



**OTP BANK PLC.**

**UNCONSOLIDATED CONDENSED  
FINANCIAL STATEMENTS IN ACCORDANCE  
WITH INTERNATIONAL FINANCIAL  
REPORTING STANDARDS AS ADOPTED  
BY THE EUROPEAN UNION**

FOR THE NINE MONTH PERIOD  
ENDED 30 SEPTEMBER 2010



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in accordance with International Financial Reporting Standards as  
adopted by the European Union

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**OTP BANK PLC.**  
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010**  
**(UNAUDITED) (in HUF mn)**

	Note	30 September 2010	31 December 2009	30 September 2009
Cash, amounts due from banks and balances with the National Bank of Hungary		252,833	178,217	170,581
Placements with other banks, net of allowance for placement losses		907,187	962,063	751,540
Financial assets at fair value through profit or loss	3.	256,871	273,652	561,889
Securities available-for-sale	4.	1,645,205	1,652,747	708,364
Loans, net of allowance for loan losses	5.	2,704,240	2,622,895	2,612,025
Investments in subsidiaries	6.	640,987	643,907	594,503
Securities held-to-maturity	7.	171,555	216,563	791,706
Property and equipment		68,610	69,654	69,185
Intangible assets		34,443	38,909	38,177
Other assets		<u>55,661</u>	<u>92,085</u>	<u>81,803</u>
<b>TOTAL ASSETS</b>		<b><u>6,737,592</u></b>	<b><u>6,750,692</u></b>	<b><u>6,379,773</u></b>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks		824,956	1,152,131	895,977
Deposits from customers	8.	3,475,273	3,368,752	3,355,596
Liabilities from issued securities	9.	563,791	618,303	592,252
Financial liabilities at fair value through profit or loss		232,214	119,353	106,254
Other liabilities		295,082	252,988	227,824
Subordinated bonds and loans		<u>301,632</u>	<u>287,321</u>	<u>280,796</u>
<b>TOTAL LIABILITIES</b>		<b><u>5,692,948</u></b>	<b><u>5,798,848</u></b>	<b><u>5,458,699</u></b>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		1,020,367	927,618	952,315
Treasury shares		<u>(3,723)</u>	<u>(3,774)</u>	<u>(59,241)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>1,044,644</u></b>	<b><u>951,844</u></b>	<b><u>921,074</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>6,737,592</u></b>	<b><u>6,750,692</u></b>	<b><u>6,379,773</u></b>

**OTP BANK PLC.**  
**UNCONSOLIDATED CONDENSED STATEMENT OF OPERATIONS AND**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30**  
**SEPTEMBER 2010 (UNAUDITED) (in HUF mn)**

	Note	Nine month period ended 30 September 2010	Nine month period ended 30 September 2009	Year ended 31 December 2009
Interest Income	11.	<u>508,083</u>	<u>558,287</u>	<u>727,077</u>
Interest Expense	11.	<u>326,674</u>	<u>404,170</u>	<u>512,710</u>
<b>NET INTEREST INCOME</b>	11.	<b><u>181,409</u></b>	<b><u>154,117</u></b>	<b><u>214,367</u></b>
Provision for impairment on possible loan and placement losses	5.	<u>83,729</u>	<u>63,659</u>	<u>78,462</u>
<b>NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES</b>		<b><u>97,680</u></b>	<b><u>90,458</u></b>	<b><u>135,905</u></b>
Net profit from fees and commissions		92,612	103,450	138,801
Net operating income		<u>48,282</u>	<u>48,013</u>	<u>52,051</u>
Other administrative expenses		<u>132,862</u>	<u>122,318</u>	<u>165,388</u>
<b>PROFIT BEFORE INCOME TAX</b>		<b>105,712</b>	<b>119,603</b>	<b>161,369</b>
Income tax		<u>5,964</u>	<u>3,101</u>	<u>3,231</u>
<b>NET PROFIT FOR THE YEAR</b>		<b><u>99,748</u></b>	<b><u>116,502</u></b>	<b><u>158,138</u></b>
Earnings per share (in HUF)				
Basic		<u>359</u>	<u>432</u>	<u>582</u>
Diluted		<u>355</u>	<u>429</u>	<u>577</u>

