



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 2009



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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 2009
(UNAUDITED) (in HUF mn)

	Note	2009	2008
Cash, amounts due from banks and balances with the National Bank of Hungary		178,217	158,022
Placements with other banks, net of allowance for placement losses		962,063	925,713
Financial assets at fair value through profit or loss	4.	273,652	153,543
Securities available-for-sale	5.	1,652,747	561,041
Loans, net of allowance for loan losses	6.	2,622,896	2,737,605
Investments in subsidiaries	7.	643,907	596,244
Securities held-to-maturity	8.	216,563	451,178
Property and equipment		69,654	72,844
Intangible assets		38,909	39,539
Deferred tax assets		3,828	-
Other assets		<u>88,257</u>	<u>71,277</u>
TOTAL ASSETS		<u>6,750,693</u>	<u>5,767,006</u>
Amounts due to banks and deposits from the National Bank of Hungary, other banks and the Hungarian Government		1,152,131	711,077
Deposits from customers	9.	3,368,753	3,108,428
Liabilities from issued securities		618,303	606,465
Negative fair value of derivative financial instruments designated as held for trading		119,353	127,061
Deferred tax liabilities		-	759
Other liabilities		252,987	135,525
Subordinated bonds and loans		<u>287,321</u>	<u>305,218</u>
TOTAL LIABILITIES		<u>5,798,848</u>	<u>4,994,533</u>
Share capital		28,000	28,000
Retained earnings and reserves		983,086	842,318
Treasury shares		<u>(59,241)</u>	<u>(97,845)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>951,845</u>	<u>772,473</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>6,750,693</u>	<u>5,767,006</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
AND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009 (UNAUDITED) (in HUF mn)

	Note	2009	2008
Interest Income	11.	<u>727,077</u>	<u>532,302</u>
Interest Expense	11.	<u>512,710</u>	<u>398,460</u>
NET INTEREST INCOME	11.	214,367	133,842
Provision for impairment on possible loan and placement losses	6.	<u>78,462</u>	<u>29,211</u>
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES		135,905	104,631
Net profit from fees and commissions		138,801	133,040
Net operating income		<u>55,704</u>	<u>77,177</u>
Operating expenses		<u>169,041</u>	<u>173,306</u>
PROFIT BEFORE INCOME TAX		161,369	141,542
Income tax		<u>3,231</u>	<u>7,587</u>
NET PROFIT FOR THE YEAR		<u>158,138</u>	<u>133,955</u>
Earnings per share (in HUF)			
Basic		<u>582</u>	<u>495</u>
Diluted		<u>577</u>	<u>493</u>

The comprehensive income items are as follows:

	Note	2009	2008
NET PROFIT FOR THE YEAR		<u>158,138</u>	<u>133,955</u>
Fair value adjustment of securities available-for-sale		29,126	(17,393)
Fair value adjustment of derivative financial instruments through equity		<u>-</u>	<u>387</u>
NET COMPREHENSIVE INCOME		<u>187,264</u>	<u>116,949</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009 (UNAUDITED) (in HUF mn)

	2009	2008
Profit before income tax	161,369	141,542
Income tax paid	(13,278)	(14,566)
Depreciation and amortization	22,262	21,032
Provisions	77,522	170,141
Share-based payment	6,802	28
Unrealised gains and losses on fair value adjustment of securities available-for-sale and held for trading	1,634	(7,673)
Unrealised gains and losses on fair value adjustment of derivative financial instruments	34,568	(8,676)
Changes in other assets and liabilities in operating activities	<u>(30,379)</u>	<u>2,531</u>
Net cash provided by operating activities	<u>260,500</u>	<u>304,359</u>
Net cash used in investing activities	<u>(914,944)</u>	<u>(783,963)</u>
Net cash provided by financing activities	<u>666,472</u>	<u>498,797</u>
Net increase / decrease in cash and cash equivalents	<u>12,028</u>	<u>19,193</u>
Cash and cash equivalents at the beginning of the year	<u>93,651</u>	<u>74,458</u>
Cash and cash equivalents at the end of the year	<u>105,679</u>	<u>93,651</u>
<i>Cash and cash equivalents:</i>		
Cash, amounts due from banks and balances with the National Bank of Hungary	158,022	230,661
Compulsory reserve established by the National Bank of Hungary	<u>(64,371)</u>	<u>(156,203)</u>
Cash and cash equivalents at the beginning of the year	<u>93,651</u>	<u>74,458</u>
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	<u>(72,538)</u>	<u>(64,371)</u>
Cash and cash equivalents at the end of the year	<u>105,679</u>	<u>93,651</u>

