	1,858.0	10.4%	3.8%
Loan/deposit ratio	0.4	0.5	0.6	16.9%	4.7%
Shareholders equity (HUF bn)	158.5	174.9	185.3	16.9%	5.9%
Balance sheet gearing	12.8	12.5	12.2	-4.6%	-2.5%
Pre-tax profits (HUF bn)	12.8	13.4	15.8	23.6%	17.5%
After tax profits (HUF bn)	10.7	11.0	13.0	21.8%	18.6%
EPS undiluted (HUF)1	40.7	41.6	49.3	21.0%	18.5%
EPS fully diluted (HUF)1	38.1	39.2	46.4	21.8%	18.6%
Return on Assets[5]	2.14%	2.02%	2.34%	0.2%	0.3%
Return on Equity[4]	29.2%	25.7%	28.9%	-0.4%	3.2%
Average assets (HUF bn)[4]	1,935.0	2,147.7	2,194.5	13.4%	2.2%
Net interest income (HUF bn)	25.0	25.0	26.5	5.9%	5.8%
Net interest margin[2]	5.17%	4.66%	4.83%	-0.3%	0.2%

Total assets of the Bank increased by HUF 72.5 billion (3.3%) during third quarter 2002. The rate of growth was higher than during third quarter 2001 (2.5%).

Among the assets the 7.1% decrease in cash (HUF-19.5 bn) and parallel 8.9% decline (HUF42.2 bn) in government securities were noticeable. Loans to credit institutions increased by 1.8%. Customer receivables grew by HUF 122.2 bn or 13.3% due to new loans to corporate and retail customers.

Liabilities to credit institutions decreased by 19.8% and liabilities over 1 year maturity to credit institutions declined (HUF0.2 bn). Liabilities to customers grew by HUF68.1 billion (3.8%) and corporate deposits decreased by 1.2%. Liability side provisions were net 4.7% higher due to write back of other provisions and increase in provisions for general risk. The Bank's shareholders' equity increased by HUF10.4 billion or 5.9% since 30 June 2002, after having generated the dividend fund.

[4] annualized
[5] annualized

The Bank realised HUF15,794 million pre-tax and HUF12,999 million after-tax profit in the third quarter, which is 23.6% and 21.8% higher than in the third quarter of 2001. Within this the net interest income reached HUF26.5 billion in the third quarter of 2002, which was 7.6% higher than a year earlier and 5.8% more than in the second quarter of 2002. Compared to the third quarter of 2001 interest income declined by 1.7% and interest expenses fell by 11.5%. Compared to the second quarter of 2002 interest income increased by 4.9% and interest expenses grew by 3.8%. Average balance sheet of the Bank was 13.4% higher than in the similar period in 2001. Average interest earned on assets was 9.69% while average cost of funding reached 4.43%. Interest spread decreased by 24 bps to 5.26% and net interest margin by 34 bps to 4.83%. Both spread and margin was significantly higher than in Q2 2002.

Non-interest income grew by 57.2% to HUF17,093 million and net fees and commissions were 37.8% higher than in third quarter 2001. Compared to the second quarter of 2002 the figures were 29.2% and 10.2% increase. The proportion of non-interest income in total income reached 39.2%, which was 30.7% in the same period of 2001. Total income of the Bank grew by 22.8% to HUF43,566 million, non-interest expenses grew by 15.1% to HUF23,806 million compared to the third quarter of 2001. Third quarter pre-tax profits for the Bank were the result of HUF19,760 million operating income and HUF3,966 million provisioning and loan losses. Compared to the same period in 2001 this represented a 33.6% increase in operating income and 97.0% higher provisioning.

Undiluted earning per share[1] for the period was HUF49.31, diluted[2] EPS was HUF46.42. US dollar equivalents are USD 0.20 and USD 0.19 respectively, based on the central banks average middle exchange rate between 30 June and 30 September 2002 (248.92 HUF/USD).

Annualised return on average assets for the period was 2.34%, on average equity 28.9%, 20bps higher and 35bps lower than for the same period in 2001.

MAJOR NON-CONSOLIDATED FIGURES FOR THE FIRST 9 MONTHS OF 2002

OTP Bank's pre-tax profit for the first 9 months of 2002 was HUF42,252 million, a 21.2% increase from a year earlier. This profit was obtained by the subtraction of the HUF9,527 million of diminution in value and provisions from the HUF51,779 million operating income. Compared to the base period, this means a 22.5% increase in operating income and a 28.2% higher diminution in value and provisioning expenses.

With 18.1% calculated taxes after tax profit was HUF34,614 million, HUF6,169 million, or 21.7% higher than in the first 9 months of 2001.

After having generated the HUF3,462 million of general reserves and the dividend fund for the period, representing 25% nominal payout ratio, the Bank's retained earnings for the first 9 months were HUF23,346 million, an increase of 15.6% over the same period a year earlier.

Undiluted earning per share[6] for the period was HUF131.35, diluted[7] EPS was HUF123.62 which is 21.8% and 21.7% higher than for the first 9 months of 2001. US dollar equivalents are USD 0.50 and USD 0.47 respectively, based on the central banks average middle exchange rate between 1 January and 30 September 2002 (264.44 HUF/USD).

Annualised return on average equity for the period (ROE) was 26.8%, on average assets (ROA) 2.11% (27.3% and 1.92% resp. in 2001). Non consolidated real ROE (ROE less inflation) reached 21.4% - as a result of 23.1% growth in equity and declining inflation (to 5.4% y-on-y) – and was higher than in 2001 and exceeded the long term target of the Bank.

NET INTEREST INCOME

The bank's net interest income for the first 9 months of 2002 was HUF75.6 billion, 4.3% higher than in 2001. The net interest income was a result of HUF138.8 billion interest income (3.8% decrease) and HUF63.2 billion interest expenses (11.9% decrease).

Among the interest incomes, compared to the first half of 2001, interest earned on interbank accounts – accompanied by the jump in the interest-like profit of the swap deals was 26.8% lower partially due to the

[6] Calculation method of undiluted earnings per share: post-tax profit/(ordinary shares-treasury shares)
[7] Calculation method of diluted earnings per share: (post-tax profit)/ (ordinary shares).

11.7% decline of the average placement and the decreasing of the inter-bank interest rate level. Income from securities decreased by 16.3% due to the decrease of their volumes (0.9%) and yield. In line with 51.3% growth in average volume and in spite of 398 bp. decline in rates, interest income from retail accounts grew by 23.0%. Interest earned on corporate accounts grew by 9.4% while the volume of the interest income increased by 31.2%. In municipal lending the growth in volume was 27.4%, the interest income increased by 0.1%. 27.5% of interest income was earned on retail accounts.

In spite of the growing volume of customer liabilities, interest expenses decreased on all types of accounts, except the corporate accounts. Meanwhile in the case of interbank liabilities (mainly on the refinanced receivables) interest expenses were higher because of HUF volume increase. Interest expenses on securities fell by 52.7%. Interest paid on retail accounts decreased by 14.0% and their share in total interest expenses was 76.9% in line with the decrease in the interest rate level and the liability structure.

Changes in average volume of customer receivables, customer liabilities, of interest income and expense and yield compared to first 9 months 2001:

	Average volume	Interest income/expense	Yield (bps)
Customer receivables	+37.0%	+15.1%	-219
Total assets	+12.3%	-3.8%	-144
Customer liabilities	+10.8%	-11.5%	-110
Total liabilities	+12.3%	-11.9%	-108

In the first 9 months of 2002, yield on average interest earning assets represented 9.59% rate and interest paid on interest bearing liabilities represented 4.50% rate. The interest spread between average interest bearing liabilities and interest earning assets was 5.09% approx. 28 bps lower than a year earlier. Average assets were 12.3% higher than a year earlier, average yield on assets declined by 144 bps to 8.63%; and average cost of funds fell by 108 bp., to 3.93%. Interest margin over total average assets was 4.70% a decrease of 36 bps from 9M 2001.

QUALITY OF LOAN PORTFOLIO, PROVISIONS

The quality of the loan portfolio improved in the 3rd quarter all in all. Qualified portion of total receivables represented 4.2%, while it was 4.7% on 30 June 2002. This is due to the fact that while increase in total loans was 10.5% at the end of 3Q compared to June 30, 2002, no-problem loans grew by 11.0% and qualified loans were up only by 0.4% (by HUF251 million) during 3 months. Problem loans (which does not contains to-be-monitored loans) grew in the third quarter by HUF9.3 billion or by 29.8% due to the reclassification of some to-be-monitored loans. The ratio of loans with problem therefore increased from 2.6% to 3.0%.

Within total receivables, to-be-monitored loans fell by 35.2% or HUF9.1 billion, volume of doubtful loans increased by 15.2% or HUF1.970. Bad loans declined by 25.8% or HUF3.8 billion from June 30, 2002. Growth of below-average loans was 316.6% or HUF11.2 billion. During the third quarter qualified loans diminished by HUF2.7 billion (13.8%) in the retail loans mainly because of the selling of bad loans to the workout subsidiaries.

In corporate business, reclassification of part of the Dunaferr's receivables (HUF7,545 million) from to-be-monitored to below average loan and the creation of an additional 20% provision are worth mentioning. The changing of the classification and the forming of an additional provision were based on the principle of prudence. The bank has made loans at a value of HUF 2.7 billion as technically due on September 30, 2002 which is part of the moratorium agreed on with the company and the government which expires on 28 February 2003. Also meaningful in the corporate business that together with an increase of HUF 45.4 billion in receivables, the qualified volume was HUF 2.9 billion higher than 3 months earlier. Within these, those classified as to be monitored declined by HUF 8,9 billion; bad loans were HUF 1.7 billion lower; the below average increased by HUF 11.4 billion and the doubtful by HUF 2.1 billion.

Customer receivables grew by 13.2%. During the third quarter 2002 qualified receivables increased in the corporate business by 7.8% and decreased by 13.8% in the retail business and by 2.0% in the municipality business. The volume of qualified loans with credit institutions did not change.

Compared to 30 September 2002 total receivables increased by 33.9% (customer receivables by 42.1%), total qualified outstanding was 5.1% higher (increase in customer qualified receivables reached 5.1% too), thus portion of qualified receivables changed from 5.4% to 4.2%. NPLs increased from HUF34.2 billion as on 30 September 2001 to HUF40.6 billion by 18.6%, mainly due to the growth of under-average loans by HUF12.3

billion and the fall of bad loans by HUF7.3 billion in corporate business. For HUF57.3 billion of qualified outstanding, total provisions created were HUF23.1 billion resulting in a falling coverage ratio of 40.3% (50.2% at the end of September 2001). Provisions created on HUF 40.6 billion problem loans was HUF22.0 billion, which means 54.1% coverage ratio.

	30 September 2002		30 September 2001	
	Total (HUF mn)	Distribution (%)	Total (HUF mn)	Distribution (%)
Total of loans:	1,350,818	100.0%	1,008,890	100.0%
Performing s	1,293,515	95.8%	954,370	94.6%
Qualified	57,303	4.2%	54,521	5.4%
Provision	23,108		27,343	
Coverage ratio	40.3%		50.2%	
Of which NPL	40,613	3.0%	34,232	3.4%
Provision	21,980		25,888	
Coverage ratio	54.1%		75.6%	

Since 30 September 2001 the share of the corporate business in the qualified portfolio grew from 70.3% to 71.5%, and parallel the proportion of retail business line in the qualified portfolio to 28.0%. At the same time 62.0% of the provisions were generated in the corporate and 37.1% in the retail business.

