



**OTP BANK PLC.**

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

FOR THE SIX MONTH PERIOD  
ENDED 30 JUNE 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 JUNE 2010 (UNAUDITED)**  
(in HUF mn)

	Note	30 June 2010	31 December 2009	30 June 2009
Cash, amounts due from banks and balances with the National Bank of Hungary		326,698	178,217	166,826
Placements with other banks, net of allowance for placement losses		903,270	962,063	857,142
Financial assets at fair value through profit or loss	3.	252,986	273,652	201,948
Securities available-for-sale	4.	1,581,813	1,652,747	631,078
Loans, net of allowance for loan losses	5.	2,825,641	2,622,895	2,705,967
Investments in subsidiaries	6.	647,179	643,907	617,632
Securities held-to-maturity	7.	170,051	216,563	693,773
Property and equipment		67,987	69,654	70,381
Intangible assets		35,393	38,909	39,406
Other assets		<u>54,165</u>	<u>92,085</u>	<u>98,581</u>
<b>TOTAL ASSETS</b>		<b><u>6,865,183</u></b>	<b><u>6,750,692</u></b>	<b><u>6,082,734</u></b>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks		814,514	1,152,131	881,655
Deposits from customers	8.	3,407,263	3,368,752	3,192,188
Liabilities from issued securities	9.	696,760	618,303	525,997
Financial liabilities at fair value through profit or loss		332,708	119,353	114,513
Other liabilities		294,816	252,988	233,967
Subordinated bonds and loans		<u>308,759</u>	<u>287,321</u>	<u>292,274</u>
<b>TOTAL LIABILITIES</b>		<b><u>5,854,820</u></b>	<b><u>5,798,848</u></b>	<b><u>5,240,594</u></b>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		986,144	927,618	875,947
Treasury shares		<u>(3,781)</u>	<u>(3,774)</u>	<u>(61,807)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>1,010,363</u></b>	<b><u>951,844</u></b>	<b><u>842,140</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>6,865,183</u></b>	<b><u>6,750,692</u></b>	<b><u>6,082,734</u></b>

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

	Note	Six month period ended 30 June 2010	Six month period ended 30 June 2009	Year ended 31 December 2009
Interest Income	11.	<u>374,725</u>	<u>381,895</u>	<u>727,077</u>
Interest Expense	11.	<u>240,240</u>	<u>276,337</u>	<u>512,710</u>
<b>NET INTEREST INCOME</b>	11.	<b><u>134,485</u></b>	<b><u>105,558</u></b>	<b><u>214,367</u></b>
Provision for impairment on possible loan and placement losses	5.	<u>69,697</u>	<u>34,972</u>	<u>78,462</u>
<b>NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES</b>		<b><u>64,788</u></b>	<b><u>70,586</u></b>	<b><u>135,905</u></b>
Net profit from fees and commissions		63,614	69,338	138,801
Net operating income		<u>45,453</u>	<u>36,408</u>	<u>52,051</u>
Other administrative expenses		<u>79,506</u>	<u>82,064</u>	<u>165,388</u>
<b>PROFIT BEFORE INCOME TAX</b>		<b><u>94,349</u></b>	<b><u>94,268</u></b>	<b><u>161,369</u></b>
Income tax		<u>10,303</u>	<u>11,707</u>	<u>3,231</u>
<b>NET PROFIT FOR THE YEAR</b>		<b><u>84,046</u></b>	<b><u>82,561</u></b>	<b><u>158,138</u></b>
Earnings per share (in HUF)				
Basic		<u>278</u>	<u>310</u>	<u>582</u>
Diluted		<u>281</u>	<u>306</u>	<u>577</u>

*The comprehensive income items are as follows:*

	Note	Six month period ended 30 June 2010	Six month period ended 30 June 2009	Year ended 31 December 2009
<b>NET PROFIT FOR THE YEAR</b>		<b><u>84,046</u></b>	<b><u>82,561</u></b>	<b><u>158,138</u></b>
Fair value adjustment of securities available-for-sale		<u>(22,570)</u>	<u>1,564</u>	<u>29,126</u>
<b>NET COMPREHENSIVE INCOME</b>		<b><u>61,476</u></b>	<b><u>84,125</u></b>	<b><u>187,264</u></b>