OTP BANK PLC.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009
(UNAUDITED) (in HUF mn)

	Share Capital	Capital reserve	Share-based compensation	Retained earnings and reserves	Treasury Shares	Total
Balance as at 1 January 2008	28,000	52	19,153	722,262	(54,208)	715,259
Net profit for the year	-	-	-	116,949	-	116,949
Share-based compensation	-	-	28	-	-	28
ICES - exchangeable bond transaction recognised through equity	-	-	-	(5,203)	-	(5,203)
Effect of treasury share transaction	-	-	-	(7,499)	-	(7,499)
Loss on sale of treasury shares	-	-	-	(3,424)	-	(3,424)
Acquisition of treasury shares	-	-	-	-	(43,637)	(43,637)
Balance as at 31 December 2008	<u>28,000</u>	<u>52</u>	<u>19,181</u>	<u>823,085</u>	<u>(97,845)</u>	<u>772,473</u>
Net profit for the year	-	-	-	187,264	-	187,264
Share-based compensation	-	-	6,802	-	-	6,802
Closed share-based compensation	-	-	(19,154)	19,154	-	-
ICES - exchangeable bond transaction recognised through equity	-	-	-	(4,723)	-	(4,723)
Effect of treasury share transaction	-	-	-	(44,095)	-	(44,095)
Loss on sale of treasury shares	-	-	-	(4,480)	-	(4,480)
Acquisition of treasury shares	-	-	-	-	38,604	38,604
Balance as at 31 December 2009	<u>28,000</u>	<u>52</u>	<u>6,829</u>	<u>976,205</u>	<u>(59,241)</u>	<u>951,845</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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 2008 and were prepared according to the International Financial Reporting Standards.

Certain amounts in the unconsolidated financial statements for the year ended 31 December 2008 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 2009, AND POST BALANCE SHEET EVENTS

As at 16 April 2009 MOL PLC. acquired 8,57% interest in OTP Bank PLC. by purchasing 24 million pieces of shares.

On 9 July 2009 Bank signed an agreement with EBRD according to which the London-based financial institution is providing EUR 200 million subordinated loan to OTP Bank and a further EUR 20 million is being used to acquire Bank’s treasury shares. The subordinated loan facility carries commercial terms and will be available for draw-down for a period of six months. On 16 December 2009 the draw-down period was prolonged by 6 months. The EBRD subordinated loan will further strengthen Bank’s current robust capitalization and will facilitate boosting the Bank’s domestic banking operations as well as its activities in other eastern European countries. Through the share purchase EBRD will increase its existing 1.5% stake in Bank to around 2%.

On 10 August 2009 the Bank launched a bond issue programme of HUF 500,000 million.

On 21 January 2010 the Bank, 100% owner of OTP Bank Romania S.A. has increased the registered capital of its subsidiary by RON 30 million. Accordingly the statutory capital of OTP Bank Romania S.A. has been increased from RON 432,909,120 to RON 462,909,120.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 2: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2009, AND POST BALANCE SHEET EVENTS [continued]

On 5 February 2010 CJSC Donskoy Narodny Bank was merged into 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 2,797,887,853.10

NOTE 3: DIVIDENDS PAID (in HUF mn)

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

	2009	2008
Dividends paid on common shares	<u>539</u>	<u>57</u>

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

	2009	2008
<i>Held for trading securities:</i>		
Securities issued by the National Bank of Hungary	49,887	-
Government bonds	28,857	43,031
Mortgage bonds	8,689	5,057
Hungarian government discounted Treasury Bills	2,642	1,373
Hungarian government interest bearing Treasury Bills	183	2,608
Other securities	<u>88,795</u>	<u>2,750</u>
	<u>179,053</u>	<u>54,819</u>
Accrued interest	<u>1,363</u>	<u>1,827</u>
	<u>180,416</u>	<u>56,646</u>
<i>Derivative financial instruments designated as held for trading:</i>		
Interest rate swaps designated as held for trading	56,134	41,004
CCIRS and mark-to-market swaps designated as held for trading	28,403	25,600
Foreign currency swaps designated as held for trading	7,439	26,527
Other derivative transactions	<u>1,260</u>	<u>3,766</u>
	<u>93,236</u>	<u>96,897</u>
Total	<u>273,652</u>	<u>153,543</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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

	2009	2008
Mortgage bonds	720,260	290,820
Bonds issued by NBH	504,172	-
Government bonds	257,571	126,177
Other securities	<u>137,389</u>	<u>135,683</u>
	<u>1,619,392</u>	<u>552,680</u>
Accrued interest	38,575	11,130
Provisions	<u>(5,220)</u>	<u>(2,769)</u>
Securities available-for-sale total	<u>1,652,747</u>	<u>561,041</u>