The breakdown of receivables, qualified loans and provisions by businesses were at 30 September 2002 and 2001 as below:

30 September 2001	Retail	Corporate	Interbank	Municipal
Total	23.6%	44.8%	25.7%	5.9%
No problem	23.3%	43.3%	27.1%	6.3%
Qualified	28.0%	71.5%	0.3%	0.2%
Provisions	37.1%	62.0%	0.7%	0.3%

30 September 2002	Retail	Corporate	Interbank	Municipal
Total	29.7%	43.5%	21.1%	5.7%
No problem	29.7%	42.3%	22.0%	5.9%
Qualified	28.8%	70.3%	0.3%	0.6%
Provisions	38.9%	59.6%	0.7%	0.8%

The provisioning and loan losses on customer receivables for the first three quarters of 2002 was HUF6,207 million (an increase of 8.6% from a year earlier). The Bank also generated the required general risk provisions (HUF3,234 million, an increase of 51.8%) based on the sizeable growth of its risk-weighted assets. The Bank released HUF32 million provision created for the uncovered open derivative position and generated HUF118 million other provisions. Loan loss provisioning represented 0.93% (annualized) of the average customer receivables lower than in 2001 (1.17%).

NON-INTEREST INCOME

During first 9 months of 2002 non-interest income increased by 44.2% over the same period in 2001, and reached HUF43,894 million. Net fees and commissions represented HUF38,815 million, a 36.5% increase (fees and commissions received increased by 32.1%, fees and commissions paid were 5.4% higher).

It is worth mentioning that, within fee income, the fees on the card business was 30.7% higher than in the first 9 months of 2001 exceeding HUF13 billion. Within the above item, mainly cash withdrawal (from ATM and POS) and traders fees increased significantly as a result of the increased turnover. The fees on loans also grew by 123.1% to HUF6.9 billion. Corporate lending growth positively influenced HUF and FX related fee income, while in retail business. Meanwhile, in the retail lending, the growth was sizeable from the 2000 condition, and building society loans, Forras loans from own and consortia funding and loans transferred to Mortgage Bank. Fee income from the retail current accounts increased by 17.7%. Deposit business fee income decreased by 6.3%, securities transaction fees were 35.8% higher.

Net loss on securities trading in the first three quarters were HUF98 compared to HUF1,859 million in the first 9 months of 2001. In the first three quarters of 2002, the Bank realised HUF1,261.6 million losses from the Hungarian Government Bonds in the trading portfolio. From this, HUF468.6 came from the trading activities and

HUF793 million from proportional losses (depreciation) in value from the government bonds purchased over the face value. Thus the Bank realized HUF1,045.2 million lower losses on the Hungarian Government Bonds and, on the Treasury Discount Bills, HUF81.7 million more profit than in 9M 2001. From foreign state securities the profit was HUF433.6 million, from foreign shares HUF812.3 - considerably higher than in the comparable period of 2001.

Foreign exchange gains totalled at HUF2,309 million, 15.5% lower than in the first 9 months of 2001. The Bank, due to higher volume of HUF/FX swaps (HUF84 billion average volume in the first 9 months of 2002) held a long average FX position in its balance sheet (in 9Mf 2001, this position was a short one), which had no effect on the profitability, but - due to the settlement rules of the swap deals - caused restructuring of profit components (from HUF interest income to FX interest income).

Losses on real estate transactions were HUF24 million compared to HUF90 million a year earlier. Other non interest income was HUF1,469 million or 119.7% higher than during the comparable period in 2001.

Non-interest income represented 36.7% of total income, 7.2% higher than a year earlier.

Total income for the Bank reached HUF119,459 million, a 16.1%increase well above the inflation.

NON-INTEREST EXPENSES

During the first 9 months of 2002 non-interest expenses reached HUF67,680 million, 11.7% higher than a year earlier and below the growth rate of the income.

The personnel expenses were 17.3% higher. Personnel expenses were influenced by an average 10% salary increase in addition to the change in the settlement rules of the option program. Because, in 2002, in contrast to the previous practice when the settlement was done in a cash flow method, in the present year, the expected costs of the option program (that is based on the current year, but become due afterwards) is accrued. Personnel expenses represented 21.6% of total income compared to 21.4% during 9M 2001. Depreciation was HUF8,157 million, HUF4 million less than a year ago. The other non-interest expenses were lower than in 2Q 2002 and 3Q 2001, and, all in all were 10.8% higher than 12 months earlier. Within these the increase in material cost and other expenses 10.2% and in local taxes (16.5% increase was considerable. The fees paid for foreign and domestic specialist and other services increased significantly in connection with ongoing IT projects. The other rental expenses paid by the Bank increased.

For the first 9 months of 2002 the Bank's cost/income ratio was 56.7%, 220 bps lower than in 2001, and lower than the projected figure for the year.

NON-CONSOLIDATED HAR BALANCE SHEET AS AT 30 SEPTEMBER 2002

OTP Bank's total assets as at 30 September 2002 were HUF2,257,726 million, 11.6% higher than in 2001, and represented 22.7% of the banking system's total assets (on 30 September 2001: 22.3%). The increase is higher than the inflation resulting in real asset growth for the preceding 12 months.

Since 30 September 2001 within banking assets, cash and banks decreased by 37.0% driven by 0.2% increase in cash and a 46.3% decrease in short-term placements with NBH. NBH account balance declined to a lesser extent (36.0%).

The volume of government securities on 30 September 2002 was HUF432,6 billion, 5.1% lower than a year earlier. Trading securities declined by HUF17.0 billion, or 31,2% to HUF38,2 billion, investment securities fell by HUF6.1 billion or 1.5% to HUF394.4 billion. From the above-mentioned, the growth in Hungarian Government Bonds and Treasury Government Bonds is sizeable.

The volume of the interbank placements increased by 10.2% since the September 2001 and represented 12.8% of total assets. Within interbank placements the higher FX deposits with foreign and domestic banks represented the most significant changes in harmony with the growth of the swap portfolio.

Within total assets, receivables from customers represented 46.2% (35.1% on 30 September 2001), and were HUF1,042.7 billion, which was 46.7% higher than a year earlier. Within the commercial loan portfolio, in the last 12 months, retail lending grew by 71.3%, corporate lending grew by 34.7%. Loans to municipalities grew by 35.5%.

Within corporate lending reaching HUF591.6 billion by the end of September 2002, loans extended to economic entities was 38.3% or HUF551.2 billion higher than a year earlier reaching HUF551.2 billion, within them, loans for investment purposes grew by 68.2%, current asset financing loans fell by 14.5% and represented a 17.9% proportion in loans to economic entities. Foreign currency loans grew by 35.8% and represented 26.8% of total compared to 27.3% a year earlier. Loans granted to small businesses increased by 21.9%, or HUF1.4 billion, the share of loans to small businesses within the corporate loan portfolio dropped from 1.4% to 1.3%.

Retail loans grew by 71.3% to HUF397.3 billion from a year earlier. The volume of housing loans increased by 112.1% to HUF272.9 billion. The mortgage-lending product (Forras loan) introduced in August 2001 amounted to HUF145.8 billion. The volume of 2000 condition loans increased by 22.5% to HUF79.8 billion during 12 months to September 2002. Old loans continued to decline. Volume of mortgage-based home equity loans grew by 15.3% to HUF47.8 billion over 30 September 2001.

Consumer loans were 23.8% higher and reached HUF76.7 billion at the end of September 2002. Within consumer loans current account related loans increased by 29.3% reaching HUF72.9 billion. The growth of C-loans was 98.7% since September 2001 and the volume reached HUF21.8 billion. Loans financing consumer purchases and personal loans declined further by 40.0% and 65.5%, respectively.

The market share of the Bank in retail housing loans was 44.3% (46.5% in 2001) and was 19.8% (21.9%) in consumer and Lombard loans. The Group's housing market share reached 50.6% (46.5% in 2001).

The volume of municipal loans increased further and reached HUF53.7 billion from HUF39.7 billion. Loans to budgetary organisations were lower than on 30 September 2001 and were HUF6.7 billion.

At the end of 2001 the market share of the Bank in lending showed a varied picture. Based on preliminary data, on 30 September 2002 the market share of the Bank was 18.1% in overall lending (15.5% on 30 September 2001), and granted 31.5% (30.7%) of retail, 13.3% (11.4%) of corporate and 63.2% (68.5%) of municipal loans.

On 30 September 2002, customer deposits represented 82.3% of the Bank's liabilities. Their volume was HUF175.3 billion or 10.4% higher than a year earlier and reached HUF1,858.0 billion. The increase in retail business was HUF103.7 billion, in corporate business was HUF49.5 billion, while deposits of municipalities grew by HUF22.2 billion. HUF retail deposits increased by HUF143.0 billion, while FX deposits expressed in HUF declined by HUF39.3 billion. On 30 September 2002 the preliminary market share of the Bank was 31.0% in total deposits with banks (31.1% at the end of September 2001).

Volume of retail deposits increased by 7.9% to HUF1,422.9 billion during 12 months, their share within customer deposits represented 76.6%. 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 HUF565.8 billion to HUF734.9 billion or by 29.9% and their share in retail deposits grew from 56.8% to 64.6%. The increase of sight deposits exceeded the increase of term deposits. Within retail deposits, during the 12 months preceding 30 September 2002, foreign currency deposits expressed in HUF decreased by 12.1%, while HUF deposits were up by 14.4%. At the end of September 2002 the Bank managed 39.1% of retail HUF (39.9% in 2001), and 36.1% of retail foreign currency deposits (36.9%). OTP Bank managed 38.3% of household savings with credit institutions while OTP Group managed 26.1% of total household savings (38.9% and 26.0% in 2001).

On 30 September 2002 the volume of savings in the Bank's securities, as a result of a strategic decision, was less by 35.6% than a year earlier and was HUF10.5 billion. By the end of September 2002 the Bank's market share of securities issued by banks was 6.0% (0.1% in 2001).

Volume of corporate deposits increased by 21.4% from a year earlier. Deposits of legal entities increased by 23.2% in HUF and grew by 20.4% in foreign currencies. HUF deposits of small enterprises and individual entrepreneurs grew by 21.7%, and by 50.3% in foreign currency. The Bank's market share of corporate deposits was 12.6%, with 1.1% above the market share at the end of September 2001.

Municipal deposits increased by 16.8% and were HUF154.4 billion on 30 September 2002. Local governments placed 79.5% of their deposits at the Bank (77.4% in 2001).

Within the Bank's liabilities the volume of provisions grew from HUF13.7 billion at the end of 9M 2001 to HUF18.6 billion on 30 September 2002.

SHAREHOLDERS' EQUITY

Shareholders' equity of OTP Bank on 30 September 2002 reached HUF185.3 billion, an increase of 23.1%. The increase of HUF34.8 billion was a result of an additional HUF4.5 billion in general reserves, as well as a HUF26.9 billion increase in retained earnings, HUF0.2 billion increase in fixed reserves and a HUF3.1 billion growth in net profits. Non-audited book value of 1 share on 30 September2002 was HUF662.

On 30 September 2002, the HAR **guarantee capital** of the Bank stood at HUF116.5 billion (HUF139.9 billion including after tax profits for the period).

With HUF1,133.0 billion risk weighted assets the **capital adequacy ratio** - calculated according to Hungarian regulations - was 10.28% as at 30 September 2002 (12.35% including after tax profits for the period), well in excess of the 8 % required by the Banking Act.

OTHER

The number of retail **current accounts**, the leading product of the Bank, expanded by 110.7 thousand to 2,716 thousand, based on the present product range. The number of time deposits connected to current accounts reached 468.8 thousand. In September 2002 1,314 thousand salary and pension transfer have been sent to the accounts. The number of transfers from the accounts exceeded 3.4 million.

The number of cards issued connected to the retail current accounts exceeded 2.9 million on 30 September 2002, compared to 2.7 million at the end of September 2001. Within this number, the identification cards issued for current account owners was 161.8 thousand, the number of B-loan cards connected to retail current accounts was 175.2 thousand and the number of C-loan cards was 106.5 thousand on 30 September 2002. Including corporate and FX based cards, the total number of cards issued approached 3,328 thousand, an increase of 10.0% over 2001. The Bank's estimated market share of cards issued was over 60%.