*The comprehensive income items are as follows:*

	Note	Nine month period ended 30 September 2010	Nine month period ended 30 September 2009	Year ended 31 December 2009
<b>NET PROFIT FOR THE YEAR</b>		<b><u>99,748</u></b>	<b><u>116,502</u></b>	<b><u>158,138</u></b>
Fair value adjustment of securities available-for-sale		<u>(3,914)</u>	<u>40,628</u>	<u>29,126</u>
<b>NET COMPREHENSIVE INCOME</b>		<b><u>95,834</u></b>	<b><u>157,130</u></b>	<b><u>187,264</u></b>

**OTP BANK PLC.**  
**UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE**  
**NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010 (UNAUDITED) (in HUF mn)**

	Nine month period ended 30 September 2010	Nine month period ended 30 September 2009	Year ended 31 December 2009
Profit before income tax	105,712	119,603	161,369
Income tax paid	(4,330)	(7,703)	(13,278)
Depreciation and amortization	17,869	16,530	22,262
Provisions	89,142	67,374	77,522
Share-based payment	4,716	5,101	6,802
Unrealised gains/(losses) on fair value adjustment of securities available-for-sale and held for trading	7,912	(1,455)	1,634
Unrealised gains on fair value adjustment of derivative financial instruments	13,879	15,914	34,568
Changes in other assets and liabilities in operating activities	100,545	(472,656)	(30,379)
<b>Net cash provided by/ (used in) operating activities</b>	<b><u>335,445</u></b>	<b><u>(257,292)</u></b>	<b><u>260,500</u></b>
<b>Net cash used in investing activities</b>	<b><u>(2,769)</u></b>	<b><u>(107,567)</u></b>	<b><u>(260,500)</u></b>
<b>Net cash (used in)/ provided by financing activities</b>	<b><u>(268,470)</u></b>	<b><u>372,532</u></b>	<b><u>666,471</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>64,206</u></b>	<b><u>7,673</u></b>	<b><u>12,028</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>105,679</u></b>	<b><u>93,651</u></b>	<b><u>93,651</u></b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>169,885</u></b>	<b><u>101,324</u></b>	<b><u>105,679</u></b>
<i>Cash and cash equivalents:</i>			
Cash, amounts due from banks and balances with the National Bank of Hungary	178,217	158,022	158,022
Compulsory reserve established by the National Bank of Hungary	(72,538)	(64,371)	(64,371)
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>105,679</u></b>	<b><u>93,651</u></b>	<b><u>93,651</u></b>
Cash, amounts due from banks and balances with the National Bank of Hungary	252,833	170,581	178,217
Compulsory reserve established by the National Bank of Hungary	(82,948)	(69,257)	(72,538)
<b>Cash and cash equivalents at the end of the period</b>	<b><u>169,885</u></b>	<b><u>101,324</u></b>	<b><u>105,679</u></b>

**OTP BANK PLC.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**  
**(UNAUDITED) (in HUF mn)**

	Share Capital	Capital reserve	Share-based payment	Retained earnings and reserves	Put option reserve	Treasury Shares	Total
<b>Balance as at 1 January 2009</b>	<b>28,000</b>	<b>52</b>	<b>19,181</b>	<b>823,085</b>	<b>-</b>	<b>(97,845)</b>	<b>772,473</b>
Net comprehensive income for the period	-	-	-	157,130	-	-	157,130
Share-based payment	-	-	5,101	-	-	-	5,101
Payments to ICES holders	-	-	-	(3,659)	-	-	(3,659)
Sale of treasury shares	-	-	-	-	-	110,637	110,637
Written put option on ordinary shares	-	-	-	-	(55,468)	-	(44,095)
Loss on sale of treasury shares	-	-	-	(48 574)	-	-	(48,574)
Acquisition of treasury shares	-	-	-	-	-	(16,566)	(16,566)
<b>Balance as at 30 September 2009</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>24,282</u></b>	<b><u>927,982</u></b>	<b><u>(55 468)</u></b>	<b><u>(3,774)</u></b>	<b><u>921,074</u></b>
<b>Balance as at 1 January 2010</b>	<b>28,000</b>	<b>52</b>	<b>6,830</b>	<b>976,204</b>	<b>(55,468)</b>	<b>(3,774)</b>	<b>951,844</b>
Net comprehensive income for the period	-	-	-	95,834	-	-	95,834
Share-based payment	-	-	4,716	-	-	-	4,716
Payments to ICES holders	-	-	-	(7,771)	-	-	(7,771)
Loss on sale of treasury shares	-	-	-	(30)	-	-	(30)
Acquisition of treasury shares	-	-	-	-	-	51	51
<b>Balance as at 30 September 2010</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>11,546</u></b>	<b><u>1,064,237</u></b>	<b><u>(55,468)</u></b>	<b><u>(3,723)</u></b>	<b><u>1,044,644</u></b>

