

OTP BANK PLC.

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

FOR THE NINE MONTH PERIOD
ENDED 30 SEPTEMBER 2008

OTP BANK PLC.

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OTP BANK PLC.
UNCONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008
(UNAUDITED) (in HUF million)

	Note	30 September 2008	31 December 2007	30 September 2007
Cash, due from banks and balances with the National Bank of Hungary		206,524	229,644	197,180
Placements with other banks, net of allowance for placement losses		861,719	725,458	849,833
Financial assets at fair value through profit and loss	4.	151,165	123,371	91,448
Securities available-for-sale	5.	294,482	320,615	359,091
Loans, net of allowance for loan losses	6.	2,576,766	2,188,632	1,864,081
Accrued interest receivable		50,568	46,421	49,336
Investments in subsidiaries	7.	715,088	630,703	612,799
Securities held-to-maturity	8.	738,996	558,510	702,089
Premises, equipment and intangible assets, net		109,239	110,273	105,508
Other assets		<u>49,102</u>	<u>177,047</u>	<u>63,165</u>
TOTAL ASSETS		<u>5,753,649</u>	<u>5,110,674</u>	<u>4,894,530</u>
Due to banks and deposits from the National Bank of Hungary and other banks		619,057	590,748	562,026
Deposits from customers	9.	3,203,766	2,955,035	2,753,897
Liabilities from issued securities		507,465	394,196	388,857
Accrued interest payable		39,938	18,411	31,141
Other liabilities		190,249	138,111	135,021
Subordinated bonds and loans		<u>278,279</u>	<u>298,914</u>	<u>296,076</u>
TOTAL LIABILITIES		<u>4,838,754</u>	<u>4,395,415</u>	<u>4,167,018</u>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		971,968	741,467	717,222
Treasury shares		<u>(85,073)</u>	<u>(54,208)</u>	<u>(17,710)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>914,895</u>	<u>715,259</u>	<u>727,512</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>5,753,649</u>	<u>5,110,674</u>	<u>4,894,530</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008
(UNAUDITED) (in HUF million)

	Note	Nine month period ended 30 September 2008	Nine month period ended 30 September 2007	Year ended 31 December 2007
<i>Interest Income</i>	11.	<u>366,997</u>	<u>296,656</u>	<u>395,550</u>
<i>Interest Expense</i>	11.	<u>256,900</u>	<u>149,572</u>	<u>208,680</u>
NET INTEREST INCOME	11.	110,097	147,084	186,870
Provision for loan and placement losses	6.,7.	<u>14,230</u>	<u>9,746</u>	<u>21,453</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND PLACEMENT LOSSES		95,867	137,338	165,417
<i>Non-Interest Income</i>		<u>320,110</u>	<u>130,748</u>	<u>179,897</u>
<i>Non-Interest Expenses</i>		<u>153,316</u>	<u>136,035</u>	<u>183,532</u>
INCOME BEFORE INCOME TAXES		262,661	132,051	161,782
Income taxes		<u>15,640</u>	<u>17,479</u>	<u>20,101</u>
NET INCOME		<u>247,021</u>	<u>114,572</u>	<u>141,681</u>
Earnings per share (in HUF)				
Basic		<u>906</u>	<u>410</u>	<u>508</u>
Diluted		<u>903</u>	<u>409</u>	<u>507</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008
(UNAUDITED) (in HUF million)

	Nine month period ended 30 September 2008	Nine month period ended 30 September 2007	Year ended 31 December 2007
Income before income taxes	262,661	132,051	161,782
Income tax paid	(10,246)	(18,053)	(24,101)
Depreciation and amortization	17,548	14,780	20,035
Provision	13,007	12,286	22,372
Share-based payment	4,283	3,842	5,123
Unrealised (gains)/losses on fair value adjustment of securities held-for-trading and available for sale	(3,038)	(58)	688
Unrealised losses/(gains) on fair value adjustment of derivative financial instruments	23,799	(8,798)	(1,620)
Other changes in operating assets and liabilities	<u>15,355</u>	<u>(39,066)</u>	<u>(62,112)</u>
Net cash provided by operating activities	<u>323,369</u>	<u>96,984</u>	<u>122,167</u>
Net cash used in investing activities	<u>(673,174)</u>	<u>(570,410)</u>	<u>(763,646)</u>
Net cash provided by financing activities	<u>317,043</u>	<u>227,644</u>	<u>420,339</u>
Net decrease in cash and cash equivalents	<u>(32,762)</u>	<u>(245,782)</u>	<u>(221,140)</u>
Cash and cash equivalents at the beginning of the period	<u>73,441</u>	<u>294,581</u>	<u>294,581</u>
Cash and cash equivalents at the end of the period	<u>40,679</u>	<u>48,799</u>	<u>73,441</u>
<i>Analysis of cash and cash equivalents opening and closing balance</i>			
Cash, due from banks and balances with the National Bank of Hungary	229,644	429,325	429,325
Compulsory reverse established by National Bank of Hungary	(156,203)	(134,744)	(134,744)
Cash and Cash equivalents opening balance	<u>73,441</u>	<u>294,581</u>	<u>294,581</u>
Cash, due from banks and balances with the National Bank of Hungary	206,524	197,180	229,644
Compulsory reverse established by National Bank of Hungary	(165,845)	(148,381)	(156,203)
Cash and Cash equivalents closing balance	<u>40,679</u>	<u>48,799</u>	<u>73,441</u>

