



OTP BANK PLC.

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

FOR THE YEAR ENDED
31 DECEMBER 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 31 DECEMBER 2010
(UNAUDITED) (in HUF mn)

	Note	2010	2009
Cash, amounts due from banks and balances with the National Bank of Hungary		171,677	178,217
Placements with other banks, net of allowance for placement losses		794,686	962,063
Financial assets at fair value through profit or loss	4.	248,790	273,652
Securities available-for-sale	5.	1,477,930	1,652,747
Loans, net of allowance for loan losses	6.	2,723,784	2,622,895
Investments in subsidiaries	7.	637,819	643,907
Securities held-to-maturity	8.	154,003	216,563
Property and equipment		69,968	69,654
Intangible assets		35,145	38,909
Other assets		<u>44,219</u>	<u>92,085</u>
TOTAL ASSETS		<u>6,358,021</u>	<u>6,750,692</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks		741,845	1,152,131
Deposits from customers	9.	3,279,573	3,368,752
Liabilities from issued securities	10.	512,466	618,303
Financial liabilities at fair value through profit or loss	11.	257,328	119,353
Other liabilities		231,288	252,988
Subordinated bonds and loans		<u>297,638</u>	<u>287,321</u>
TOTAL LIABILITIES		<u>5,320,138</u>	<u>5,798,848</u>
Share capital		28,000	28,000
Retained earnings and reserves		1,013,612	927,618
Treasury shares		<u>(3,729)</u>	<u>(3,774)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,037,883</u>	<u>951,844</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>6,358,021</u>	<u>6,750,692</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF OPERATIONS AND
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010
(UNAUDITED) (in HUF mn)

	Note	2010	2009
Interest Income	12.	<u>654,457</u>	<u>727,077</u>
Interest Expense	12.	<u>411,625</u>	<u>512,710</u>
NET INTEREST INCOME	12.	<u>242,832</u>	<u>214,367</u>
Provision for impairment on possible loan and placement losses	6.	<u>97,540</u>	<u>78,462</u>
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES		<u>145,292</u>	<u>135,905</u>
Net profit from fees and commissions		125,388	138,801
Net operating income		<u>54,222</u>	<u>52,051</u>
Other administrative expenses		<u>190,268</u>	<u>165,388</u>
PROFIT BEFORE INCOME TAX		134,634	161,369
Income tax		<u>10,299</u>	<u>3,231</u>
NET PROFIT FOR THE YEAR		<u>124,335</u>	<u>158,138</u>
Earnings per share (in HUF)			
Basic		<u>266</u>	<u>582</u>
Diluted		<u>270</u>	<u>577</u>

The comprehensive income items are as follows:

	Note	2010	2009
NET PROFIT FOR THE YEAR		<u>124,335</u>	<u>158,138</u>
Fair value adjustment of securities available-for-sale		<u>(19,667)</u>	<u>29,126</u>
NET COMPREHENSIVE INCOME		<u>104,668</u>	<u>187,264</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2010 (UNAUDITED) (in HUF mn)

	2010	2009
Profit before income tax	134,634	161,369
Income tax paid	(7,404)	(13,278)
Depreciation and amortization	24,141	22,262
Provisions	99,132	77,522
Share-based payment	(11,821)	6,802
Unrealised gains/(losses) on fair value adjustment of securities available-for-sale and held for trading	9,033	1,634
Unrealised gains on fair value adjustment of derivative financial instruments	1,737	34,568
Changes in other assets and liabilities in operating activities	41,996	(30,379)
Net cash provided by/ (used in) operating activities	<u>291,448</u>	<u>260,500</u>
Net cash used in investing activities	<u>293,741</u>	<u>(914,943)</u>
Net cash (used in)/ provided by financing activities	<u>(602,671)</u>	<u>666,471</u>
Net decrease /(increase) in cash and cash equivalents	<u>(17,482)</u>	<u>12,028</u>
Cash and cash equivalents at the beginning of the period	<u>105,679</u>	<u>93,651</u>
Cash and cash equivalents at the end of the period	<u>88,197</u>	<u>105,679</u>
<i>Cash and cash equivalents:</i>		
Cash, amounts due from banks and balances with the National Bank of Hungary	178,217	158,022
Compulsory reserve established by the National Bank of Hungary	(72,538)	(64,371)
Cash and cash equivalents at the beginning of the period	<u>105,679</u>	<u>93,651</u>
Cash, amounts due from banks and balances with the National Bank of Hungary	171,677	178,217
Compulsory reserve established by the National Bank of Hungary	(83,480)	(72,538)
Cash and cash equivalents at the end of the period	<u>88,197</u>	<u>105,679</u>