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**

**NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS**

**1.1. General information**

These interim condensed financial statements had been prepared in accordance with the prescriptions of IAS 34.

**1.2. Accounting**

The Bank maintains its accounting records and prepares its statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary.

The functional currency of the Bank is the Hungarian Forint (“HUF”).

Some of the accounting principles prescribed for statutory purposes are different from those generally recognized in international financial markets. Certain adjustments have been made to the Bank’s Hungarian unconsolidated statutory accounts in order to present the unconsolidated financial position and results of operations of the Bank in accordance with all standards and interpretations approved by the International Accounting Standards Board (IASB), which are referred to as International Financial Reporting Standards (IFRS). These standards and interpretations were previously called International Accounting Standards (IAS).

Preparing these financial statements the Bank followed the same accounting policies and methods as are applied in the annual financial statements of the year ended 31 December 2009 and were prepared according to the International Financial Reporting Standards.

Certain amounts in the unconsolidated financial statements for the year ended 31 December 2009 have been reclassified to conform with the current year presentation. These reclassifications were not material.

**NOTE 2: SIGNIFICANT EVENTS DURING THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010, AND POST BALANCE SHEET EVENTS**

On 19 March 2010 the Bank. has paid back an equivalent of EUR 700 million to the Hungarian State. The amount is the remaining part of a loan agreement of 1.4 billion in total between the Hungarian State and OTP Bank signed on 26 March 2009. According to the original terms the Bank had to start the repayment From February 2011 in eight equal tranches, but it prepaid the first half already in November 2009.

On 2 July 2010 the OTP Bank Plc. signed an EUR 250,000,000 Term Loan Facility. The originally planned amount was EUR 200 million, but the transaction was very well received and heavily oversubscribed, all together 16 banks took part in the deal. The facility has a 2 years tenor, carries a margin of 1.30% above Euribor and the proceeds will be used for general funding purposes.

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**

**NOTE 2: SIGNIFICANT EVENTS DURING THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2010, AND POST BALANCE SHEET EVENTS [continued]**

In 2010 a new special financial institution tax to be paid by OTP Bank. The total tax amount payable for the year 2010 is estimated at HUF 26 billion and it is deductible from the corporate tax base. Based on the approved regulation, financial institutions are obliged to pay this special tax until the end of 2012. The amount of tax payable in 2011 and 2012 by OTP Bank is not fixed yet, because the parameters of the 2011 and 2012 tax have not been decided.

On 7 October 2010 the Bank purchased an additional 20% stock in PortfoLion Venture Capital Ltd from a minority holder to its existing 80% stake. As a result of this transaction the Company became the sole owner of PortfoLion Venture Capital Ltd.

**NOTE 3: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)**

	<b>30 September 2010</b>	<b>31 December 2009</b>
<i><u>Held for trading securities:</u></i>		
Corporate shares	108,562	88,513
Government bonds	9,107	28,857
Hungarian government discounted Treasury Bills	3,910	2,642
Mortgage bonds	2,385	8,689
Hungarian government interest bearing Treasury Bills	107	183
Securities issued by the NBH	-	49,887
Other securities	<u>320</u>	<u>282</u>
	<b><u>124,391</u></b>	<b><u>179,053</u></b>
Accrued interest	<u>229</u>	<u>1,363</u>
	<b><u>124,620</u></b>	<b><u>180,416</u></b>
<i><u>Derivative financial instruments designated as held for trading:</u></i>		
CCIRS and mark-to-market CCIRS swaps designated as held for trading	65,810	28,403
Interest rate swaps designated as held for trading	45,967	56,134
Foreign currency swaps designated as held for trading	17,104	7,439
Other derivative transactions	<u>3,370</u>	<u>1,260</u>
	<b><u>132,251</u></b>	<b><u>93,236</u></b>
<b>Total</b>	<b><u>256,871</u></b>	<b><u>273,652</u></b>