The number of the Bank's ATMs expanded from 1,083 a year earlier to 1,151, the number represented approximately half of ATMs operating in Hungary and more than 40% of the ATMs operated by banks. The number of transactions executed by the Bank's card owners, performed through the Bank's ATMs, reached 45.5 million in the first 9 months of 2002, while the turnover of transactions was HUF971.9 billion, an increase of 7.5% and 22.0%, resp. over the first 9 months of 2001. The number of POS terminals on 30 September 2002 stood at 17,469; 1,917 more than one year earlier. Out of them 2,592 were operating in the Bank's branches and 10,140 at commercial establishments, which include gas stations. The number of withdrawal transactions on the Bank's own POS network was 4.7 million, the turnover was HUF560.0 billion. The number of purchases on POS terminals at merchants was 22.3 million (42.3% increase) valuing HUF178.2 billion (42.7% increase). The number of client terminals operating through telephone lines reached 10,632 on 30 September 2002. At the end of September 2002 the number of contracted customers for the telephone banking service surpassed 438,000, for mobile banking service 131,000 and for Internet banking service 195,000. The number of transactions arranged through the electronic distribution network of the Bank in the first 9 months of 2002 was 76.7 million valuing HUF1,828.7 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 223 during the third quarter of 2002 and on 30 September 2002 was 560 higher than a year earlier. In the third quarter of 2002, the staff increased by 7 persons at the Headquarters and by 216 persons in the branch network. The staff growth in the branch network by 31 persons was the result of the review in muster standards and of the increased business activities. The staff in connection with the lending activity grew higher by 158 persons. Part-time employees rose by 21 persons, because of the increased tasks, 6 persons were employed in the branch network.

Trend in the number of OTP Bank staff:

	30 September 2001	31 December 2001	30 September 2002	Change (%) Over 30 September 2001
Average number of employees	8,169	8,188	8,501	4.1
Employees at the end of period	8,229	8,293	8,789	6.8

CONSOLIDATED FIGURES AS OF 30 SEPTEMBER 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 three quarters consolidated data of the OTP Group in HUF million:

	Equity		Total assets		Pre-tax profits	
	30- Sept-2001	30- Sept-2002	30- Sept-2001	30- Sept-2002	9M 2001	9M 2002
OTP Bank Ltd.	**150,544**	**185,323**	**2,023,897**	**2,257,726**	**34,855**	**42,252**
Subsidiaries total	51,888	78,322	259,433	487,050	7,538	10,121
Total (non consolidated)	202,432	263,645	2,283,330	2,744,776	42,393	52,373
Consolidated	**171,840**	**214,964**	**2,208,215**	**2,568,694**	**41,682**	**49,804**

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 became fully consolidated subsidiaries with the preparation of the consolidated Stock Exchange Report of 31 December 2001. In addition, for the first time from the second quarter of 2002, the Slovakian OTP Banka Slovesnko was also consolidated

In preparing the Stock Exchange Report of 30 September 2002, the bank applied the following methodology:

Fully consolidated subsidiaries	18
Equity consolidated companies	18
of which	
- daughter companies	13
- mutually managed companies	--
- associated companies	5

On April 4, 2002 OTP Bank acquired 92.55% interest in the Slovakian financial institution, the OTP Banka Slovesnko (OBS), the purchase price was SKK700,000,000. The face value of OTP Bank's interest in the Slovak bank with this package grew from SKK33,353 thousand in December 2001 to SKK999,517 thousand, its ownership ratio from 3.19% to 95.74%. Due to the ownership increase, OBS is considered as a subsidiary from 4 April 2002.

CONSOLIDATED BALANCE SHEET

Total assets of the group as at 30 September 2002 were HUF2,569 billion, 13.8% higher than total assets of the Bank.

The consolidated balance sheet total for the Group increased by HUF360 billion or 16.3% from a year earlier. To this growth, the consolidation of OTP Banka SLovensko's HUF120 billion and the OTP Mortgage Bank's HUF44 billion balance sheet total was the largest contribution. In addition, total assets of OTP-Garancia Insurance Ltd. increased by HUF24.1 billion). Due to its booming finance leasing business and foreign currency denominated loans, Merkantil-Car's assets rose by HUF25.6 billion. A larger asset growth appeared at "INGA" companies and amounted to HUF4.4 billion.

The HUF360 million change in the consolidated balance sheet on the asset side was the result of the growth of the invested assets (HUF408 billion) and the accruals (HUF4 billion) and decrease of the current assets (HUF52 billion).

In the consolidated balance sheet as of 30 September 2002, the proportion of the current assets and invested assets is 43.2% and 55.2%. A year ago, these values were 52.6% and 45.8%, respectively. These ratios on consolidated level changed in a similar way in both years in case of the parent company.

In the consolidated report, the decrease of current assets was a result of the decrease of receivables (HUF93.2 billion), securities (HUF1.2 billion) and inventory (HUF0.5 billion) and the increase of cash (HUF147.2 billion).

Within the 36% decrease of consolidated cash and balances with banks the most significant amounts were the decrease of the balances with NBH at OTP Bank.

The 0.8% increase in consolidated volume of trading securities was mostly caused by the HUF6.9 billion lower volume of government securities and the growth in securities representing debt by HUF4.7 billion and in shares and securities with floating interest rate by HUF3.3 billion. At OTP Bank, the volume of government papers decreased by HUF17 billion. Among the subsidiaries the HUF3 billion increase of a HUF22.1 billion security portfolio of the newly-consolidated subsidiaries meant a significant increase. Out of the HUF29.8 billion volume of own shares in current year, OTP Bank holds 64% according to the book value, while the rest is owned by three subsidiaries.

In the consolidated balance sheet of 30 September 2002, the volume of short term receivables increased by 15.4% compared to the corresponding period of previous year. Within this, receivables from credit institutions increased by HUF52.3 billion (21.8%), while receivables from customers rose by HUF 43.6 billion (13.4%). Other receivables increased by HUF2.8 billion (7.2%) in the consolidated report.

The increase of the consolidated volume of receivables from credit institutions reflects the change at OTP Bank and HUF22.5 billion amount coming from IRB a.s. consolidated for the first time this year.

In the change of receivables from customers, a HUF51.3 billion growth can be observed at OTP Bank. This is increased by the combined growth of the Merkantil Group with OTP Faktoring (together HUF11.4 billion) and OBS (HUF7.6 billion) and decreased by the HUF26.7 billion effect from the consolidation settlements.

Compared to the same period of 2001, the volume of investments was 40.4% higher in the consolidated balance sheet. The receivables from customers grew with largest amount (HUF390 billion), the change was influenced considerably by the OTP Bank (HUF271.9 billion), OBS (HUF65.3 billion) and OTP Mortgage Bank (HUF33 billion)

Consolidated value of tangible assets increased by HUF15 billion as mainly the result of the consolidation of OBS.

On the liability side, the increase of the consolidated balance sheet total compared to the previous period was the result of HUF289 billion increase of liabilities, HUF29 billion increase of provisions HUF43 billion increase of shareholders' equity, and HUF1 billion in accrued liabilities.

In the consolidated balance sheet within liabilities short-term liabilities increased by 16.2% (by HUF290 billion) and long-term liabilities decreased by 0.4% (by HUF0.6 billion). The change in long-term liabilities was due to a larger decrease (HUF19.9 billion) at OTP Bank, which was counterbalanced by the increasing long-term liabilities at OSB (HUF19.9 billion) and OTP Mortgage Bank (HUF31.1 billion) after their consolidation.

In short-term liabilities, the largest growth was seen at OTP Bank (HUF216 billion) besides the sizeable growth at OTP Banka Slovensko (HUF89 billion), Merkantil Car (HUF24 billion) and OTP Mortgage Bank (HUF9 billion), which was counterbalanced, by the growth of the consolidation steps. Within the liabilities short term liabilities to customers grew by HUF249.7 billion, caused mainly by the change in OTP Bank's deposits volume and the consolidated deposits at OBS.

The proportion of customer liabilities within total liabilities was 89.5% as at 30 September 2002 and 90.7% as at 30 September 2001.

Provisions on the liability side in the consolidated balance sheet rose by HUF29.2 billion. The growth came from the following sources: general risk provisions by HUF5.1 billion, provisions for contingent and future liabilities decreased by HUF0.8 billion, and other provisions increased by HUF23.3 billion. Within the latter, reserves of OTP Garancia Insurance Ltd. were the major part.

Consolidated shareholders' equity was HUF214.96 billion (25.1% growth) at the end of September 2002 representing 8.4% of balance sheet total opposed to 7.8% on the comparable period of 2001.

CONSOLIDATED RESULTS

Consolidated *pre-tax profit* for the first 9 months of 2002 was HUF49,804 million, 17.9% higher than pre-tax profit of the parent company, and 19.5% higher than consolidated pre-tax profit for the same period of 2001.

Consolidated after tax profits for 3Q 2002 was HUF40,282 million, which was 17.9% higher than at the Bank, and 16.4% higher than consolidated after-tax profit for the same period of 2001.

Consolidated *after tax earnings per share* calculated for 3Q 2002 were HUF157.28 undiluted, whereas diluted EPS was HUF143.86. US dollar equivalents were USD 0.59 and USD 0.54 respectively, based on the National Bank's average middle exchange rate between 1 January and 30 September 2002 (i.e. 264.44 HUF/USD).

Consolidated net interest income for the first 9 months of 2002 reached HUF89,405 million, 9.8% higher than in 2001 and 18.3% more than that of the Bank. This can be explained mainly by the successful operation of Merkantil Group and OTP Banka Slovensko, and the return of investments at OTP Building Society. Consolidated interest income were 2.9% higher and expenses were 4.6% lower than in the same period of 2001.

Within consolidated interest income (HUF161 billion) retail accounts hold the biggest part (HUF46.9 billion). Interest income from corporate accounts (HUF43.2 billion) and from securities (HUF36.2 billion) are considerable as well.

Within interest expenses (HUF72 billion) the interests paid on retail deposits represented the largest part in both the consolidated (HUF51.5 billion) and non-consolidated level.

Consolidated non-interest income increased by 37.6%. Within this, consolidated net fees and commissions increased by 29.4%, at a lower rate than at the Bank. Insurance income grew by 42% to HUF40 billion. In the first three quarters of 2002, the consolidated cost/income ratio changed from 65.2% of 2001 to 67.3%, partly due to the consolidation of OBS posting still losses in the first 9 months of 2002.

Consolidated operating income was HUF7.5billion higher (14.7%), and provisioning and loan losses were 7.3% lower than in the same period of the previous year.

Compared to the operating income, the amount of the provisioning and loan losses was 17.7% in 3Q2001 and 14.3% in 2002.

Consolidated annualised ROAA in the first 9 months of 2002 reached an annualised 2.20% (2.13% in 2001). Meantime consolidated ROAE was 27.0% (28.9% in 2001), that means 21.6% real ROAE (19.0% 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 30 September 2002:

in HUF millions

	9M 2001	9M 2002	Change
Merkantil Bank Ltd.	1,634	1,723	5.5%
Merkantil-Car Ltd.	298	476	59.7%
Merkantil Bérlet Ltd.	182	9	-95.1%
OTP Building Society Ltd.	1,399	1,378	-1.5%
OTP Mortgage Bank Ltd.	---	361	---
OTP Banka Slovensko a. s.	---	-193	---
OTP-Garancia Insurance Ltd.	911	1,223	34.3%
OTP Fund Management Ltd.	1,635	2,547	55.8%
OTP Securities Ltd.	-56	14	125.0%
HIF Ltd.	159	179	12.6%
OTP Real Estate Ltd.	698	715	2.4%
OTP Factoring Management Ltd.	244	98	-59.8%
OTP Factoring Ltd.	505	651	28.9%
Bank Center No. I. Ltd.	-147	818	656.5%
OTP Fund Servicing and Consulting Ltd.	---	32	---
Other subsidiaries	76	90	18.4%
Subsidiaries total	**7,538**	**10,121**	**34.3%**

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

Merkantil Bank Ltd. closed the 1st three quarters of 2002 with total assets of HUF59.1 billion. Its pre tax profit amounted to HUF1,723 million representing an 81% fulfillment of the annual plan. During the first 3 quarters of 2002, the Bank's interest margin was 11.7% based on average assets of HUF58.8 billion.