OTP BANK PLC.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010
(UNAUDITED) (in HUF mn)

	Share Capital	Capital reserve	Share-based payment	Retained earnings and reserves	Put option reserve	Treasury Shares	Total
Balance as at 1 January 2009	28,000	52	19,181	823,085	-	(97,845)	772,473
Net comprehensive income for the year	-	-	-	187,264	-	-	187,264
Share-based payment	-	-	6,802	-	-	-	6,802
Closed share-based compensation	-	-	(19,153)	19,153	-	-	-
Payments to ICES holders	-	-	-	(4,723)	-	-	(4,723)
Sales of treasury shares	-	-	-	-	-	110,637	110,637
Written put option on ordinary shares	-	-	-	-	(55,468)	-	(55,468)
Loss on sale of treasury shares	-	-	-	(48,575)	-	-	(48,575)
Acquisition of treasury shares	-	-	-	-	-	(16,566)	(16,566)
Balance as at 31 December 2009	<u>28,000</u>	<u>52</u>	<u>6,830</u>	<u>976,204</u>	<u>(55,468)</u>	<u>(3,774)</u>	<u>951,844</u>
Net comprehensive income for the year	-	-	-	104,668	-	-	104,668
Share-based payment	-	-	(6,802)	(5,019)	-	-	(11,821)
Closed share-based compensation	-	-	-	-	-	-	-
Payments to ICES holders	-	-	-	(6,828)	-	-	(6,828)
Sales of treasury shares	-	-	-	-	-	460	460
Loss on sale of treasury shares	-	-	-	(25)	-	-	(25)
Acquisition of treasury shares	-	-	-	-	-	(415)	(415)
Balance as at 31 December 2010	<u>28,000</u>	<u>52</u>	<u>28</u>	<u>1,069,000</u>	<u>(55,468)</u>	<u>(3,729)</u>	<u>1,037,883</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 YEAR ENDED 31 DECEMBER 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.
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FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 2: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 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 30 July 2010 approved the Commission de Surveillance du Secteur Financier the Base Prospectus relating to EUR 5 billion Euro Medium Term Note Programme of OTP Bank.

On 2 August 2010 Hungarian Financial Supervisory Authority approved the prospectus of Term Note Program in a total nominal value of HUF 500 billion. The Issuer can initiate to introduce the bonds issued under the program to the Budapest, Prague, Bucharest and Sofia Stock Exchange.

On 7 October 2010 the Bank purchased an additional 20% stock inPortfoLion 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.

On 22 October 2010 OTP Bank decided about setting up a Property, Agriculture and SME Financing Division within the Bank.

NOTE 3: DIVIDENDS PAID (in HUF mn)

Dividends paid on common shares during the year ended 31 December 2009 and 2008 respectively:

	2010	2009
Dividends paid on common shares	<u>2</u>	<u>539</u>

OTP BANK PLC.
 NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2010

**NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
 (in HUF mn)**

	2010	2009
<i>Held for trading securities:</i>		
Corporate shares	105,832	88,513
Securities issued by the NBH	19,984	49,887
Government bonds	13,784	28,857
Hungarian government discounted Treasury Bills	4,201	8,689
Mortgage bonds	3,635	2,642
Hungarian government interest bearing Treasury Bills	26	183
Other securities	<u>153</u>	<u>282</u>
	<u>147,615</u>	<u>179,053</u>
Accrued interest	<u>244</u>	<u>1,363</u>
	<u>147,859</u>	<u>180,416</u>
<i>Derivative financial instruments designated as held for trading:</i>		
Interest rate swaps designated as held for trading	34,414	56,134
CCIRS and mark-to-market CCIRS swaps designated as held for trading	42,807	28,403
Foreign currency swaps designated as held for trading	18,084	7,439
Other derivative transactions	<u>5,626</u>	<u>1,260</u>
	<u>100,931</u>	<u>93,236</u>
Total	<u>248,790</u>	<u>273,652</u>

NOTE 5: SECURITIES AVAILABLE-FOR-SALE (in HUF mn)

	2010	2009
Mortgage bonds	778,553	720,260
Bonds issued by NBH	300,648	504,172
Government bonds	318,637	257,571
Other securities	40,639	137,389
-listed securities	<u>19,851</u>	<u>15,878</u>
in HUF	-	-
in foreign currency	<u>19,851</u>	15,878
-non-listed securities	<u>20,788</u>	<u>121,511</u>
in HUF	18,398	14,580
in foreign currency	<u>2,390</u>	<u>106,931</u>
Total	<u>1,438,477</u>	<u>1,619,392</u>
Accrued interest	<u>39,453</u>	<u>38,575</u>
Provisions	-	<u>(5,220)</u>
Securities available-for-sale total	<u>1,477,930</u>	<u>1,652,747</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 5: SECURITIES AVAILABLE-FOR-SALE (in HUF mn)
[continued]