**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**

**NOTE 4: SECURITIES AVAILABLE-FOR-SALE (in HUF mn)**

	<b>30 September 2010</b>	<b>31 December 2009</b>
Mortgage bonds	783,961	720,260
Bonds issued by NBH	459,287	504,172
Government bonds	319,238	257,571
Other securities	39,745	137,389
- <u>listed securities</u>	<u>20,144</u>	<u>15,878</u>
in HUF	-	-
in foreign currency	20,144	15,878
- <u>non-listed securities</u>	<u>19,601</u>	<u>121,511</u>
in HUF	17,218	14,580
in foreign currency	2,383	106,931
<b>Total</b>	<b><u>1,602,231</u></b>	<b><u>1,619,392</u></b>
Accrued interest	<u>42,974</u>	<u>38,575</u>
Provisions	<u>-</u>	<u>(5,220)</u>
<b>Securities available-for-sale total</b>	<b><u>1,645,205</u></b>	<b><u>1,652,747</u></b>

During 2010 unlisted other securities, mainly municipal bonds and bonds issued by other companies were reclassified as loans and receivables. These securities meet the terms of loans and receivables as defined in IAS 39.

An analysis of the changes in the provision for impairment is as follows:

	<b>30 September 2010</b>	<b>31 December 2009</b>
<b>Opening balance</b>	5,220	2,769
Provision for the period	-	5,220
Release of provision	(5,220)	(2,769)
<b>Closing balance</b>	<b><u>-</u></b>	<b><u>5,220</u></b>

**NOTE 5: LOANS, NET OF ALLOWANCE FOR LOAN LOSSES (in HUF mn)**

	<b>30 September 2010</b>	<b>31 December 2009</b>
Short-term loans and trade bills (within one year)	587,899	611,898
Long-term loans and trade bills (over one year)	<u>2,232,857</u>	<u>2,078,523</u>
	<b><u>2,820,756</u></b>	<b><u>2,690,421</u></b>
Accrued interest	17,211	22,061
Provision of impairment on loan losses	<u>(133,727)</u>	<u>(89,587)</u>
<b>Total</b>	<b><u>2,704,240</u></b>	<b><u>2,622,895</u></b>

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**

**NOTE 5:      LOANS, NET OF ALLOWANCE FOR LOAN LOSSES (in HUF mn)**  
**[continued]**

An analysis of the loan portfolio by type, before provision for impairment on loan losses, is as follows:

	<b>30 September 2010</b>		<b>31 December 2009</b>	
Commercial loans	1,934,161	69%	1,921,905	70%
Consumer loans	373,669	13%	364,839	14%
Municipality loans	298,731	10%	178,224	7%
Housing loans	136,694	5%	149,851	6%
Mortgage backed loans	<u>77,501</u>	<u>3%</u>	<u>75,602</u>	<u>3%</u>
<b>Total</b>	<b><u>2,820,756</u></b>	<b><u>100%</u></b>	<b><u>2,690,421</u></b>	<b><u>100%</u></b>

An analysis of the loan portfolio by currency is as follows:

	<b>30 September 2010</b>		<b>31 December 2009</b>	
In HUF	34%		33%	
In foreign currency	<u>66%</u>		<u>67%</u>	
<b>Closing balance</b>	<b><u>100%</u></b>		<b><u>100%</u></b>	

An analysis of the change in the provision for impairment on loan losses is as follows:

	<b>30 September 2010</b>		<b>31 December 2009</b>	
<b>Opening balance</b>	<b>89,587</b>		<b>45,319</b>	
Provision for the period	84,463		76,862	
Release	<u>(40,323)</u>		<u>(32,594)</u>	
<b>Closing balance</b>	<b><u>133,727</u></b>		<b><u>89,587</u></b>	