In ***Merkantil Bank Ltd.'s*** assets, car financing and dealer financing had a 75.1% and a 9.7% share, respectively. Car financing amounted to HUF44.39 billion on September 30, 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 35,996 in the first 3 quarters of 2002. In the new financing deals, the share of foreign currency based financial leasing was 16.8%, and the share of loans based on foreign exchange was 51.0%.

Total assets of ***Merkantil Car*** were HUF56.1 billion, which is 64.3% higher than at the end of 2001. At the end of 3Q2002, the net volume of car-leasing and loans exceeded HUF48.9 billion, 69% or HUF20.0 billion higher compared to the last year. The volume of capital goods leasing business was 80.7% higher than a year ago, reaching HUF5.2 billion. Shareholders' equity rose to HUF978 million by 32%. In 3Q2002, the company reached a HUF476.2 million pre-tax profit.

In the 1st three quarters of 2002, ***OTP Building Society*** concluded 55,929 contracts in cooperation with agent firms and the branches of OTP Bank in the value of HUF43,476 million. These figures considerably exceeded the planned data for the period. The volume of customer deposits was over HUF42.5 billion on 30 September 2002. In November 2001 the withdrawal of the customer deposits and the disbursement of loans have started. In the first 9 months of the year customers withdrew HUF22.80 billion and took HUF6.77 billion loan. The company closed the first three quarters of 2002 with HUF1,378 million pre-tax profits exceeding the proportional profit for the period.

OTP Mortgage Bank started its operation in February 2002 as a specialized lending institution. Its business target is to purchase high quality housing loans from the Bank and finance it with the issuance of mortgage bonds. Until the end of September 2002, the Mortgage Bank took over 9,748 contracts in an amount of HUF33.9 billion from the Bank, of which HUF23.1 billion was classified as ordinary security. Meanwhile the face value of the Bank's issued mortgage bonds was HUF31.1 billion. On 30 September 2002 the Mortgage Bank's total assets were HUF44.0 billion and its pre-tax profit reached HUF361 million.

The latest member of the OTP Group, from 4 April 2002, is the Bratislava-based ***OTP Banka Slovensko a.s.*** appearing with a new image. The Bank's main purpose is to increase the selling of its retail and corporate deposit products. After the appearing of the strategic investor, dynamic changes took place in the business operations of the company - the most significant project is the transforming of the retail banking services. In August 2002, OBS changed its organization structure and as a result 52 branches and new products are at the customers' service.

In the third quarter of 2002, the Bank realized HUF7,075 million interest income and HUF4,870 million interest expenses resulting in a HUF2,206 million net interest income. The Bank's calculated interest margin showed a slight increase totaling at an annualized 4.23%. In 3Q of 2002, the Bank increased its loan portfolio by 2.5% in the retail and by 52% in corporate sector. On the deposit side, it achieved sizeable growth in the previous 3 months in retail deposits (22.3%), corporate deposits (12.9%) and municipal deposits (21%). The market share of the Bank rose to 1.7% in deposit and to 4.5% in loan market. Its pre tax profit equals to HUF193 million loss.

OBS's balance sheet total as of 30 September 2002 was HUF120.1 billion including customer receivables of HUF72.8 billion representing 60.7% of the balance sheet total.

OTP Garancia Insurance reached HUF1,223 million pre tax profit in the first 3 quarters of 2002. In contrast with a HUF28.6 billion premium income in the corresponding period of last year, the insurance company realized HUF40.6 billion in the 1st 3 quarters. As the result of the 41.6% growth (double of the growth rate of the market), its market share reached 11%. The premium income in life and bank assurance business reached HUF21.0 billion (14.2% market share), in non-life business HUF19.6 billion (8.9% market share). In spite of the fact that the single-payment life and unit-linked insurance sold through the Bank's network slowed down in the 3rd quarter, the market share of OTP Garancia exceeds the 50% in this market segment. On the field of annuity-payment life insurance, the position of the insurance company improved as well, due to the accelerating branch network selling, its market share grew to 4.6% in the quarter.

In the 1st 3 quarters of 2002, total insurance expenses amounted to HUF40.2 billion in which damages and services was HUF17.1 billion. Thus, the damage to premium ratio in the non life insurance business reached 57.6%. Insurance technical reserves increased by 41.8% from HUF45.9 to HUF60.0 in accordance with the long term strategic and business policy goals of the company. Total assets of the company increased by 44.8% compared to the corresponding period of last year (from HUF53.9 to HUF78.0 billion). Shareholders' equity increased from HUF5.6 billion in the 3Q 2001 to HUF8.1 billion, which includes the effect of the capital increase during 1Q 2002.

At ***OTP Securities*** – according to the strategic concept of OTP Group – rationalization of capital market services continued in 2002. The migration of investment services of OTP securities to the mother bank was finished at the beginning of 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. The operation of the company on the Budapest Commodity Exchange also expired; the membership was sold to MKB Ltd. in the frame of exchange auction.

In the 1st three quarters of 2002, the result of investment services totaled HUF314 million negative result with HUF458 million income and HUF144 million expenditures.

In spite of the restructuring process, OTP Securities closed the 1st three quarters with an outstanding achievement of a HUF14 million profit.

The profit of ***OTP Fund Management*** rises stably year by year. The pre-tax profits of the company for the 1st three quarters of 2002 reached HUF2,547 million, which is 55.7% higher than in the corresponding period of 2001. By the end of September 2002, the assets managed by the company increased from HUF367.3 billion at the end of 2001 to HUF452.7 billion. The market share of the company exceeded the 53.7%. The assets of the managed pension funds grew from HUF101.7 billion at 31 December 2001 to HUF127.9 billion by the end of 3Q 2002.

In the 1st 3 quarters of 2002, the operation of the London-based ***Hungarian International Finance Ltd.*** corresponded, in most respect, with its business plan. Shareholder's equity reached HUF1,880 million (GBP 4.86 million) at the end of the first 3 quarters of 2002. Pre-tax profit of the company totaled HUF179 million (GBP 457 thousand).

The Central and Eastern European market remained the main region of the company's business strategy, constituting more than 73.63% of total assets, commitments and guarantees. Transaction-value in the markets of Central-East and North Africa represented 16.56%. Central and South America represented 1.97% of receivables, which was affected also by the local financial crisis. The cooperation with the mother company is constantly good.

In the 1st three quarters of 2002, net sales of ***OTP Real Estate*** totaled HUF7.44 billion. Its pre-tax profit reached HUF715 million. The company's total assets were HUF15.7 billion. Current assets amounted to HUF14.0 billion of which inventories represented HUF8.9 billion. Inventories were financed partly from own sources, partly from customer payments in advance and short-term loans.

In the 1st three quarters of 2002, ***OTP Factoring*** concluded contracts in gross value of HUF14.3 billion, of which the value of claims purchased from OTP Bank totaled HUF11.1 billion. The gross income exceeded HUF3.4 billion in the first 9 months of 2002. HUF1.8 billion from the total income covered the return on purchase prices (scored price) and the net factoring income reached HUF1,638 million. Due to this, the first three quarter pre tax profit of the company was HUF651 million.

PERSONNEL AND ORGANIZATIONAL CHANGES DURING THE THIRD QUARTER OF 2002 AT OTP BANK LTD

During the 3rd quarter of 2002, the Top Management, the Auditor, the Supervisory Board and the Board of Directors of the Bank did not change.

Budapest, 14 November 2002

FINANCIAL DATA

FIRST 9 MONTHS 2002 SELECTED NON-CONSOLIDATED FINANCIAL DATA (HUF MILLIONS)

	First 9 months of 2001	First 9 months of 2002	Change (%) 2002/2001
Interest from interbank accounts	35,870	26,265	-26.8
Interest from customer accounts	31,080	38,220	23.0
Interest from corporate accounts	31,467	34,417	9.4
Interest from municipal accounts	4,290	4,295	0.1
Interest from bonds	38,214	31,978	-16.3
Interest from mandatory reserves	3,287	3,611	9.9
Total interest income	*144,208*	*138,786*	*-3.8*
Interest on interbank accounts	2,395	2,581	7.8
Interest on customer accounts	56,481	48,594	-14.0
Interest on corporate accounts	6,223	6,656	7.0
Interest on municipal accounts	4,341	4,095	-5.7
Interest on bonds	1,185	560	-52.7
Interest on long term debt	1,141	735	-35.6
Total interest expense	*71,766*	*63,221*	*-11.9*
Net interest income	**72,442**	**75,565**	**4.3**
Fees & commissions income	33,089	43,723	32.1
Fees & commissions paid	4,655	4,908	5.4
Net fees & commissions	28,434	38,815	36.5
Gains (losses) on securities trading	-1,859	98	-105.3
Gains (losses) on forex trading	2,733	2,309	-15.5
Gains (losses) on property transactions	-90	-24	-73.3
Other	1,227	2,696	119.7
Non interest income	**30,445**	**43,894**	**44.2**
Share of non interest income in total income	*29.59%*	*36.74%*	*7.2*
Total income	**102,887**	**119,459**	**16.1**
Staff costs	22,043	25,856	17.3
Depreciation	8,161	8,157	0.0
Other operating expenses	30,398	33,667	10.8
Operating costs	**60,602**	**67,680**	**11.7**
Cost/Income ratio %	*58.90%*	*56.66%*	*-2.2*
Operating income	**42,285**	**51,779**	**22.5**
Diminution in value, provisions and loan losses	7,430	9,527	28.2
Income before income taxes	**34,855**	**42,252**	**21.2**
Taxes	6,410	7,638	19.2
Tax rate %	18.39%	18.08%	-0.3
After tax profits	**28,445**	**34,614**	**21.7**

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

FIRST 9 MONTHS 2002 SELECTED NON-CONSOLIDATED FINANCIAL DATA (USD '000S)

	First 9 months of 2001	First 9 months of 2002	Change (%) 2002/2001
Interest from interbank accounts	124,152	99,322	-20.0
Interest from customer accounts	107,574	144,533	34.4
Interest from corporate accounts	108,913	130,151	19.5
Interest from municipal accounts	14,845	16,243	9.4
Interest from bonds	132,266	120,927	-8.6
Interest from mandatory reserves	11,378	13,654	20.0
Total interest income	*499,128*	*524,830*	*5.1*
Interest on interbank accounts	8,290	9,760	17.7
Interest on customer accounts	195,490	183,761	-6.0
Interest on corporate accounts	21,540	25,171	16.9
Interest on municipal accounts	15,023	15,483	3.1
Interest on bonds	4,102	2,118	-48.4
Interest on long term debt	3,950	2,781	-29.6
Total interest expense	*248,395*	*239,074*	*-3.8*
Net interest income	**250,733**	**285,756**	**14.0**
Fees & commissions income	114,530	165,342	44.4
Fees & commissions paid	16,112	18,560	15.2
Net fees & commissions	98,418	146,782	49.1
Gains (losses) on securities trading	-6,439	371	-105.8
Gains (losses) on forex trading	9,463	8,725	-7.8
Gains (losses) on property transactions	-308	-89	-71.1
Other	4,244	10,200	140.3
Non interest income	**105,378**	**165,989**	**57.5**
Ratio of non interest income	*29.6%*	*36.7%*	*24.2*
Total income	**356,111**	**451,745**	**26.9**
Staff costs	76,294	97,777	9.2
Depreciation	28,245	30,849	9.2
Other operating expenses	105,216	127,311	21.0
Operating costs	**209,755**	**255,937**	**22.0**
Cost/Income ratio %	*58.9%*	*56.7%*	*-3.8*
Operating income	**146,356**	**195,808**	**33.8**
Diminution in value, provisions and loan losses	25,717	36,030	40.1
Income before Income taxes	**120,639**	**159,778**	**32.4**
Taxes	22,187	28,883	30.2
Tax rate %	18.4%	18.1%	-1.7
After tax profits	**98,452**	**130,895**	**33.0**

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is. 289.92 HUF/USD for 9M 2001, 264.44HUF/USD for 9M 2002.