OTP BANK PLC.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008
(UNAUDITED) (in HUF million)

	Share Capital	Retained Earnings and Reserves	Treasury Shares	Total
Balance as at 1 January 2007	28,000	486,051	(40,752)	473,299
Net income	-	42,677	-	42,677
Fair value adjustment of securities available-for-sale recognised directly through equity	-	(8,735)	-	(8,735)
Share-based compensation	-	4,331	-	4,331
Profit on ICES - exchangeable bond transaction recognised through equity	-	(55,160)	-	(55,160)
Dividend for the year 2006	-	(40,320)	-	(40,320)
Profit on sale of treasury shares	-	3,937	-	3,937
Change in carrying value of treasury shares	-	-	(29,599)	(29,599)
Balance as at 30 September 2007	<u>28,000</u>	<u>473,101</u>	<u>(70,351)</u>	<u>430,750</u>
Balance as at 1 January 2008	28,000	741,467	(54,208)	715,259
Net income	-	247,021	-	247,021
Fair value adjustment of securities available-for-sale recognised directly through equity	-	(9,048)	-	(9,048)
Fair value adjustment of derivative financial instruments recognised through equity	-	387	-	387
Share-based compensation	-	4,283	-	4,283
Profit on ICES - exchangeable bond transaction recognised through equity	-	(4,102)	-	(4,102)
Effect of Treasury share transaction	-	(7,499)	-	(7,499)
Loss on sale of treasury shares	-	(541)	-	(541)
Change in carrying value of treasury shares	-	-	(30,865)	(30,865)
Balance as at 30 September 2008	<u>28,000</u>	<u>971,968</u>	<u>(85,073)</u>	<u>914,895</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General

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 Bank's functional currency 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 2007 and were prepared according to the International Financial Reporting Standards.

NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008, AND POST BALANCE SHEET EVENTS

On 9 January 2008 the Bank, the 100% owner of CJSC OTP Bank Ukraine, has increased the registered capital of its subsidiary by UAH 247,972,709 thus the share capital of CJSC OTP Bank is UAH 902,558,018.

On 17 January 2008 - effective from 29 November 2007 - the Bank, the 100% owner of OTP Life Annuity Ltd., has increased the registered capital of its subsidiary by HUF 5 million, the equity reserve of its subsidiary by HUF 745 million, thus the share capital of OTP Life Annuity Ltd. is HUF 505 million.

On 6 March 2008 the Bank, the 100% owner of OTP banka Hrvatska, has increased the registered capital of its subsidiary, thus the share capital of OTP banka Hrvatska is HRK 822,279,600.

On 6 March 2008 the Bank purchased 9.67% interest in ESS Hungary NC.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

**NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD
ENDED 30 SEPTEMBER 2008, AND POST BALANCE SHEET
EVENTS [continued]**