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

	Three month period ended 30 June 2010	Three month period ended 30 June 2009	Year ended 31 December 2009
Profit before income tax	94,349	94,268	161,369
Income tax paid	(2,302)	(9,008)	(13,278)
Depreciation and amortization	11,651	10,811	22,262
Provisions	74,314	41,235	77,522
Share-based payment	3,144	3,401	6,802
Unrealised gains on fair value adjustment of securities available-for-sale and held for trading	8,093	(5,376)	1,634
Unrealised (losses)/ gains on fair value adjustment of derivative financial instruments	9,979	35,123	34,568
Changes in other assets and liabilities in operating activities	73,142	(109,827)	<u>(30,379)</u>
<b>Net cash provided by/ (used in) operating activities</b>	<b><u>272,370</u></b>	<b><u>60,627</u></b>	<b><u>260,500</u></b>
<b>Net cash provided by/ (used) in investing activities</b>	<b><u>69,943</u></b>	<b><u>(196,501)</u></b>	<b><u>(914,943)</u></b>
<b>Net cash (used in)/ provided by financing activities</b>	<b><u>(201,959)</u></b>	<b><u>140,157</u></b>	<b><u>666,471</u></b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b><u>140,354</u></b>	<b><u>4,283</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>246,033</u></b>	<b><u>97,934</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)	<u>(64,371)</u>
<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	326,698	166,826	178,217
Compulsory reserve established by the National Bank of Hungary	(80,665)	(68,892)	<u>(72,538)</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>246,033</u></b>	<b><u>97,934</u></b>	<b><u>105,679</u></b>

**OTP BANK PLC.**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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	-	-	-	84,125	-	-	84,125
Share-based payment	-	-	3,401	-	-	-	3,401
Closed share-based payment	-	-	-	(44,095)	-	-	(44,095)
Payments to ICES holders	-	-	-	(2,994)	-	-	(2,994)
Loss on sale of treasury shares	-	-	-	(6,808)	-	-	(6,808)
Acquisition of treasury shares	-	-	-	-	-	36,038	36,038
<b>Balance as at 30 June 2009</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>22,582</u></b>	<b><u>853,313</u></b>	<b><u>-</u></b>	<b><u>(61,807)</u></b>	<b><u>842,140</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	-	-	-	61,476	-	-	61,476
Share-based payment	-	-	3,144	-	-	-	3,144
Payments to ICES holders	-	-	-	(6,090)	-	-	(6,090)
Loss on sale of treasury shares	-	-	-	(4)	-	-	(4)
Acquisition of treasury shares	-	-	-	-	-	(7)	(7)
<b>Balance as at 30 June 2010</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>9,974</u></b>	<b><u>1,031,586</u></b>	<b><u>(55,468)</u></b>	<b><u>(3,781)</u></b>	<b><u>1,010,363</u></b>

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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 JUNE 2010, AND POST BALANCE SHEET EVENTS**

On 19 March 2010 OTP Bank Plc. 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.

OTP BANK PLC.  
 NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

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

	30 June 2010	31 December 2009
<i>Held for trading securities:</i>		
Corporate shares	99,277	88,513
Securities issued by the NBH	24,975	49,887
Government bonds	12,990	28,857
Mortgage bonds	5,300	8,689
Hungarian government interest bearing Treasury Bills	87	183
Hungarian government discounted Treasury Bills	23	2,642
Other securities	31	282
	<b><u>142,683</u></b>	<b><u>179,053</u></b>
Accrued interest	463	1,363
	<b><u>143,146</u></b>	<b><u>180,416</u></b>
<i>Derivative financial instruments designated as held for trading:</i>		
Interest rate swaps designated as held for trading	42,354	56,134
CCIRS and mark-to-market CCIRS swaps designated as held for trading	36,989	28,403
Foreign currency swaps designated as held for trading	22,255	7,439
Other derivative transactions	8,242	1,260
	<b><u>109,840</u></b>	<b><u>93,236</u></b>
<b>Total</b>	<b><u>252,986</u></b>	<b><u>273,652</u></b>



OTP BANK PLC.  
 NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 4: SECURITIES AVAILABLE-FOR-SALE (in HUF mn)**

	<b>30 June 2010</b>	<b>31 December 2009</b>
Mortgage bonds	775,097	720,260
Bonds issued by NBH	382,403	504,172
Government bonds	326,653	257,571
Other securities	55,794	137,389
<i>-listed securities</i>	<u>20,720</u>	<u>15,878</u>
<i>in HUF</i>	-	-
<i>in foreign currency</i>	20,720	15,878
<i>-non-listed securities</i>	<u>35,074</u>	<u>121,511</u>
<i>in HUF</i>	16,313	14,580
<i>in foreign currency</i>	<u>18,761</u>	<u>106,931</u>
<b>Total</b>	<b><u>1,539,947</u></b>	<b><u>1,619,392</u></b>
Accrued interest	<u>41,866</u>	<u>38,575</u>
Provisions	-	<u>(5,220)</u>
<b>Securities available-for-sale total</b>	<b><u>1,581,813</u></b>	<b><u>1,652,747</u></b>