FIRST 9 MONTHS 2002 SELECTED CONSOLIDATED FINANCIAL DATA (HUF MILLIONS)

	First 9 months of 2001	First 9 months of 2002	Change (%)
Interest from interbank accounts	35,664	26,990	-24.3
Interest from customer accounts	37,064	46,935	26.6
Interest from corporate accounts	34,924	43,206	23.7
Interest from municipal accounts	4,289	4,346	1.3
Interest from bonds	41,577	36,175	-13.0
Interest from mandatory reserves	3,402	3,775	11.0
Total interest income	*156,920*	*161,427*	*2.9*
Interest to interbank accounts	2,747	5,006	82.3
Interest on customer accounts	57,400	51,514	-10.3
Interest on corporate accounts	6,330	7,778	22.9
Interest on municipal accounts	4,340	4,150	-4.4
Interest on bonds	3,514	2,839	-19.2
Interest on subordinated loan	1,141	735	-35.6
Total interest expense	*75,472*	*72,022*	*-4.6*
Net interest income	**81,448**	**89,405**	**9.8**
Fees & commissions income	35,195	45,246	28.6
Fees & commissions paid	6,862	8,577	25.0
Net fees & commissions	28,333	36,669	29.4
Securities trading	-2,286	-27	-98.8
Forex trading	2,855	2,366	-17.1
Losses on property transactions	1,617	564	-65.1
Insurance fee income	28,154	39,972	42.0
Other	5,388	8,574	59.1
Non interest income	**64,061**	**88,118**	**37.6**
Ratio of non interest income	*44.0%*	*49.6%*	*12.7*
Total income	**145,509**	**177,523**	**22.0**
Staff costs	28,130	34,849	23.9
Depreciation	10,553	11,836	12.2
Insurance costs	20,842	30,096	44.4
Other costs	35,340	42,633	20.6
Operating costs	**94,865**	**119,414**	**25.9**
Cost/income ratio	*65.2%*	*67.3%*	*3.2*
Operating income/Profit	**50,644**	**58,109**	**14.7**
Diminution in value, provisions and loan losses	8,962	8,305	-7.3
Pre-tax profit	**41,682**	**49,804**	**19.5**
Taxes	7,710	9,676	25.5
Taxes due to consolidation	-180	-154	-14.2
Tax rate %	18.1%	19.1%	5.5
After tax profits	**34,152**	**40,282**	**17.9**

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

FIRST 9 MONTHS 2002 SELECTED CONSOLIDATED FINANCIAL DATA (USD '000S)

	First 9 months of 2001	First 9 months of 2002	Change (%) 2002/2001
Interest from interbank accounts	123,440	102,065	-17.3
Interest from customer accounts	128,284	177,488	38.4
Interest from corporate accounts	120,878	163,389	35.2
Interest from municipal accounts	14,845	16,434	10.7
Interest from bonds	143,903	136,797	-4.9
Interest from mandatory reserves	11,775	14,273	21.2
Total interest income	*543,125*	*610,446*	*12.4*
Interest to interbank accounts	9,507	18,932	99.1
Interest on customer accounts	198,670	194,805	-1.9
Interest on corporate accounts	21,908	29,414	34.3
Interest on municipal accounts	15,023	15,692	4.5
Interest on bonds	12,162	10,734	-11.7
Interest on subordinated loan	3,950	2,781	-29.6
Total interest expense	*261,220*	*272,358*	*4.3*
Net interest income	**281,905**	**338,088**	**19.9**
Fees & commissions income	121,815	171,102	40.5
Fees & commissions paid	23,748	32,436	36.6
Net fees & commissions	98,067	138,666	41.4
Securities trading	-7,910	-102	-98.7
Forex trading	9,881	8,950	-9.4
Losses on property transactions	5,596	2,133	-61.9
Insurance fee income	97,445	151,158	55.1
Other	18,648	32,421	73.9
Non interest income	**221,727**	**333,226**	**50.3**
Ratio of non interest income	*44.0%*	*49.6%*	*12.7*
Total income	**503,632**	**671,314**	**33.3**
Staff costs	97,361	131,785	35.4
Depreciation	36,527	44,757	22.5
Insurance expenses	72,137	113,809	57.8
Other costs	122,319	161,220	31.8
Operating costs	**328,344**	**451,571**	**37.5**
Cost/income ratio	*65.2%*	*67.3%*	*3.2*
Operating income/Profit	**175,288**	**219,743**	**25.4**
Diminution in value, provisions and loan losses	31,020	31,405	1.2
Pre-tax profit	**144,268**	**188,338**	**30.5**
Taxes	26,685	36,592	37.1
Taxes due to consolidation	-623	-584	-6.3
Tax rate %	18.1%	19.1%	5.5
Net income	**118,206**	**152,330**	**28.9**

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PK3. Balance Sheet

BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at 30 September 2002

in HUF million

ASSETS:	30-Sep-2001 OTP Bank	30-Sep-2002 OTP Bank	Change (%)	30-Sep-2001 Consolidated	30-Sep-2002 Consolidated	Change (%)
1. Cash in hand, balances with central banks	**406,089**	**255,724**	**-37.0%**	**409,120**	**261,848**	**-36.0%**
2. Treasury bills	**456,074**	**432,625**	**-5.1%**	**550,840**	**556,067**	**0.9%**
a) held for trade	55,613	38,244	-31.2%	106,667	99,797	-6.4%
b) held as financial fixed assets (for long term investment)	400,461	394,381	-1.5%	444,173	456,270	2.7%
3. Loans and advances to credit institutions	**262,976**	**289,741**	**10.2%**	**262,078**	**308,584**	**17.7%**
a) repayable on demand	1,656	3,239	95.6%	1,658	3,242	95.5%
b) other receivables from financial services	261,320	286,502	9.6%	260,420	305,342	17.2%
ba) maturity not more than one year	239,047	270,293	13.1%	238,447	289,200	21.3%
bb) maturity more than one year	22,273	16,209	-27.2%	21,973	16,142	-26.5%
c) receivables from investment services						
4. Loans and advances to customers	**717,414**	**1,040,597**	**45.0%**	**769,889**	**1,203,534**	**56.3%**
a) receivables from financial services	717,104	1,039,286	44.9%	768,433	1,202,225	56.5%
aa) maturity not more than one year	337,341	387,627	14.9%	323,532	367,287	13.5%
ab) maturity more than one year	379,763	651,659	71.6%	444,901	834,938	87.7%
b) receivables from investment services	310	1,311		1,456	1,309	-10.1%
5. Debt securities including fixed-income securities	**17,790**	**46,818**	**163.2%**	**18,488**	**18,787**	**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%
b) securities issued by other bodies	17,790	46,818	163.2%	18,488	18,787	1.6%
ba) held for trade	0	4,687		2	4,736	236,700%
bb) held as financial fixed assets (for long term investment)	17,790	42,131	136.8%	18,486	14,051	-24.0%
6. Shares and other variable-yield securities	**1,420**	**1,693**	**19.2%**	**4,646**	**6,440**	**38.6%**
a) shares and participations for trade		92		84	150	78.6%
b) other variable-yield securities	1,420	1,601	12.7%	4,562	6,290	37.9%
ba) held for trade				3,062	4,689	53.1%
bb) held as financial fixed assets (for long term investment)	1,420	1,601	12.7%	1,500	1,601	6.7%
7. Shares and participating interest as financial fixed assets	**6,129**	**630**	**-89.7%**	**9,897**	**5,083**	**-48.6%**
a) shares and participating interest as financial fixed assets	6,129	630	-89.7%	9,897	5,083	-48.6%
b) revaluation surplus on shares and participating interests		1			1	
8. Shares and participating interest in affiliated undertakings	**25,810**	**40,399**	**56.5%**	**1,980**	**5,037**	**154.4%**
a) shares and participating interest in affiliated undertakings	25,810	40,399	56.5%	1,850	4,958	168.0%
b) revaluation surplus on shares and participating interests						
c) capital consolidation difference		0	0.0%	130	79	-39.2%
9. Intangible assets	**10,242**	**12,679**	**23.8%**	**12,081**	**15,132**	**25.3%**
10. Tangible assets	**41,377**	**45,832**	**10.8%**	**55,520**	**70,839**	**27.6%**
a) tangible assets for financial and investment services	38,173	42,913	12.4%	43,770	56,564	29.2%
b) tangible assets not for directly financial and investment services	3,204	2,919	-8.9%	11,750	14,275	21.5%
c) revaluation surplus on tangible assets						
11. Own shares	**18,988**	**19,219**	**1.2%**	**28,186**	**29,802**	**5.7%**
12. Other assets	**26,678**	**35,336**	**32.5%**	**48,916**	**46,688**	**-4.6%**
a) stocks (inventories)	2,237	1,639	-26.7%	10,688	11,227	5.0%
b) other receivables (not from financial and investment securities)	24,441	33,697	37.9%	38,228	35,461	-7.2%
13. Prepayments and accrued income	**32,910**	**36,433**	**10.7%**	**36,574**	**40,853**	**11.7%**
TOTAL ASSETS	***2,023,897***	***2,257,726***	***11.6%***	***2,208,215***	***2,568,694***	***16.3%***
From this:						
-CURENT ASSETS	*1,085,722*	*1,015,772*	*-6.4%*	*1,161,130*	*1,108,748*	*-4.5%*
- FIXED ASSETS	*905,265*	*1,205,521*	*33.2%*	*1,010,511*	*1,419,093*	*40.4%*