Subject to the prior approval of the Hungarian Financial Supervisory Authority, upon signing of the contractual documentation that is subject to the receipt of all necessary regulatory and competition approvals and certain other conditions, Groupama S.A. will undertake to buy 100 % of the shares in OTP Garancia Insurance Ltd. as well as to acquire the minority shares held by the local subsidiaries of OTP Bank Plc. in the Romanian, Slovak and Bulgarian subsidiaries of OTP Garancia Insurance Ltd. As a result of the transaction, Groupama S.A. will acquire 100% of both the life and non-life insurance businesses of OTP Bank Plc. in Hungary, Slovakia, Romania and Bulgaria. Furthermore, as part of the transaction and subject to certain conditions, OTP Bank Plc. and Groupama S.A. will enter into co-operation agreements allowing for (in some jurisdictions exclusive) cross-selling of banking and insurance products through the respective parties' branch networks in Hungary, Slovakia, Romania, Bulgaria, Ukraine, Russia, Serbia, Montenegro and Croatia. As part of this strategic co-operation between OTP Bank Plc. and Groupama S.A., subject to certain conditions, Groupama S.A. will undertake to buy up to 8%. of the shares in OTP Bank Plc, in two steps. In order to facilitate the transaction, subject to the agreements to be entered into by the relevant parties and the completion of the transaction, Deutsche Bank AG, London Branch will, upon completion of the transaction, deliver approximately 5% of OTP Bank Plc. shares to Groupama S.A. If the above referred conditions (such as the receipt of regulatory approvals) were not satisfied and therefore the transaction would not be completed, Deutsche Bank AG, London Branch would cash-settle the agreement entered into with OTP Bank Plc.

The Bank has acquired 100% share-interest in Donskoy Narodny Bank. The transaction closed at 6 May 2008 and the purchase price of USD 40.95 million was transferred to the owners.

On 16 June 2008 the Bank, the 100% owner of Crnogorska Komercijalna Banka (CKB) has increased the registered capital of its subsidiary by EUR 15 million, thus the share capital of CKB is EUR 46.8 million.

The subscription period of the fixed rate OTP 2009/I Bond (tranche 002) between 30 June 2008 and 11 July 2008 closed successfully. The Bonds could be subscribed in the domestic branches of OTP Bank Plc. The investors subscribed the total of HUF 1,546,820,000. OTP Bank Plc. accepted all of the subscriptions, HUF 1,546,820,000 amount of OTP 2009/I bonds was issued. The total amount of the series OTP 2009/I bond is HUF 4,622,130,000.

The subscription period of the fixed rate OTP 2009/I Bond (tranche 003) between 14 July 2008 and 25 July 2008 closed successfully. The Bonds could be subscribed in the domestic branches of OTP Bank Plc. The investors subscribed the total of HUF 2,520,970,000. OTP Bank Plc. accepted all of the subscriptions, HUF 2,520,970,000 amount of OTP 2009/I bonds was issued. The total amount of the series OTP 2009/I bond is HUF 7,143,100,000.

OTP Bank Plc. has launched a bond issue program of HUF 300,000 million (three hundred thousand million).

The Committee for Product Development, Marketing and Pricing of OTP Bank Plc. adopted the resolution no. 456/2008 about the bond issue program on 31 July 2008. The Information Memorandum related to the program and this announcement were approved by the Hungarian Financial Supervisory Authority. OTP Bank Plc. is not intend to introduce the bonds on the market.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

**NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD
ENDED 30 SEPTEMBER 2008, AND POST BALANCE SHEET
EVENTS [continued]**

As part of establishing an international holding corporate structure, the Bank has established OTP HOLDING LIMITED. The company was registered on 5 September 2008. As part of the establishment process, OTP Bank Plc. transferred to OTP HOLDING LIMITED as contribution in kind (i) its 7,350 shares in OTP Garancia Insurance Ltd., representing 99.986% of the registered capital; (ii) its 12,281 shares in OTP Real Estate Ltd., representing 73.54% of the registered capital; and (iii) its quotholding in OTP Travel Ltd., representing 100% of the registered capital. OTP Bank Plc. is the sole shareholder of OTP HOLDING LIMITED. OTP Bank Plc. has become the indirect holder of the equity interests transferred as contribution in kind.

As part of the pre-set closing procedure of the Garancia-transaction OTP Holding Limited and Merkantil Bank Zrt., which are the subsidiaries of OTP Bank Plc, transferred shares representing 100% of the registered capital of OTP Garancia Insurance Ltd. to Groupama International. The Hungarian part of the Garancia-transaction was closed on 17 September 2008.

OTP Bank the 61.5976% owner of OAO OTP Bank, has increased the registered capital of its subsidiary by RUB 500 million, thus the OAO OTP Bank's core capital is RUB 2,618,013,853. The capital increase has been registered by the Central Bank of the Russian Federation on 30 September 2008.

The subscription period of the fixed rate OTP 2009/II Bond between 20 October 2008 and 22 October 2008 closed successfully. The Bonds could be subscribed in the domestic branches of OTP Bank Nyrt. The investors subscribed the total of HUF 3,957,120,000. OTP Bank Nyrt. accepted all of the subscriptions, HUF 3,957,120,000 amount of OTP 2009/II bonds was issued.