**NOTE 6:      INVESTMENTS IN SUBSIDIARIES (in HUF mn)**

	<b>30 September 2010</b>		<b>31 December 2009</b>	
Investments in subsidiaries:				
Controlling interest	786,857		769,477	
Other	<u>1,006</u>		<u>975</u>	
	<b><u>787,863</u></b>		<b><u>770,452</u></b>	
Provision for impairment	<u>(146,876)</u>		<u>(126,545)</u>	
<b>Total</b>	<b><u>640,987</u></b>		<b><u>643,907</u></b>	

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**

**NOTE 6: INVESTMENTS IN SUBSIDIARIES (in HUF mn) [continued]**

An analysis of the change in the provision for impairment is as follows:

	<b>30 September 2010</b>	<b>31 December 2009</b>
<b>Opening balance</b>	<b>126,545</b>	<b>125,995</b>
Provision for the period	20,331	575
Release of provision	-	(25)
<b>Closing balance</b>	<b><u>146,876</u></b>	<b><u>126,545</u></b>

On 21 January 2010 the capital increase of the Romanian subsidiary of the Bank has been registered by the Romanian Court of Registration. Accordingly the statutory capital of the OTP Bank Romania S.A. has been increased from RON 432,909,120 to RON 462,909,120.

CJSC Donskoy Narodny Bank was merged to OAO OTP Bank. The merger has been registered by the Court of Registration on 5 February 2010, thus the core capital of OAO OTP Bank reached RUB 2,797,887,853.

OTP Bank Plc. became 100% sole owner of OTP Real Estate Fund Management Ltd. The Bank bought the 49% block of shares from Sinvest Trust Ltd. The Bank paid the purchase price of the shares on 29 March 2010, that day the ownership of the shares was vested to OTP Bank.

On 28 April 2010 OTP Bank Plc. bought 89.9% interest in Monopost Ltd. thus the Bank became the majority owner of the company.

On 24 June 2010 OTP Bank Plc. Has decided about an EUR 35 million capital increase at CKB Montenegro. The local board of directors appointed Mrs. Inabat Török as the new CEO of CKB.

**NOTE 7: SECURITIES HELD-TO-MATURITY (in HUF mn)**

	<b>30 September 2010</b>	<b>31 December 2009</b>
Government bonds	105,146	107,447
Mortgage bonds	60,204	99,220
Hungarian government discounted Treasury bills	390	388
Other securities	-	5,250
	<b><u>165,740</u></b>	<b><u>212,305</u></b>
Accrued interest	5,815	8,422
Provision for impairment	-	(4,164)
<b>Total</b>	<b><u>171,555</u></b>	<b><u>216,563</u></b>

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**

**NOTE 7: SECURITIES HELD-TO-MATURITY (in HUF mn) [continued]**

An analysis of the change in the provision for impairment on securities held-to-maturity is as follows:

	<b>30 September 2010</b>	<b>31 December 2009</b>
<b>Opening balance</b>	4,164	-
Provision for the period	-	4,164
Release of provision	(4,164)	-
<b>Closing balance</b>	<u><u>-</u></u>	<u><u>4,164</u></u>

**NOTE 8: DEPOSITS FROM CUSTOMERS (in HUF mn)**

	<b>30 September 2010</b>	<b>31 December 2009</b>
Within one year:		
In HUF	2,757,401	2,694,633
In foreign currency	<u>665,293</u>	<u>630,457</u>
	<b><u>3,422,694</u></b>	<b><u>3,325,090</u></b>
Over one year:		
In HUF	36,596	16,860
In foreign currency	<u>1,600</u>	<u>3,941</u>
	<b><u>38,196</u></b>	<b><u>20,801</u></b>
	<b><u>3,460,890</u></b>	<b><u>3,345,891</u></b>
Accrued interest	<u>14,383</u>	<u>22,861</u>
<b>Deposits from customers total</b>	<b><u>3,475,273</u></b>	<b><u>3,368,752</u></b>

An analysis of deposits from customers by type, is as follows:

	<b>30 September 2010</b>		<b>31 December 2009</b>	
Retail deposits	1,986,042	57%	2,057,361	61%
Corporate deposits	1,247,098	36%	1,033,705	31%
Municipality deposits	<u>227,750</u>	<u>7%</u>	<u>254,825</u>	<u>8%</u>
<b>Total</b>	<b><u>3,460,890</u></b>	<b><u>100%</u></b>	<b><u>3,345,891</u></b>	<b><u>100%</u></b>

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010**

**NOTE 9: ISSUED SECURITIES (in HUF mn)**

	<b>30 September 2010</b>	<b>31 December 2009</b>
Within one year:		
In HUF	275,311	227,834
In foreign currency	<u>219,480</u>	<u>216,673</u>
	<b><u>494,791</u></b>	<b><u>444,507</u></b>
Over one year:		
In HUF	34,929	22,206
In foreign currency	<u>26,916</u>	<u>140,540</u>
	<b><u>61,845</u></b>	<b><u>162,746</u></b>
<b>Total</b>	<b><u>556,636</u></b>	<b><u>607,253</u></b>
Accrued interest	<u>7,155</u>	<u>11,050</u>
<b>Issued securities total</b>	<b><u>563,791</u></b>	<b><u>618,303</u></b>

**NOTE 10: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)**

*(a) Contingent liabilities and commitments*

	<b>30 September 2010</b>	<b>31 December 2009</b>
Legal disputes	9,356,511	32,012
Commitments to extend credit	668,679	613,496
Guarantees arising from banking activities	266,427	233,068
Confirmed letters of credit	5,582	3,865
Contingent liabilities related to OTP Mortgage Bank Ltd.	3,992	75,215
Other	<u>2,664</u>	<u>1,586</u>
<b>Total</b>	<b><u>10,303,855</u></b>	<b><u>959,242</u></b>

The amount of contingent liabilities relating to legal disputes has increased significantly due to the fact that The Victims of the Hungarian Holocaust initiated a class action against, amongst others, OTP Bank Plc. before the United States District Court Northern District of Illinois. The bank in connection with this case has recognised USD 45,858 million contingent liability. OTP Bank Plc. emphasises that 'Országos Takarékpénztár Nemzeti Vállalat' was established on 1 March 1949 with no predecessor, thus the Bank considers the claim against it entirely unfounded.

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**NOTE 10: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn) [continued]**

*(b) Fair value of derivative instruments*

	Fair value		Notional value, net	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009
<b>Interest rate swaps designated as held for trading</b>				
Positive fair value of interest rate swaps designated as held for trading	45,967	56,134	56,233	58,203
Negative fair value of interest rate swaps designated as held for trading	(60,426)	(47,065)	(86,347)	(45,983)
<b>Foreign exchange swaps designated as held for trading</b>				
Positive fair value of foreign exchange swaps designated as held for trading	17,104	7,439	26,003	7,790
Negative fair value of foreign exchange swaps designated as held for trading	(12,739)	(6,168)	(13,172)	(5,154)
<b>Interest rate swaps designated as hedge accounting relationship</b>				
Positive fair value of interest rate swaps designated in fair value hedge accounting relationships	7,700	14,147	18,828	10,507
Negative fair value of interest rate swaps designated in fair value hedge accounting relationships	(5,767)	(3,569)	(12,061)	(3,740)
<b>CCIRS designated as held for trading</b>				
Positive fair value of CCIRS designated as held for trading	28,183	23,270	16,187	14,951
Negative fair value of CCIRS designated as held for trading	(153,657)	(54,169)	(143,113)	(4,734)
<b>Mark-to-market CCIRS designated as held for trading</b>				
Positive fair value of mark-to-market CCIRS designated as held for trading	37,627	5,133	94,848	40,776
Negative fair value of mark-to-market CCIRS designated as held for trading	(377)	(7,348)	3,805	40,803
<b>Other derivative contracts designated as hedge accounting relationship</b>				
Positive fair value of other derivative contracts designated in fair value hedge relationship	-	1	-	(4)
Negative fair value of other derivative contracts designated in fair value hedge relationship	-	-	-	-
<b>Other derivative contracts designated as held for trading</b>				
Positive fair value of other derivative contracts designated as held for trading	3,370	1,260	1,986	711
Negative fair value of other derivative contracts designated as held for trading	(5,014)	(4,603)	(4,406)	(12,066)
<b>Derivative financial assets total</b>	<b><u>139,951</u></b>	<b><u>107,384</u></b>	<b><u>214,085</u></b>	<b><u>132,934</u></b>
<b>Derivative financial liabilities total</b>	<b><u>(237,980)</u></b>	<b><u>(122,922)</u></b>	<b><u>(255,294)</u></b>	<b><u>(30,874)</u></b>
<b>Derivative financial instruments total</b>	<b><u>(98,029)</u></b>	<b><u>(15,538)</u></b>	<b><u>(41,209)</u></b>	<b><u>102,060</u></b>