in HUF million

LIABILITIES	30-Sep-2001 OTP Bank	30-Sep-2002 OTP Bank	Change (%)	30-Sep-2001 Consolidated	30-Sep-2002 Consolidated	Change (%)
1. Liabilities to credit institutions	**29,557**	**35,938**	**21.6%**	**35,461**	**80,796**	**127.8%**
a) repayable on demand	3,787	6,257	65.2%	3,787	6,269	65.5%
b) liabilities from financial services with maturity dates or periods of notice	25,770	29,681	15.2%	31,674	74,527	135.3%
ba) not more than one year	8,765	18,938	116.1%	10,159	43,313	326.4%
bb) more than one year	17,005	10,743	-36.8%	21,515	31,214	45.1%
c) liabilities from investment services						
2. Liabilities to customers	**1,661,619**	**1,838,142**	**10.6%**	**1,745,888**	**1,983,380**	**13.6%**
a) saving deposits	345,862	333,112	-3.7%	345,862	338,434	-2.1%
aa) repayable on demand	41,642	41,187	-1.1%	41,642	42,581	2.3%
ab) maturity not more than one year	295,023	291,925	-1.1%	295,023	295,621	0.2%
ac) maturity more than one year	9,197		-100.0%	9,197	232	-97.5%
b) other liabilities from financial services	1,310,823	1,504,508	14.8%	1,394,315	1,644,424	17.9%
ba) repayable on demand	493,714	586,067	18.7%	493,260	602,031	22.1%
bb) maturity not more than one year	808,074	912,997	13.0%	813,883	958,450	17.8%
bc) maturity more than one year	9,035	5,444	-39.7%	87,172	83,943	-3.7%
c) liabilities from investment services	4,934	522	-89.4%	5,711	522	-90.9%
3. Liabilities from issued debt securities	**75,408**	**63,044**	**-16.4%**	**75,408**	**63,824**	**-15.4%**
a) issued bond	1	2,015	201,400.0%	1	2,015	201,400%
aa) maturity not more than one year						
ab) maturity more than one year	1	2,015	201,400.0%	1	2,015	201,400%
b) issued other debt securities	638	360	-43.6%	638	1,140	78.7%
ba) maturity not more than one year	600	360	-40.0%	600	360	-40.0%
bb) maturity more than one year	38		-100.0%	38	780	1,952.6%
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	70,008	57,516	-17.8%	70,008	57,516	-17.8%
cb) maturity more than one year	4,761	3,153	-33.8%	4,761	3,153	-33.8%
4. Other liabilities	**34,343**	**61,132**	**78.0%**	**51,004**	**68,346**	**34.0%**
a) maturity not more than one year	34,343	61,132	78.0%	50,251	67,644	34.6%
b) maturity more than one year				72	48	-33.3%
c) (Calculated) Corporate tax difference due to consolidation				681	654	-4.0%
5. Accruals and deferred income	**41,150**	**39,209**	**-4.7%**	**48,309**	**47,085**	**-2.5%**
6. Provisions	**13,734**	**18,644**	**35.8%**	**62,329**	**91,521**	**46.8%**
a) provisions for pensions and similar obligations						
b) risk provision for off-balance sheet items (for pending and future liabilities)	2,115	2,763	30.6%	2,586	3,371	30.4%
c) general risk provision	10,680	14,164	32.6%	11,292	16,412	45.3%
d) other provision	939	1,717	82.9%	48,451	71,738	48.1%
7. Subordinated liabilities	**17,542**	**16,294**	**-7.1%**	**17,976**	**18,778**	**4.5%**
a) subordinated loan capital	17,542	16,294	-7.1%	17,542	16,294	-7.1%
aa) equity consolidation difference		0	0.0%	434	2,484	472.4%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives				434	2,484	472.4%
c) other subordinated liabilities						
8. Subscribed capital	**28,000**	**28,000**	**0.0%**	**28,000**	**28,000**	**0.0%**
From this: repurchased own shares at face value	1,807	1,649	-8.7%	2,522	2,428	-3.7%
9. Subscribed but unpaid capital (-)						
10. Capital reserves	**52**	**52**	**0.0%**	**52**	**52**	**0.0%**
a) premium (from share issue)						
b) other	52	52	0.0%	52	52	0.0%
11. General reserves	**28,454**	**32,911**	**15.7%**	**28,454**	**32,911**	**15.7%**
12. Retained earnings (accumulated profit reserve) (+)	**54,852**	**81,795**	**49.1%**	**56,274**	**83,765**	**48.9%**
13. Legal reserves	**18,988**	**19,219**	**1.2%**	**18,988**	**19,219**	**1.2%**
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (+)	**20,198**	**23,346**	**15.6%**	**25,796**	**28,960**	**12.3%**
16. Subsidiaries' equity increases/decreases (+-)*				**11,210**	**19,011**	**69.6%**
17. Increases/decreases due to consolidation (+-)				**3,066**	**2,770**	**-9.7%**
- from debt consolidation difference				4,753	4,687	-1.4%
- from intermediate result difference				-1,687	-1,917	13.6%
18. Participation of outside members (other owners)					**276**	
19 .Difference from exchange rate						
TOTAL LIABILITIES	***2,023,897***	***2,257,726***	***11.6%***	***2,208,215***	***2,568,694***	***16.3%***
From this:						

PK3. Balance Sheet

BALANCE SHEET

(unconsolidated and consolidated, based on HAR) as at 30 June 2002

in '000 USD

ASSETS:	30-Sep-2001 OTP Bank	30-Sep-2002 OTP Bank	Change (%)	30-Sep-2001 Consolidated	30-Sep-2002 Consolidated	Change (%)
1. Cash in hand, balances with central banks	**1,443,669**	**1,033,812**	**-28.4%**	**1,454,443**	**1,058,571**	**-27.2%**
2. Treasury bills	**1,621,367**	**1,748,971**	**7.9%**	**1,958,264**	**2,248,008**	**14.8%**
a) held for trade	197,708	154,608	-21.8%	379,206	403,450	6.4%
b) held as financial fixed assets (for long term investment)	1,423,659	1,594,363	12.0%	1,579,058	1,844,558	16.8%
3. Loans and advances to credit institutions	**934,892**	**1,171,333**	**25.3%**	**931,700**	**1,247,507**	**33.9%**
a) repayable on demand	5,885	13,095	122.5%	5,893	13,104	122.4%
b) other receivables from financial services	929,007	1,158,238	24.7%	925,807	1,234,403	33.3%
ba) maturity not more than one year	849,825	1,092,710	28.6%	847,691	1,169,147	37.9%
bb) maturity more than one year	79,182	65,528	-17.2%	78,116	65,256	-16.5%
c) receivables from investment services						
4. Loans and advances to customers	**2,550,443**	**4,206,812**	**64.9%**	**2,736,996**	**4,865,515**	**77.8%**
a) receivables from financial services	2,549,341	4,201,511	64.8%	2,731,818	4,860,222	77.9%
aa) maturity not more than one year	1,199,263	1,567,055	30.7%	1,150,171	1,484,825	29.1%
ab) maturity more than one year	1,350,078	2,634,456	95.1%	1,581,647	3,375,397	113.4%
b) receivables from investment services	1,102	5,301	381.0%	5,178	5,293	2.2%
5. Debt securities including fixed-income securities	**63,244**	**189,269**	**199.3%**	**65,726**	**75,953**	**16%**
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%
b) securities issued by other bodies	63,244	189,269	199.3%	65,726	75,953	15.6%
ba) held for trade	0	18,948		9	19,146	212,633%
bb) held as financial fixed assets (for long term investment)	63,244	170,321	169.3%	65,717	56,807	-13.6%
6. Shares and other variable-yield securities	**5,047**	**6,844**	**35.6%**	**16,517**	**26,035**	**57.6%**
a) shares and participations for trade		373		298	607	103.7%
b) other variable-yield securities	5,047	6,471	28.2%	16,219	25,428	56.8%
ba) held for trade				10,886	18,957	74.1%
bb) held as financial fixed assets (for long term investment)	5,047	6,471	28.2%	5,333	6,471	21.3%
7. Shares and participating interest as financial fixed assets	**21,789**	**2,545**	-88.3%	**35,186**	**20,548**	**-41.6%**
a) shares and participating interest as financial fixed assets	21,789	2,545	-88.3%	35,186	20,548	-41.6%
b) revaluation surplus on shares and participating interests						
8. Shares and participating interest in affiliated undertakings	**91,757**	**163,320**	78.0%	**7,039**	**20,365**	**189.3%**
a) shares and participating interest in affiliated undertakings	91,757	163,320	78.0%	6,575	20,045	204.9%
b) revaluation surplus on shares and participating interests						
c) capital consolidation difference				464	320	-31.0%
9. Intangible assets	**36,411**	**51,259**	40.8%	**42,948**	**61,174**	**42.4%**
10. Tangible assets	**147,097**	**185,287**	**26.0%**	**197,375**	**286,380**	**45.1%**
a) tangible assets for financial and investment services	135,705	173,484	27.8%	155,606	228,669	47.0%
b) tangible assets not for directly financial and investment services	11,392	11,803	3.6%	41,769	57,711	38.2%
c) revaluation surplus on tangible assets						
11. Own shares	**67,502**	**77,697**	**15.1%**	**100,201**	**120,479**	**20.2%**
12. Other assets	**94,840**	**142,852**	**50.6%**	**173,898**	**188,744**	**8.5%**
a) stocks (inventories)	7,952	6,627	-16.7%	37,996	45,388	19.5%
b) other receivables (not from financial and investment securities)	86,888	136,225	56.8%	135,902	143,356	5.5%
13. Prepayments and accrued income	**116,998**	**147,288**	**25.9%**	**130,021**	**165,156**	**27.0%**
TOTAL ASSETS	***7,195,056***	***9,127,289***	**26.9%**	***7,850,314***	***10,384,435***	***32.3%***
From this:						
-CURENT ASSETS	*3,859,794*	*4,106,451*	*6.4%*	*4,127,874*	*4,482,323*	*8.6%*
- FIXED ASSETS	*3,218,264*	*4,873,550*	*51.4%*	*3,592,419*	*5,736,956*	*59.7%*

in '000 USD

LIABILITIES	30-Sep-2001 OTP Bank	30-Sep-2002 OTP Bank	Change (%)	30-Sep-2001 Consolidated	30-Sep-2002 Consolidated	Change (%)
1. Liabilities to credit institutions	**105,076**	**145,285**	**38.3%**	**126,066**	**326,634**	**159.1%**
a) repayable on demand	13,463	25,293	87.9%	13,464	25,346	88.3%
b) liabilities from financial services with maturity dates or periods of notice	91,613	119,992	31.0%	112,602	301,288	167.6%
ba) not more than one year	31,161	76,560	145.7%	36,115	175,100	384.8%
bb) more than one year	60,452	43,432	-28.2%	76,487	126,188	65.0%
c) liabilities from investment services						
2. Liabilities to customers	**5,907,140**	**7,431,040**	**25.8%**	**6,206,719**	**8,018,191**	**29.2%**
a) saving deposits	1,229,556	1,346,669	9.5%	1,229,556	1,368,183	11.3%
aa) repayable on demand	148,039	166,505	12.5%	148,039	172,143	16.3%
ab) maturity not more than one year	1,048,821	1,180,164	12.5%	1,048,821	1,195,103	13.9%
ac) maturity more than one year	32,696		-100.0%	32,696	937	-97.1%
b) other liabilities from financial services	4,660,042	6,082,261	30.5%	4,956,861	6,647,895	34.1%
ba) repayable on demand	1,755,177	2,369,287	35.0%	1,753,563	2,433,825	38.8%
bb) maturity not more than one year	2,872,743	3,690,964	28.5%	2,893,394	3,874,715	33.9%
bc) maturity more than one year	32,122	22,010	-31.5%	309,904	339,355	9.5%
c) liabilities from investment services	17,542	2,110	-88.0%	20,302	2,113	-89.6%
3. Liabilities from issued debt securities	**268,078**	**254,867**	**-4.9%**	**268,078**	**258,019**	**-3.8%**
a) issued bond	3	8,147	271,467%	3	8,147	271,467%
aa) maturity not more than one year						
ab) maturity more than one year	3	8,147	271,467%	3	8,147	271,467%
b) issued other debt securities	2,269	1,455	-35.9%	2,269	4,607	103.0%
ba) maturity not more than one year	2,135	1,455	-31.9%	2,135	1,455	-31.9%
bb) maturity more than one year	134		-100.0%	134	3,152	2,252.2%
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	248,882	232,519	-6.6%	248,882	232,519	-6.6%
cb) maturity more than one year	16,924	12,746	-24.7%	16,924	12,746	-24.7%
4. Other liabilities	**122,091**	**247,139**	**102.4%**	**181,320**	**276,303**	**52.4%**
a) maturity not more than one year	122,091	247,139	102.4%	178,643	273,463	53.1%
b) maturity more than one year				256	194	-24.2%
c) (Calculated) Corporate tax difference due to consolidation				2,421	2,646	9.3%
5. Accruals and deferred income	**146,291**	**158,510**	**8.4%**	**171,742**	**190,348**	**10.8%**
6. Provisions	**48,824**	**75,371**	**54.4%**	**221,583**	**369,990**	**67.0%**
a) provisions for pensions and similar obligations						
b) risk provision for off-balance sheet items (for pending and future liabilities)	7,518	11,168	48.6%	9,193	13,628	48.2%
c) general risk provision	37,966	57,261	50.8%	40,143	66,348	65.3%
d) other provision	3,340	6,942	107.8%	172,247	290,014	68.4%
7. Subordinated liabilities	**62,364**	**65,873**	**5.6%**	**63,907**	**75,915**	**18.8%**
a) subordinated loan capital	62,364	65,873	5.6%	62,365	65,873	5.6%
aa) equity consolidation difference		0	0.0%	1,542	10,042	551.2%
b) pecuniary contribution of members at credit institutions operating as credit cooperatives				1,542	10,042	551.2%
c) other subordinated liabilities						
8. Subscribed capital	**277,148**	**277,148**	**0.0%**	**277,148**	**277,148**	**0.0%**
From this: repurchased own shares at face value	17,883	16,327	-8.7%	24,959	24,032	-3.7%
9. Subscribed but unpaid capital (-)						
10. Capital reserves	**373**	**373**	**0.0%**	**373**	**373**	**0.0%**
a) premium (from share issue)						
b) other	373	373	0.0%	373	373	0.0%
11. General reserves	**194,984**	**211,617**	**8.5%**	**194,984**	**211,617**	**8.5%**
12. Retained earnings (accumulated profit reserve) (+)	**180,584**	**346,369**	**91.8%**	**270,609**	**365,973**	**35.2%**
13. Legal reserves	**67,502**	**77,697**	**15.1%**	**67,502**	**77,697**	**15.1%**
14. Revaluation reserve						
15. Profit or loss for the financial year according to the balance sheet (+)	**69,908**	**88,285**	**26.3%**	**89,284**	**109,514**	**22.7%**
16. Subsidiaries' equity increases/decreases (+-)*				**43,325**	**70,538**	**62.8%**
17. Increases/decreases due to consolidation (+-)				**15,228**	**14,519**	**-4.7%**
- from debt consolidation difference				26,337	26,105	-0.9%
- from intermediate result difference				-11,109	-11,586	4.3%
18. Participation of outside members (other owners)					**1,043**	
19 .Difference from exchange rate	**-255,307**	**-252,285**	**-1.2%**	**-347,554**	**-259,387**	**-25.4%**
TOTAL LIABILITIES	***7,195,056***	***9,127,289***	**26.9%**	***7,850,314***	***10,384,435***	***32.3%***
From this:						