The subscription period of the fixed rate OTP 2009/II Bond between 27 October 2008 and 31 October 2008 closed successfully. The Bonds could be subscribed in the domestic branches of OTP Bank Nyrt. The investors subscribed the total of HUF 9,305,700,000. OTP Bank Nyrt. accepted all of the subscriptions, HUF 12,262,820,000 amount of OTP 2009/II bonds was issued.

NOTE 3: DIVIDENDS PAID (in HUF mn)

Dividends paid on common shares in the first half of 2008 and 2007, respectively:

	Nine month period ended 30 September 2008	Nine month period ended 30 September 2007
Dividends paid on common shares	<u>52</u>	<u>40</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENTS OF OPERATIONS (in HUF mn)

	30 September 2008	31 December 2007
Securities held for trading		
Hungarian Government discounted Treasury bills	7,144	2,147
Hungarian Government interest bearing Treasury bills	904	2,406
Government bonds	77,242	47,964
Mortgage bonds	4,731	3,549
Other securities	<u>3,131</u>	<u>4,318</u>
	<u>93,152</u>	<u>60,384</u>
Derivative financial instruments designated as held for trading	<u>58,013</u>	<u>62,987</u>
Total	<u>151,165</u>	<u>123,371</u>

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

	30 September 2008	31 December 2007
Government bonds	27,534	41,773
Mortgage bonds	145,435	161,545
Other securities	<u>121,513</u>	<u>117,297</u>
	<u>294,482</u>	<u>320,615</u>

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

	30 September 2008	31 December 2007
Short-term loans and trade bills (within one year)	584,595	563,007
Long-term loans and trade bills (over one year)	<u>2,027,397</u>	<u>1,654,445</u>
	<u>2,611,992</u>	<u>2,217,452</u>
Allowance for loan losses	<u>(35,226)</u>	<u>(28,820)</u>
	<u>2,576,766</u>	<u>2,188,632</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

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

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

	30 September 2008		31 December 2007	
Commercial loans	1,749,670	68%	1,446,354	64%
Municipality loans	178,188	7%	214,428	10%
Housing loans	268,396	10%	211,504	10%
Consumer loans	351,207	13%	280,925	13%
Mortgage loans	<u>64,531</u>	<u>2%</u>	<u>64,241</u>	<u>3%</u>
	<u>2,611,992</u>	<u>100%</u>	<u>2,217,452</u>	<u>100%</u>

An analysis of the allowance for loan losses is as follows:

	30 September 2008	31 December 2007
Balance as at 1 January	28,820	31,021
Allowance for loan losses	14,230	21,453
Write-offs	<u>(7,824)</u>	<u>(23,654)</u>
Closing balance	<u>35,226</u>	<u>28,820</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

NOTE 7: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	30 September 2008	31 December 2007
Equity investments:		
Controlling interest	715,831	630,805
Significant interest	72	75
Other	<u>987</u>	<u>938</u>
	<u>716,890</u>	<u>631,818</u>
Allowance for permanent diminution in value	<u>(1,802)</u>	<u>(1,115)</u>
	<u>715,088</u>	<u>630,703</u>

An analysis of the change in the allowance for permanent diminution in value is as follows:

	30 September 2008	31 December 2007
Balance as at 1 January	1,115	1,059
Allowance for permanent diminution in value	<u>687</u>	<u>56</u>
Closing balance	<u>1,802</u>	<u>1,115</u>

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

	30 September 2008	31 December 2007
Government securities	149,941	172,125
Hungarian Government discounted Treasury bills	354	341
Bonds issued by National Bank of Hungary	384,572	97,085
Mortgage bonds	<u>204,129</u>	<u>288,959</u>
	<u>738,996</u>	<u>558,510</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	30 September 2008	31 December 2007
Within one year:		
In HUF	2,478,982	2,462,047
In foreign currency	<u>700,507</u>	<u>483,208</u>
	<u>3,179,489</u>	<u>2,945,255</u>
Over one year:		
In HUF	23,061	9,780
In foreign currency	<u>1,216</u>	<u>-</u>
	<u>24,277</u>	<u>9,780</u>
Total	<u>3,203,766</u>	<u>2,955,035</u>

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

	30 September 2008		31 December 2007	
Commercial deposits	1,058,742	33%	906,160	31%
Municipality deposits	286,816	9%	204,545	7%
Consumer deposits	<u>1,858,208</u>	<u>58%</u>	<u>1,844,330</u>	<u>62%</u>
	<u>3,203,766</u>	<u>100%</u>	<u>2,955,035</u>	<u>100%</u>