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

	<b>30 June 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>	<u>-</u>	<u>5,220</u>

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

	<b>30 June 2010</b>	<b>31 December 2009</b>
Short-term loans and trade bills (within one year)	570,431	611,898
Long-term loans and trade bills (over one year)	<u>2,364,402</u>	<u>2,078,523</u>
	<b><u>2,934,833</u></b>	<b><u>2,690,421</u></b>
Accrued interest	23,043	22,061
Provision of impairment on loan losses	<u>(132,235)</u>	<u>(89,587)</u>
<b>Total</b>	<b><u>2,825,641</u></b>	<b><u>2,622,895</u></b>

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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 June 2010</b>		<b>31 December 2009</b>	
Commercial loans	2,018,566	69%	1,921,905	70%
Consumer loans	380,923	13%	364,839	14%
Municipality loans	298,245	10%	178,224	7%
Housing loans	149,954	5%	149,851	6%
Mortgage backed loans	<u>87,145</u>	<u>3%</u>	<u>75,602</u>	<u>3%</u>
<b>Total</b>	<b><u>2,934,833</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 June 2010</b>	<b>31 December 2009</b>
In HUF	31%	33%
In foreign currency	<u>69%</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 June 2010</b>	<b>31 December 2009</b>
<b>Opening balance</b>	<b>89,587</b>	<b>45,319</b>
Provision for the period	69,870	76,862
Release	<u>(27,222)</u>	<u>(32,594)</u>
<b>Closing balance</b>	<b><u>132,235</u></b>	<b><u>89,587</u></b>

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

	<b>30 June 2010</b>	<b>31 December 2009</b>
Investments in subsidiaries:		
Controlling interest	793,021	769,477
Other	<u>1,006</u>	<u>975</u>
	<b><u>794,027</u></b>	<b><u>770,452</u></b>
Provision for impairment	<u>(146,848)</u>	<u>(126,545)</u>
<b>Total</b>	<b><u>647,179</u></b>	<b><u>643,907</u></b>

**OTP BANK PLC.**  
**NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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 June 2010</b>	<b>31 December 2009</b>
<b>Opening balance</b>	<b>126,545</b>	<b>125,995</b>
Provision for the period	20,303	575
Release of provision	____(-)	____(25)
<b>Closing balance</b>	<b><u>146,848</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 June 2010</b>	<b>31 December 2009</b>
Government bonds	105,932	107,447
Mortgage bonds	60,268	99,220
Hungarian government discounted Treasury bills	386	388
Other securities	____-	____5,250
	<b><u>166,586</u></b>	<b><u>212,305</u></b>
Accrued interest	3,465	8,422
Provision for impairment	____-	____(4,164)
<b>Total</b>	<b><u>170,051</u></b>	<b><u>216,563</u></b>

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

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

OTP BANK PLC.  
 NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

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

	30 June 2010	31 December 2009
Within one year:		
In HUF	2,698,118	2,694,633
In foreign currency	<u>664,345</u>	<u>630,457</u>
	<b><u>3,362,463</u></b>	<b><u>3,325,090</u></b>
Over one year:		
In HUF	29,683	16,860
In foreign currency	<u>2,112</u>	<u>3,941</u>
	<b><u>31,795</u></b>	<b><u>20,801</u></b>
	<b><u>3,394,258</u></b>	<b><u>3,345,891</u></b>
Accrued interest	<u>13,005</u>	<u>22,861</u>
<b>Deposits from customers total</b>	<b><u>3,407,263</u></b>	<b><u>3,368,752</u></b>

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

	30 June 2010		31 December 2009	
Retail deposits	2,022,785	60%	2,057,361	61%
Corporate deposits	1,183,136	34%	1,033,705	31%
Municipality deposits	<u>188,337</u>	<u>6%</u>	<u>254,825</u>	<u>8%</u>
<b>Total</b>	<b><u>3,394,258</u></b>	<b><u>100%</u></b>	<b><u>3,345,891</u></b>	<b><u>100%</u></b>

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

	30 June 2010	31 December 2009
Within one year:		
In HUF	255,213	227,834
In foreign currency	<u>369,935</u>	<u>216,673</u>
	<b><u>625,148</u></b>	<b><u>444,507</u></b>
Over one year:		
In HUF	30,327	22,206
In foreign currency	<u>28,120</u>	<u>140,540</u>
	<b><u>58,447</u></b>	<b><u>162,746</u></b>
<b>Total</b>	<b><u>683,595</u></b>	<b><u>607,253</u></b>
Accrued interest	<u>13,165</u>	<u>11,050</u>
<b>Issued securities total</b>	<b><u>696,760</u></b>	<b><u>618,303</u></b>

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

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

*(a) Contingent liabilities and commitments*

	<b>30 June 2010</b>	<b>31 December 2009</b>
Legal disputes	10,781,406	32,012
Commitments to extend credit	660,863	613,496
Guarantees arising from banking activities	273,753	233,068
Confirmed letters of credit	8,665	3,865
Contingent liabilities related to OTP Mortgage Bank Ltd.	3,238	75,215
Other	<u>1,269</u>	<u>1,586</u>
<b>Total</b>	<b><u>11,729,194</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.