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:

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

NOTE 6: LOANS, NET OF ALLOWANCE FOR LOAN LOSSES (in HUF mn)

	2010	2009
Short-term loans and trade bills (within one year)	659,333	611,898
Long-term loans and trade bills (over one year)	<u>2,182,285</u>	<u>2,078,523</u>
	<u>2,841,618</u>	<u>2,690,421</u>
Accrued interest	16,787	22,061
Provision of impairment on loan losses	<u>(134,621)</u>	<u>(89,587)</u>
Total	<u>2,723,784</u>	<u>2,622,895</u>

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

	2010		2009	
Commercial loans	1,944,825	68%	1,921,905	70%
Mortgage backed loans	365,648	13%	364,839	14%
Consumer loans	322,120	11%	178,224	7%
Municipality loans	131,609	5%	149,851	6%
Housing loans	<u>77,416</u>	<u>3%</u>	<u>75,602</u>	<u>3%</u>
Total	<u>2,841,618</u>	<u>100%</u>	<u>2,690,421</u>	<u>100%</u>

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

	2010	2009
In HUF	34%	33%
In foreign currency	<u>66%</u>	<u>67%</u>
Closing balance	<u>100%</u>	<u>100%</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 6: LOANS, NET OF ALLOWANCE FOR LOAN LOSSES (in HUF mn)
[continued]

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

	2010	2009
Opening balance	89,587	45,319
Provision for the period	98,320	76,862
Release	<u>(53,286)</u>	<u>(32,594)</u>
Closing balance	<u>134,621</u>	<u>89,587</u>

NOTE 7: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	2010	2009
Investments in subsidiaries:		
Controlling interest	784,041	769,477
Other	<u>1,006</u>	<u>975</u>
	<u>785,047</u>	<u>770,452</u>
Provision for impairment	<u>(147,228)</u>	<u>(126,545)</u>
Total	<u>637,819</u>	<u>643,907</u>

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

	2010	2009
Opening balance	126,545	125,995
Provision for the period	20,683	575
Release of provision	<u>-</u>	<u>(25)</u>
Closing balance	<u>147,228</u>	<u>126,545</u>

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.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7: INVESTMENTS IN SUBSIDIARIES (in HUF mn) [continued]

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.

On 16 November 2010 the capital increase – in the amount of RON 80 million – of the Romanian subsidiary of OTP Bank has been registered by the Romanian Court of Registration. Accordingly the statutory capital of OTP Bank Romania S.A. has been increased from RON 462,909,120 to RON 542,909,040.

NOTE 8: SECURITIES HELD-TO-MATURITY (in HUF mn)

	2010	2009
Government bonds	87,878	107,447
Mortgage bonds	60,140	99,220
Hungarian government discounted Treasury bills	395	388
Other securities	-	5,250
	<u>148,413</u>	<u>212,305</u>
Accrued interest	5,590	8,422
Provision for impairment	-	(4,164)
Total	<u>154,003</u>	<u>216,563</u>

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

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

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	2010	2009
Within one year:		
In HUF	2,595,048	2,694,633
In foreign currency	646,053	630,457
	<u>3,241,101</u>	<u>3,325,090</u>
Over one year:		
In HUF	26,185	16,860
In foreign currency	2,421	3,941
	<u>28,606</u>	<u>20,801</u>
	<u>3,269,707</u>	<u>3,345,891</u>
Accrued interest	9,866	22,861
Deposits from customers total	<u>3,279,573</u>	<u>3,368,752</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)
[continued]

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

	2010		2009	
Retail deposits	2,043,645	63%	2,057,361	61%
Corporate deposits	1,056,183	32%	1,033,705	31%
Municipality deposits	<u>169,880</u>	<u>5%</u>	<u>254,825</u>	<u>8%</u>
Total	<u>3,269,708</u>	<u>100%</u>	<u>3,345,891</u>	<u>100%</u>

NOTE 10: ISSUED SECURITIES (in HUF mn)

	2010	2009
Within one year:		
In HUF	282,049	227,834
In foreign currency	<u>140,094</u>	<u>216,673</u>
	<u>422,143</u>	<u>444,507</u>
Over one year:		
In HUF	45,964	22,206
In foreign currency	<u>36,196</u>	<u>140,540</u>
	<u>82,160</u>	<u>162,746</u>
Total	<u>504,303</u>	<u>607,253</u>
Accrued interest	<u>8,163</u>	<u>11,050</u>
Issued securities total	<u>512,466</u>	<u>618,303</u>