The US Dollar amounts are solely for convenience of readers outside Hungary. The rate used for USD amounts is 247.36 HUF/USD for 30 September 2002 and 281.29 HUF/USD for 30 September 2001.

PK4. Profit and Loss Statement

PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the 9 months ended 30 September 2002

in HUF million

		9M 2001	9M 2002	Change	9M 2001	9M 2002	Change
		OTP Bank		%	Consolidated		%
1.	*Interest received and interest-type income*	*144,208*	*138,786*	*-3.8%*	*156,920*	*161,427*	*2.9%*
	a) interest received on securities with fixed-interest signifying a creditor relationship	38,214	31,978	-16.3%	41,577	36,175	-13.0%
	b) other interest received and interest-type income	105,994	106,808	0.8%	115,343	125,252	8.6%
2.	*Interest paid and interest-type expenses*	*71,766*	*63,221*	*-11.9%*	*75,472*	*72,022*	*-4.6%*
	Interest difference (1-2)	**72,442**	**75,565**	**4.3%**	**81,448**	**89,405**	**9.8%**
3.	*Incomes from securities*	*125*	*328*	*162.4%*	*482*	*416*	*-13.7%*
4.	*Fees and Commission received*	*32,664*	*42,922*	*31.4%*	*31,759*	*40,478*	*27.5%*
	a) revenues from other financial services	29,878	39,157	31.1%	29,660	39,499	33.2%
	b) revenues from investment services (except incomes from trading activities)	2,786	3,765	35.1%	2,099	979	-53.4%
5.	*Fees and Commission paid*	*4,655*	*4,908*	*5.4%*	*5,589*	*6,944*	*24.2%*
	a) expenses on other financial services	4,509	4,716	4.6%	5,264	6,756	28.3%
	b) expenses on investment services (except expenses from trading activities)	146	192	31.5%	325	188	-42.2%
6.	*Profit or loss from financial transactions (6/a-6/b+6/c-6/d)*	*-1,771*	*737*	*-141.6%*	*-963*	*396*	*-141.1%*
	a) revenues from other financial services	20,753	21,571	3.9%	21,560	19,985	-7.3%
	b) expenses on other financial services	21,835	20,180	-7.6%	22,270	19,156	-14.0%
	c) revenues from investment services (revenues from trading activities)	2,075	3,898	87.9%	3,129	4,203	34.3%
	d) expenses on investment services (expenses from trading activities)	2,764	4,552	64.7%	3,382	4,636	37.1%
7.	*Other incomes from business*	*5,615*	*47,932*	*753.6%*	*70,987*	*79,478*	*12.0%*
	a) incomes from non financial and investment services	3,233	5,670	75.4%	67,751	71,455	5.5%
	a1) income of consolidated investment service providers				25,153	16,675	-33.7%
	a2) income of consolidated insurance companies				29,434	40,638	38.1%
	a3) income of other consolidated companies				13,164	14,142	7.4%
	b) other revenues	2,382	42,262	1,674.2%	3,113	7,822	151.3%
	b1) income of consolidated investment service providers				2,298	6,635	188.7%
	b2) income of consolidated insurance companies				111	69	-37.8%
	b3) income of other consolidated companies				704	1,118	58.8%
	ba) consolidation difference income due to debtor consolidation				1	1	0.0%
	bb) other income due to consolidation				122	200	63.9%
8.	*General administration expenses*	*43,018*	*48,345*	*12.4%*	*45,633*	*54,206*	*18.8%*
	a) personnel expenses	22,043	25,224	14.4%	23,973	28,675	19.6%
	b) other administration expenses	20,975	23,121	10.2%	21,660	25,531	17.9%
9.	*Depreciation and amortization*	*8,161*	*8,157*	*0.0%*	*8,515*	*8,818*	*3.6%*
10.	*Other expenses from business*	*14,253*	*60,523*	*324.6%*	*77,937*	*84,991*	*9.1%*
	a) expenses from non-financial and investment services	2,416	4,385	81.5%	46,195	44,833	-2.9%
	a1) expense of consolidated investment service providers				24,647	14,861	-39.7%
	a2) expense of consolidated insurance companies				21,273	29,959	40.8%
	a3) expense of other consolidated companies				275	13	-95.3%
	b) other expenses	11,837	56,138	374.3%	14,998	20,760	38.4%
	b1) expense of consolidated investment service providers				13,805	18,982	37.5%
	b2) expense of consolidated insurance companies				227	304	33.9%
	b3) expense of other consolidated companies				966	1,474	52.6%
	ba) consolidation difference expense due to debtor consolidation				2	2	0.0%
	bb) other expense due to consolidation				128	120	-6.3%
	c) expense of consolidated investment service providers				16,614	19,276	16.0%
	c1) expense of consolidated insurance companies				6,921	8,585	24.0%
	c2) expense of other consolidated companies				9,693	10,691	10.3%
11.	*Write-off of loans and provision for contingent and future liabilities*	*12,141*	*11,652*	*-4.0%*	*15,966*	*15,290*	*-4.2%*
	a) write-off of loans	10,928	10,583	-3.2%	14,470	13,811	-4.6%
	b) provision for contingent and future liabilities	1,213	1,069	-11.9%	1,496	1,479	-1.1%
12.	*Reversal of write-off of loans and credit for contingent and future liabilities*						
	a) reversal of write-off of loans	6,872	8,410	22.4%	11,434	10,015	-12.4%
	b) credit for contingent and future liabilities	280	304	8.6%	369	768	108.1%
13.	*Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company*						
14.	*Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company*						
15.	**Result of ordinary business activities**	**34,820**	**42,879**	**23.1%**	**41,845**	**50,625**	**21.0%**
	Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	*34,003*	*41,594*	*22.3%*	*37,281*	*43,870*	*17.7%*
	- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	*817*	*1,285*	*57.3%*	*4,564*	*6,755*	*48.0%*
16.	*Extraordinary revenues*	*117*	*7*	*-94.0%*	*119*	*33*	*-72.3%*

PK4. Profit and Loss Statement

PROFIT AND LOSS ACCOUNT

(unconsolidated and consolidated, based on HAR) for the 9 months ended 30 September 2002

in '000 USD

		9M 2001	9M 2002	Change	9M 2001	9M 2002	Change
		OTP Bank		%	Consolidated		%
1.	*Interest received and interest-type income*	*499,128*	*524,830*	*5.1%*	*543,125*	*610,446*	*12.4%*
	a) interest received on securities with fixed-interest signifying a creditor relationship	132,266	120,927	-8.6%	143,903	136,797	-4.9%
	b) other interest received and interest-type income	366,862	403,903	10.1%	399,222	473,649	18.6%
2.	*Interest paid and interest-type expenses*	*248,395*	*239,074*	*-3.8%*	*261,220*	*272,358*	*4.3%*
	Interest difference (1-2)	**250,733**	**285,756**	**14.0%**	**281,905**	**338,088**	**19.9%**
3.	*Incomes from securities*	*433*	*1,241*	*186.6%*	*1,669*	*1,573*	*-5.8%*
4.	*Fees and Commission received*	*113,055*	*162,312*	*43.6%*	*109,924*	*153,070*	*39.3%*
	a) revenues from other financial services	103,413	148,077	43.2%	102,658	149,370	45.5%
	b) revenues from investment services (except incomes from trading activities)	9,642	14,235	47.6%	7,266	3,700	-49.1%
5.	*Fees and Commission paid*	*16,112*	*18,560*	*15.2%*	*19,344*	*26,258*	*35.7%*
	a) expenses on other financial services	15,607	17,834	14.3%	18,220	25,549	40.2%
	b) expenses on investment services (except expenses from trading activities)	505	726	43.8%	1,124	709	-36.9%
6.	*Profit or loss from financial transactions (6/a-6/b+6/c-6/d)*	*-6,133*	*2,787*	*-145.4%*	*-3,334*	*1,498*	*-144.9%*
	a) revenues from other financial services	71,829	81,574	13.6%	74,621	75,574	1.3%
	b) expenses on other financial services	75,577	76,313	1.0%	77,079	72,441	-6.0%
	c) revenues from investment services (revenues from trading activities)	7,181	14,740	105.3%	10,830	15,894	46.8%
	d) expenses on investment services (expenses from trading activities)	9,566	17,214	79.9%	11,706	17,529	49.7%
7.	*Other incomes from business*	*19,436*	*181,259*	*832.6%*	*245,695*	*300,553*	*22.3%*
	a) incomes from non financial and investment services	11,191	21,441	91.6%	234,498	270,214	15.2%
	a1) income of consolidated investment service providers				87,060	63,059	-27.6%
	a2) income of consolidated insurance companies				101,875	153,677	50.8%
	a3) income of other consolidated companies				45,563	53,478	17.4%
	b) other revenues	8,245	159,818	1838.4%	10,773	29,580	174.6%
	b1) income of consolidated investment service providers				7,953	25,091	215.5%
	b2) income of consolidated insurance companies				382	260	-31.9%
	b3) income of other consolidated companies				2,438	4,229	73.5%
	ba) consolidation difference income due to debtor consolidation				3	3	0.0%
	bb) other income due to consolidation				421	756	79.6%
8.	*General administration expenses*	*148,894*	*182,821*	*22.8%*	*157,948*	*204,982*	*29.8%*
	a) personnel expenses	76,294	95,388	25.0%	82,978	108,436	30.7%
	b) other administration expenses	72,600	87,433	20.4%	74,970	96,546	28.8%
9.	*Depreciation and amortization*	*28,245*	*30,849*	*9.2%*	*29,470*	*33,345*	*13.1%*
10.	*Other expenses from business*	*49,331*	*228,872*	*364.0%*	*269,752*	*321,404*	*19.1%*
	a) expenses from non-financial and investment services	8,361	16,583	98.3%	159,889	169,539	6.0%
	a1) expense of consolidated investment service providers				85,307	56,199	-34.1%
	a2) expense of consolidated insurance companies				73,631	113,290	53.9%
	a3) expense of other consolidated companies				951	50	-94.7%
	b) other expenses	40,970	212,289	418.2%	51,913	78,509	51.2%
	b1) expense of consolidated investment service providers				47,781	71,784	50.2%
	b2) expense of consolidated insurance companies				787	1,150	46.1%
	b3) expense of other consolidated companies				3,345	5,575	66.7%
	ba) consolidation difference expense due to debtor consolidation				7	7	0.0%
	bb) other expense due to consolidation				441	455	3.2%
	c) expense of consolidated investment service providers				57,502	72,894	26.8%
	c1) expense of consolidated insurance companies				23,953	32,464	35.5%
	c2) expense of other consolidated companies				33,549	40,430	20.5%
11.	*Write-off of loans and provision for contingent and future liabilities*						
	a) write-off of loans	37,823	40,022	5.8%	50,084	52,227	4.3%
	b) provision for contingent and future liabilities	4,198	4,040	-3.8%	5,176	5,591	8.0%
12.	*Reversal of write-off of loans and credit for contingent and future liabilities*				*40,853*	*40,777*	*-0.2%*
	a) reversal of write-off of loans	23,784	31,804	33.7%	39,576	37,873	-4.3%
	b) credit for contingent and future liabilities	970	1,148	18.4%	1,277	2,904	127.4%
13.	*Write-off of securities for investing purposes, signifying a creditor relationship, equity investments in associated or other company*						
14.	*Reversal of write-off of securities for investing purposes, signifying a creditor relationship, and equity investments in associated or other company*						
15.	**Result of ordinary business activities**	**120,519**	**162,148**	**34.5%**	**144,833**	**191,443**	**32.2%**
	Including: -RESULT OF FINANCIAL AND INVESTMENT SERVICES	*117,689*	*157,290*	*33.6%*	*129,038*	*165,898*	*28.6%*
	- RESULT OF NON-FINANCIAL AND INVESTMENT SERVICES	*2,830*	*4,858*	*71.7%*	*15,795*	*25,545*	*61.7%*
16.	*Extraordinary revenues*	*404*	*29*	*-92.8%*	*411*	*126*	*-69.3%*
17.	*Extraordinary expenses*	*284*	*2,399*	*744.7%*	*976*	*3,231*	*231.0%*
18.	**Extraordinary profit or loss (16-17)**	*120*	*-2,370*	*-2075.0%*	***-565***	***-3,105***	*449.6%*