**OTP BANK PLC.**  
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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 June 2010	31 December 2009	30 June 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	42,354	56,134	59,060	58,203
Negative fair value of interest rate swaps designated as held for trading	(60,603)	(47,065)	(83,618)	(45,983)
<b>Foreign exchange swaps designated as held for trading</b>				
Positive fair value of foreign exchange swaps designated as held for trading	22,255	7,439	23,560	7,790
Negative fair value of foreign exchange swaps designated as held for trading	(16,429)	(6,168)	(12,129)	(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	5,760	14,147	9,220	10,507
Negative fair value of interest rate swaps designated in fair value hedge accounting relationships	(4,608)	(3,569)	(2,453)	(3,740)
<b>CCIRS designated as held for trading</b>				
Positive fair value of CCIRS designated as held for trading	35,811	23,270	20,760	14,951
Negative fair value of CCIRS designated as held for trading	(218,899)	(54,169)	(195,920)	(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	1,178	5,133	13,110	40,776
Negative fair value of mark-to-market CCIRS designated as held for trading	(34,298)	(7,348)	15,681	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	8,242	1,260	17,449	711
Negative fair value of other derivative contracts designated as held for trading	(2,479)	(4,603)	(12,361)	(12,066)
<b>Derivative financial assets total</b>	<b><u>115,600</u></b>	<b><u>107,384</u></b>	<b><u>143,159</u></b>	<b><u>132,934</u></b>
<b>Derivative financial liabilities total</b>	<b><u>(337,316)</u></b>	<b><u>(122,922)</u></b>	<b><u>(290,800)</u></b>	<b><u>(30,874)</u></b>
<b>Derivative financial instruments total</b>	<b><u>(221,716)</u></b>	<b><u>(15,538)</u></b>	<b><u>(147,641)</u></b>	<b><u>102,060</u></b>

As at 30 June 2010 the Bank has derivative instruments with positive fair values of HUF 115,600 million and negative fair values of HUF 337,316 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)**

	<b>Six month period ended 30 June 2010</b>	<b>Six month period ended 30 June 2009</b>	<b>Year ended 31 December 2009</b>
Interest Income:			
Loans	112,586	133,308	253,822
Placements with other banks	197,110	198,576	353,911
Amounts due from banks and balances with National Bank of Hungary	2,488	3,868	7,026
Securities held for trading	1,624	1,433	5,297
Securities available-for-sale	52,941	22,485	54,087
Securities held-to-maturity	<u>7,976</u>	<u>22,225</u>	<u>52,934</u>
<b>Total Interest Income</b>	<b><u>374,725</u></b>	<b><u>381,895</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	149,694	151,976	265,205
Deposits from customers	64,735	100,797	197,585
Liabilities from issued securities	17,745	14,745	32,474
Subordinated bonds and loans	<u>8,066</u>	<u>8,819</u>	<u>17,446</u>
<b>Total Interest Expense</b>	<b><u>240,240</u></b>	<b><u>276,337</u></b>	<b><u>512,710</u></b>
<b>NET INTEREST INCOME</b>	<b><u>134,485</u></b>	<b><u>105,558</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.:**

	<b>30 June 2010</b>	<b>30 June 2009</b>
Loans sold to OTP Mortgage Bank Ltd. with recourse (including interest)	6,687	29,712
The gross book value of the loans	6,683	29,675
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans	19,969	26,372
Provision for the repurchase guarantee of non- performing loans	-	6,247
Provision for the purchase obligation of the non- performing loans originated by OTP Mortgage Bank Ltd.	284	5,754

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

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repurchase guarantee was cancelled and the OTP Bank Plc. gives bail to the loans originated or purchased by the Bank.

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

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

	<b>30 June 2010</b>	<b>30 June 2009</b>
Loans sold to OTP Factoring Ltd.		
without recourse (including interest)	17,633	8,265
The gross book value of the loans	40,892	20,080
Provision for loan losses on the loans sold	20,215	11,002
Loss on these transaction (recorded in the unconsolidated financial statements as loan and placement loss)	3,044	813

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