As at 30 September 2010 the Bank has derivative instruments with positive fair values of HUF 139,951 million and negative fair values of HUF 237,980 million.

Positive fair values of derivative instruments designated as hedge accounting relationships are included in other assets, while positive fair values of derivative instruments designated as held for trading are included in financial assets at fair value through profit or loss. Negative fair values of hedging derivative instruments are included in other liabilities, negative fair values of derivatives held for trading are included in the negative fair value of derivative financial instruments designated as held for trading line.

Corresponding figures as at 31 December 2009 are HUF 107,384 million and HUF 122,922 million.

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**NOTE 11: NET INTEREST INCOME (in HUF mn)**

	Nine month period ended 30 September 2010	Nine month period ended 30 September 2009	Year ended 31 December 2009
Interest Income:			
Loans	168,507	195,191	253,822
Placements with other banks	243,399	277,482	353,911
Securities available-for-sale	79,511	36,033	54,087
Securities held-to-maturity	11,064	42,097	52,934
Amounts due from banks and balances with National Bank of Hungary	3,619	5,641	7,026
Securities held for trading	<u>1,983</u>	<u>1,843</u>	<u>5,297</u>
<b>Total Interest Income</b>	<b><u>508,083</u></b>	<b><u>558,287</u></b>	<b><u>727,077</u></b>
Interest Expense:			
Amounts due to banks and deposits from the National Bank of Hungary, other banks and the Hungarian Government	195,339	216,479	265,205
Deposits from customers	92,952	150,999	197,585
Liabilities from issued securities	26,072	23,273	32,474
Subordinated bonds and loans	<u>12,311</u>	<u>13,419</u>	<u>17,446</u>
<b>Total Interest Expense</b>	<b><u>326,674</u></b>	<b><u>404,170</u></b>	<b><u>512,710</u></b>
<b>NET INTEREST INCOME</b>	<b><u>181,409</u></b>	<b><u>154,117</u></b>	<b><u>214,367</u></b>

**NOTE 12: RELATED PARTY TRANSACTIONS [in HUF mn]**

The Bank enters into transactions for services with a number of subsidiaries. Such transactions are conducted at rates which approximate market conditions.

Related party transactions can be detailed as follows:

**Transactions with OTP Mortgage Bank Ltd.:**

	30 September 2010	30 September 2009
Loans sold to OTP Mortgage Bank Ltd. with recourse (including interest)	8,556	51,370
The gross book value of the loans	8,551	51,310
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans	27,707	38,883
Provision for the repurchase guarantee of non-performing loans	-	5,537
Provision for the purchase obligation of the non- performing loans originated by OTP Mortgage Bank Ltd.	173	3,954

The repurchase guarantee contract of non-performing loans between OTP Mortgage Bank Ltd. and OTP Bank Plc. was modified in 2010. According to the new arrangement the repurchase guarantee was cancelled and the OTP Bank Plc. gives bail to the loans originated or purchased by the Bank.

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**NOTE 12: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]**

**Transactions related to OTP Factoring Ltd.:**

	<b>30 September 2010</b>	<b>30 September 2009</b>
Loans sold to OTP Factoring Ltd.		
without recourse (including interest)	27,732	14,506
The gross book value of the loans	64,239	34,934
Provision for loan losses on the loans sold	30,515	18,706
Loss on these transaction (recorded in the unconsolidated financial statements as loan and placement loss)	5,992	1,722

The underlying mortgage rights were also transferred to OTP Factoring Ltd.