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

	2009	2008
Balance as at 1 January	2,769	-
Provision for the period	<u>2,451</u>	<u>2,769</u>
Balance as at 31 December	<u>5,220</u>	<u>2,769</u>

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

	2009	2008
Short-term loans and trade bills (within one year)	611,898	650,160
Long-term loans and trade bills (over one year)	<u>2,078,523</u>	<u>2,110,541</u>
	<u>2,690,421</u>	<u>2,760,701</u>
Accrued interest	22,062	22,223
Provision of impairment on loan losses	<u>(89,587)</u>	<u>(45,319)</u>
Total	<u>2,622,896</u>	<u>2,737,605</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 6: 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:

	2009		2008	
Commercial loans	1,921,905	71.00%	1,862,963	67.00%
Consumer loans	364,839	13.00%	361,148	13.00%
Municipality loans	178,224	7.00%	180,670	7.00%
Housing loans	149,851	6.00%	235,375	9.00%
Mortgage backed loans	<u>75,602</u>	<u>3.00%</u>	<u>120,545</u>	<u>4.00%</u>
Total	<u>2,690,421</u>	<u>100.00%</u>	<u>2,760,701</u>	<u>100.00%</u>

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

	2009	2008
In HUF	33%	30%
In foreign currency	<u>67%</u>	<u>70%</u>
Closing balance	<u>100%</u>	<u>100%</u>

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

	2009	2008
Balance as at 1 January	45,319	28,820
Provision for the period	76,862	28,849
Release	(32,594)	(12,350)
Balance as at 31 December	<u>89,587</u>	<u>45,319</u>

NOTE 7: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	2009	2008
Investments in subsidiaries:		
Controlling interest	769,477	721,180
Significant interest	-	72
Other	<u>975</u>	<u>987</u>
	<u>770,452</u>	<u>722,239</u>
Provision for impairment	(126,545)	(125,995)
Total	<u>643,907</u>	<u>596,244</u>

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

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

	2009	2008
Balance as at 1 January	125,995	1,115
Provision for the period	575	124,880
Release of provision	<u>(25)</u>	<u>-</u>
Balance as at 31 December	<u>126,545</u>	<u>125,995</u>

On 21 February 2008 the Bank, 100% owner of OTP banka Hrvatska d.d. has increased the registered capital of its subsidiary by HRK 217 million.

On 8 April 2009 the Bank, 100% owner of OTP Bank JSC has increased the registered capital of its subsidiary by UAH 800 million (USD 100 million). The registration of the capital increase has been accomplished on 6 October 2009.

On 21 December 2009 the Bank, 100% owner of OTP Life Annuity Ltd. has decreased the registered capital of OTP Life Annuity Ltd. by HUF 405 million thus the subsidiary's registered capital changed to HUF 100 million.

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

	2009	2008
Government bonds	107,447	150,573
Mortgage bonds	99,220	172,988
Hungarian government discounted Treasury bills	388	4,290
Bonds issued by NBH	-	109,684
Other securities	<u>5,250</u>	<u>-</u>
	<u>212,305</u>	<u>437,535</u>
Accrued interest	8,422	13,643
Provision for impairment	<u>(4,164)</u>	<u>-</u>
Total	<u>216,563</u>	<u>451,178</u>

NOTE 8: 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:

	2009	2008
Balance as at 1 January	-	-
Provision for the period	4,164	-
Balance as at 31 December	<u>4,164</u>	<u>-</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	2009	2008
Within one year:		
In HUF	2,694,633	2,508,553
In foreign currency	<u>630,457</u>	<u>556,332</u>
	<u>3,325,090</u>	<u>3,064,885</u>
Over one year:		
In HUF	16,860	24,553
In foreign currency	<u>3,941</u>	<u>1,324</u>
	<u>20,801</u>	<u>25,877</u>
	<u>3,345,891</u>	<u>3,090,762</u>
Accrued interest	22,862	17,666
Deposits from customers total	<u>3,368,753</u>	<u>3,108,428</u>

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

	2009		2008	
Retail deposits	2,057,361	61.00%	2,027,357	66.00%
Corporate deposits	1,033,705	31.00%	836,781	27.00%
Municipality deposits	<u>254,825</u>	<u>8.00%</u>	<u>226,624</u>	<u>7.00%</u>
Total	<u>3,345,891</u>	<u>100.00%</u>	<u>3,090,762</u>	<u>100.00%</u>