NOTE 10: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS

(a) *Contingent liabilities and commitments*

	30 September 2008	31 December 2007
Commitments to extend credit	665,973	749,015
Guarantees arising from banking activities	248,016	255,406
Confirmed letters of credit	248	5,892
Legal disputes	6,180	5,708
Contingent liabilities related to OTP Mortgage Bank Company Plc.	72,668	38,702
Other	<u>645</u>	<u>5,178</u>
	<u>993,730</u>	<u>1,059,901</u>

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NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

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

(b) Derivatives

	30 September 2008	31 December 2007
Foreign currency contracts designated as held for trading		
Assets	327,698	97,699
Liabilities	<u>328,123</u>	<u>99,161</u>
Net	<u>(425)</u>	<u>(1,462)</u>
Net fair value	<u>133</u>	<u>(649)</u>
Foreign exchange swaps and interest rate swaps designated as held for trading		
Assets	2,980,508	2,063,109
Liabilities	<u>2,853,364</u>	<u>1,980,414</u>
Net	<u>127,144</u>	<u>82,695</u>
Net fair value	<u>(9,485)</u>	<u>15,413</u>
Interest rate swaps designated in hedge accounting relationships		
Assets	34,130	20,041
Liabilities	<u>32,962</u>	<u>17,320</u>
Net	<u>1,168</u>	<u>2,721</u>
Net fair value	<u>1,340</u>	<u>1,478</u>
Option contracts		
Assets	48,033	123,467
Liabilities	<u>48,023</u>	123,520
Net	<u>10</u>	<u>(53)</u>
Net fair value	<u>144</u>	<u>25,900</u>
Option contracts		
Assets	1,717	123,467
Liabilities	<u>1,717</u>	123,520
Net	<u>-</u>	<u>(53)</u>
Net fair value	<u>186</u>	<u>25,900</u>
Forward security agreements designated as held for trading		
Assets	58	175
Liabilities	<u>-</u>	<u>175</u>
Net	<u>58</u>	<u>-</u>
Net fair value	<u>2</u>	<u>(1)</u>

As at 30 September 2008, the Bank has derivative instruments with positive fair values of HUF 60,561 million and negative fair values of HUF 68,240 million. Corresponding figures as at 31 December 2007 are HUF 65,296 million and HUF 23,155 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 statements of operations. Negative fair values of derivative instruments are included in other liabilities.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2008

NOTE 11: NET INTEREST INCOME (in HUF mn)

	Nine month period ended 30 September 2008	Nine month period ended 30 September 2007	Year ended 31 December 2007
Interest income			
Loans	172,387	147,283	199,770
Placements with other banks	131,614	79,004	104,968
Due from banks and balances with			
National Bank of Hungary	10,272	8,788	11,754
Securities held-for-trading	3,224	2,746	2,808
Securities available-for-sale	15,587	18,835	24,952
Debt securities held-to-maturity	<u>33,913</u>	<u>40,000</u>	<u>51,298</u>
<i>Total Interest Income</i>	<u>366,997</u>	<u>296,656</u>	<u>395,550</u>
Interest expense			
Due to banks and deposits from the National			
Bank of Hungary and other banks	121,221	45,438	65,939
Deposits from customers	106,184	81,035	110,504
Liabilities from issued securities	17,275	11,226	16,151
Subordinated bonds and loans	<u>12,220</u>	<u>11,873</u>	<u>16,086</u>
<i>Total Interest Expense</i>	<u>256,900</u>	<u>149,572</u>	<u>208,680</u>
NET INTEREST INCOME	110,097	147,084	186,870

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 Bank sells non-performing loans to a work-out subsidiary. Such loans are transferred at amounts which approximate the net carrying value of such loans.

The Bank under a syndication agreement administrated mortgage loans with recourse to OTP Mortgage Bank Company Ltd. of HUF 38,442 million and HUF 143,089 million during the nine month periods ended 30 September 2008 and 2007 (including interest). The book value of these receivables were HUF 38,402 million and 143,013 million.

During the nine month period ended 30 September 2008 the Bank received HUF 27,856 million fees and commission from OTP Mortgage Bank Company Ltd. For the nine month period ended 30 September 2007 such fees and commissions were HUF 38,868 million. Such fees and commissions are related to loans originated by the Bank and sold to OTP Mortgage Bank Company Ltd.