IAS FINANCIAL REPORTS

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

	30-Sep-2002	30-Sep-2001	Change
Cash, due from banks and balances with the National Bank of Hungary	257,857	409,723	-37.1%
Placements with other banks, net of allowance for possible placement losses	284,250	259,343	9.6%
Securities held for trading and available-for-sale	113,553	94,626	20.0%
Loans, net of allowance for possible loan losses	1,025,842	712,797	43.9%
Accrued interest receivable	25,261	29,338	-13.9%
Equity investments	45,676	32,952	38.6%
Debt securities held-to-maturity	367,215	379,080	-3.1%
Premises, equipment and intangible assets, net	66,249	53,605	23.6%
Other assets	40,980	31,151	31.6%
TOTAL ASSETS	**2,226,883**	**2,002,615**	**11.2%**
Due to banks and deposits from the National Bank of Hungary and other banks	35,938	29,558	21.6%
Deposits from customers	1,890,324	1,719,048	10.0%
Liabilities from issued securities	2,076	639	224.9%
Accrued interest payable	22,782	28,561	-20.2%
Other liabilities	70,804	60,103	17.8%
Subordinated bonds and loans	16,294	17,542	-7.1%
TOTAL LIABILITIES	**2,038,218**	**1,855,451**	**9.9%**
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	179,884	138,152	30.2%
Treasury shares	-19,219	-18,988	1.2%
TOTAL SHAREHOLDERS' EQUITY	**188,665**	**147,164**	**28.2%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,226,883**	**2,002,615**	**11.2%**

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
UNCONSOLIDATED STATEMENTS OF OPERATIONS (in HUF mn)
for the 9 months ended 30 September 2002

	2002	2001	Change
Interest Income:			
Loans	77,418	66,291	16.8%
Placements with other banks	19,618	14,069	39.4%
interest income without swap	*8,576*	*12,513*	*-31.5%*
results of swaps	*11,042*	*1,556*	*609.6%*
Due from banks and balances with the National Bank of Hungary	15,058	25,499	-40.9%
Securities held for trading and available-for-sale	5,472	10,782	-49.2%
Debt securities held-to-maturity	27,197	26,735	1.7%
Total Interest Income	***144,763***	***143,376***	***1.0%***
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	2,198	2,117	3.8%
interest expenses without swap	*1,454*	*1,900*	*-23.5%*
losses of swaps	*744*	*217*	*242.9%*
Deposits from customers	59,867	68,159	-12.2%
Liabilities from issued securities	37	77	-51.9%
Subordinated bonds and loans	735	1,141	-35.6%
Total Interest Expense	***62,837***	***71,494***	***-12.1%***
NET INTEREST INCOME	**81,926**	**71,882**	**14.0%**
Provision for possible loan losses	6,146	4,558	34.8%
Provision for possible placement losses	-2	-5	-60.0%
Provision for possible loan and placement losses	***6,144***	***4,553***	***34.9%***
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**75,782**	**67,329**	**12.6%**
Non-Interest Income:			
Fees and commissions	44,101	33,043	33.5%
Foreign exchange gains and losses, net	-2,164	1,474	-246.8%
Gains and losses on securities, net	-389	-1,005	-61.3%
Gains and losses on real estate transactions, net	-14	-41	-65.9%
Dividend income	328	125	162.4%
Other	1,926	1,137	69.4%
Total Non-Interest Income	***43,788***	***34,733***	***26.1%***
Non-Interest Expenses:			
Fees and commissions	5,011	4,643	7.9%
Personnel expenses	25,857	22,043	17.3%
Depreciation and amortization	9,566	9,158	4.5%
Other	32,993	29,125	13.3%
Total Non-Interest Expense	***73,427***	***64,969***	***13.0%***
INCOME BEFORE INCOME TAXES	**46,143**	**37,093**	**24.4%**
Income taxes	7,817	6,549	19.4%
NET INCOME	**38,326**	**30,544**	**25.5%**

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 period enden September 30, 2002	Dividend	Direct Movements on Reserves	Retained Earnings and reserves September 30, 2002
Hungarian financial statements	**130,515**	**34,614**	**-**	**-**	**165,129**
Adjustments to Hungarian financial statements:					
Reversal of statutory general provision	10,929	3,235		-	14,164
Premium and discount amortization on investment securities	-3	49		-	46
Allowance for possible loan losses	-1,340	-		-	-1,340
Allowance for possible losses on off-balance sheet commitments and contingent liabilities	-297	57		-	-240
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	-527		-	-378
Fair value adjustment of held for trading and available-for-sale financial assets	532	217		-	749
Difference in accounting for off-balance sheet financial instruments	319	-5,826			-5,507
Fair value adjustment of derivative financial instruments	-821	7,022		-	6,201
Profit on sale of Treasury Shares	-	1		-1	0
Correction of business value (bad-will; IRB)	-	-209		-	-209
Correction of investment in foreign currencies to cost		-128			-128
Reclassification of direct charge related to local tax	542	-		-	542
Deferred taxation	22	-179		-	-157
International financial statements	**141,559**	**38,326**	**0**	**-1**	**179,884**

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

	30-Sep-2002	30-Sep-2001	Change
Cash, due from banks and balances with the National Bank of Hungary	263,981	412,755	-36.0%
Placements with other banks, net of allowance for possible placement losses	306,463	258,467	18.6%
Securities held for trading and available-for-sale	232,052	190,478	21.8%
Loans, net of allowance for possible loan losses	1,143,841	735,199	55.6%
Accrued interest receivable	28,704	32,478	-11.6%
Equity investments	5,537	11,622	-52.4%
Debt securities held-to-maturity	370,120	381,937	-3.1%
Premises, equipment and intangible assets, net	89,502	67,526	32.5%
Other assets	85,261	85,192	0.1%
TOTAL ASSETS	**2,525,461**	**2,175,654**	**16.1%**
Due to banks and deposits from the National Bank of Hungary and other banks	80,845	38,910	107.8%
Deposits from customers	1,995,120	1,765,196	13.0%
Liabilities from issued securities	43,255	37,342	15.8%
Accrued interest payable	28,673	32,361	-11.4%
Other liabilities	152,562	124,595	22.4%
Subordinated bonds and loans	16,294	17,542	-7.1%
TOTAL LIABILITIES	**2,316,749**	**2,015,946**	**14.9%**
Share capital	28,000	28,000	0.0%
Retained earnings and reserves	209,932	159,894	31.3%
Treasury shares	-29,802	-28,186	5.7%
TOTAL SHAREHOLDERS' EQUITY	**208,130**	**159,708**	**30.3%**
MINORITIES	582	--	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,525,461**	**2,175,654**	**16.1%**

NATIONAL SAVINGS AND COMMERCIAL BANK LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS (in HUF mn)
for the 9 months ended 30 September 2002

	2002	2001	Change
Interest Income:			
Loans	95,010	75,930	25.1%
Placements with other banks	19,758	13,862	42.5%
Due from banks and balances with the National Bank of Hungary	15,820	25,607	-38.2%
Securities held for trading and available-for-sale	12,649	16,795	-24.7%
Debt securities held-to-maturity	27,398	26,961	1.6%
Total Interest Income	*170,635*	*159,155*	*7.2%*
Interest Expense:			
Due to banks and deposits from the National Bank of Hungary and other banks	4,627	2,548	81.6%
Deposits from customers	63,965	69,086	-7.4%
Liabilities from issued securities	2,315	2,406	-3.8%
Subordinated bonds and loans	735	1,141	-35.6%
Other	3	184	-98.4%
Total Interest Expense	*71,645*	*75,365*	*-4.9%*
NET INTEREST INCOME	**98,990**	**83,790**	**18.1%**
Provision for possible loan losses	4,989	4,296	16.1%
Provision for possible placement losses	-2	-5	-60.0%
Provision for possible loan and placement losses	4,987	4,291	16.2%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	**94,003**	**79,499**	**18.2%**
Non-Interest Income:			
Fees and commissions	45,453	35,148	29.3%
Foreign exchange gains and losses, net	-2,073	1,609	-228.8%
Gains and losses on securities, net	-1,287	-1,818	-29.2%
Gains and losses on real estate transactions, net	835	1,693	-50.7%
Dividend income	500	625	-20.0%
Insurance premiums	37,663	26,394	42.7%
Other	6,971	2,903	140.1%
Total Non-Interest Income	*88,062*	*66,554*	*32.3%*
Non-Interest Expenses:			
Fees and commissions	8,677	6,827	27.1%
Personnel expenses	34,834	28,134	23.8%
Depreciation and amortization	12,518	10,888	15.0%
Other	71,666	56,297	27.3%
Total Non-Interest Expense	*127,695*	*102,146*	*25.0%*
INCOME BEFORE INCOME TAXES	54,370	43,907	23.8%
Income taxes	9,799	7,769	26.1%
NET INCOME	**44,571**	**36,138**	**23.3%**

FOR FURTHER INFORMATION, PLEASE CONTACT:

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