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

(a) Contingent liabilities and commitments

	2009	2008
Commitments to extend credit	613,946	604,348
Guarantees arising from banking activities	233,068	222,554
Contingent liabilities related to OTP Mortgage Bank Ltd.	75,215	68,336
Legal disputes	32,012	6,332
Confirmed letters of credit	3,865	9,267
Other	<u>1,586</u>	<u>669</u>
Total	<u>959,242</u>	<u>911,506</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 10: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS [continued]

(b) Derivatives (nominal amount, unless otherwise stated)

	2009	2008
Foreign currency contracts designated as held for trading		
Off-balance sheet assets	179,892	150,461
Off-balance sheet liabilities	<u>181,368</u>	<u>153,867</u>
Net	<u>(1,476)</u>	<u>(3,406)</u>
Net fair value	<u>(946)</u>	<u>(2,158)</u>
Value line index futures contracts designated as held for trading		
Off-balance sheet assets	194	-
Off-balance sheet liabilities	<u>194</u>	<u>-</u>
Net	<u>-</u>	<u>-</u>
Net fair value	<u>-</u>	<u>-</u>
Foreign exchange swaps and interest rate swaps designated as held for trading		
Off-balance sheet assets	3,555,989	3,701,859
Off-balance sheet liabilities	<u>3,449,337</u>	<u>3,540,780</u>
Net	<u>106,652</u>	<u>161,079</u>
Net fair value	<u>(22,774)</u>	<u>(28,091)</u>
Interest rate swaps designated in hedge accounting relationships		
Off-balance sheet assets	32,165	35,077
Off-balance sheet liabilities	<u>25,398</u>	<u>29,441</u>
Net	<u>6,767</u>	<u>5,636</u>
Net fair value	<u>10,578</u>	<u>7,424</u>
Option contracts		
Off-balance sheet assets	558,970	10,927
Off-balance sheet liabilities	<u>568,658</u>	<u>10,792</u>
Net	<u>(9,688)</u>	<u>135</u>
Net fair value	<u>(2,345)</u>	<u>180</u>
Forward security agreements designated as held for trading		
Off-balance sheet assets	2,567	2,101
Off-balance sheet liabilities	<u>2,567</u>	<u>2,101</u>
Net	<u>-</u>	<u>-</u>
Net fair value	<u>149</u>	<u>52</u>
Forward rate agreements designated as held for trading		
Off-balance sheet assets	160	37
Off-balance sheet liabilities	<u>355</u>	<u>-</u>
Net	<u>(195)</u>	<u>37</u>
Net fair value	<u>(201)</u>	<u>33</u>
Forward commodity agreements designated as held for trading		
Off-balance sheet assets	299	-
Off-balance sheet liabilities	<u>299</u>	<u>-</u>
Net	<u>-</u>	<u>-</u>
Net fair value	<u>1</u>	<u>-</u>

As at 31 December 2009 the Bank has derivative instruments with positive fair values of HUF 107,384 million and negative fair values of 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.

Corresponding figures as at 31 December 2008 are HUF 105,768 million and HUF 128,328 million.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 11: NET INTEREST INCOME (in HUF mn)

	2009	2008
Interest Income:		
Loans	253,822	243,170
Placements with other banks	353,911	203,352
Amounts due from banks and balances with National Bank of Hungary	7,026	14,147
Securities held for trading	5,297	4,979
Securities available-for-sale	54,087	23,959
Securities held-to-maturity	<u>52,934</u>	<u>42,695</u>
Total Interest Income	<u>727,077</u>	<u>532,302</u>
Interest Expense:		
Amounts due to banks and deposits from the National Bank of Hungary, other banks and the Hungarian Government	265,205	206,208
Deposits from customers	197,585	150,729
Liabilities from issued securities	32,474	25,079
Subordinated bonds and loans	<u>17,446</u>	<u>16,444</u>
Total Interest Expense	<u>512,710</u>	<u>398,460</u>
NET INTEREST INCOME	<u>214,367</u>	<u>133,842</u>

NOTE 12: RELATED PARTY TRANSACTIONS

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

The main information of loans sold to OTP Mortgage Bank Ltd. with recourse and the relating provision for the repurchase guarantee and the purchase obligation for loans originated by OTP Mortgage Bank Ltd.:

	2009	2008
Loans sold to OTP Mortgage Bank Ltd.		
with recourse (including interest)	64,164	57,418
The gross book value of the loans	64,090	57,347
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans		
	2009	2008
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans	51,440	38,715
Provision for the repurchase guarantee of non-performing loans	2,850	4,631
Provision for the purchase obligation of the non-performing loans originated by OTP Mortgage Bank Ltd.	3,769	2,203