NOTE 11: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)

(a) Contingent liabilities and commitments

	2010	2009
Legal disputes	9,595,780	32,012
Commitments to extend credit	699,332	613,496
Guarantees arising from banking activities	693,526	233,068
Contingent liabilities related to OTP Mortgage Bank Ltd.	2,532	75,215
Confirmed letters of credit	1,640	3,865
Other	<u>2,689</u>	<u>1,586</u>
Total	<u>10,995,499</u>	<u>959,242</u>

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

(b) Fair value of derivative instruments

	Fair value		Notional value, net	
	2010	2009	2010	2009
Interest rate swaps designated as held for trading				
Positive fair value of interest rate swaps designated as held for trading	34,414	56,134	44,613	58,203
Negative fair value of interest rate swaps designated as held for trading	(40,064)	(47,065)	(59,736)	(45,983)
Foreign exchange swaps designated as held for trading				
Positive fair value of foreign exchange swaps designated as held for trading	18,084	7,439	22,973	7,790
Negative fair value of foreign exchange swaps designated as held for trading	(5,426)	(6,168)	(5,100)	(5,154)
Interest rate swaps designated as hedge accounting relationship				
Positive fair value of interest rate swaps designated in fair value hedge accounting relationships	8,477	14,147	13,412	10,507
Negative fair value of interest rate swaps designated in fair value hedge accounting relationships	(7,143)	(3,569)	(11,479)	(3,740)
CCIRS designated as held for trading				
Positive fair value of CCIRS designated as held for trading	35,408	23,270	21,434	14,951
Negative fair value of CCIRS designated as held for trading	(197,450)	(54,169)	(177,976)	(4,734)
Mark-to-market CCIRS designated as held for trading				
Positive fair value of mark-to-market CCIRS designated as held for trading	7,399	5,133	40,124	40,776
Negative fair value of mark-to-market CCIRS designated as held for trading	(9,437)	(7,348)	1,852	40,803
Other derivative contracts designated as hedge accounting relationship				
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	-	-	-	-
Other derivative contracts designated as held for trading				
Positive fair value of other derivative contracts designated as held for trading	5,626	1,260	2,161	711
Negative fair value of other derivative contracts designated as held for trading	(4,951)	(4,603)	(1,700)	(12,066)
Derivative financial assets total	<u>109,408</u>	<u>107,384</u>	<u>144,717</u>	<u>132,934</u>
Derivative financial liabilities total	<u>(264,471)</u>	<u>(122,922)</u>	<u>(254,139)</u>	<u>(30,874)</u>
Derivative financial instruments total	<u>(155,063)</u>	<u>(15,538)</u>	<u>(109,422)</u>	<u>102,060</u>

As at 31 December 2010 the Bank has derivative instruments with positive fair values of HUF 109,408 million and negative fair values of HUF 264,471 million. Corresponding figures as at 31 December 2009 are HUF 107,384 million and HUF 122,922 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.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 12: NET INTEREST INCOME (in HUF mn)

	2010	2009
Interest Income:		
Loans	228,847	253,822
Placements with other banks	297,539	353,911
Securities available-for-sale	107,113	54,087
Securities held-to-maturity	13,752	52,934
Amounts due from banks and balances with National Bank of Hungary	4,807	7,026
Securities held for trading	<u>2,399</u>	<u>5,297</u>
Total Interest Income	<u>654,457</u>	<u>727,077</u>
Interest Expense:		
Amounts due to banks and deposits from the National Bank of Hungary, other banks and the Hungarian Government	232,605	265,205
Deposits from customers	128,885	197,585
Liabilities from issued securities	33,892	32,474
Subordinated bonds and loans	<u>16,243</u>	<u>17,446</u>
Total Interest Expense	<u>411,625</u>	<u>512,710</u>
NET INTEREST INCOME	<u>242,832</u>	<u>214,367</u>

NOTE 13: 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.:

	2010	2009
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans	35,313	51,440
Loans sold to OTP Mortgage Bank Ltd. with recourse (including interest)	9,893	64,164
The gross book value of the loans	9,888	64,090
Provision for the repurchase guarantee of non-performing loans	-	2,850
Provision for the purchase obligation of the non-performing loans originated by OTP Mortgage Bank Ltd.	177	3,769

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.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 13: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Transactions related to OTP Factoring Ltd.:

	2010	2009
The gross book value of the loans	85,023	49,351
Provision for loan losses on the loans sold	39,985	26,482
Loans sold to OTP Factoring Ltd.		
without recourse (including interest)	35,315	19,868
Loss on these transaction (recorded in the unconsolidated financial statements as loan and placement loss)	9,723	3,001

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