OTP Bank Plc.

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OTP GROUP

Risk management objectives and policies

Traditionally, OTP Bank has been characterized by conservative risk assumption. Its fundamental objective is to implement its strategic plan through maintaining the equilibrium between yields and risks. In order to be able to do so, it has established an independent risk management organizational unit and a uniform and consistent risk management system. The Bank operates a risk management process, which guarantees that the Bank complies, at all times, with the Basel accords, the applicable statutory regulations and supervisory authority requirements in all of the countries where the Bank operates, and at a group level as well.

The Bank has prepared a Risk Management Strategy, which covers all major types of risks (credit, operational, market and liquidity risks) that arise in connection with the banking business.

The independent risk management organizational unit performs the following:

- In order to identify potential risks, it analyses the Bank's activities, identifies the major risk factors to which these activities and the positions generated by them are exposed, and indicates the correlations between these positions.
- In order to measure risks, it collects historical data on the major risk factors, the losses stemming from them and the variables that can predict them.
- Monitors the results of the risk measures continuously, and prepares regular and up-to-the minute reports on them in a transparent manner for the various operative and executive levels.

In order to manage risks each organizational unit applies risk mitigation techniques (limits, securities, hedging transactions, control points embedded in processes and risk transfers).

The Bank strictly regulates the method of risk management and ensures that it is uniformly applied at a group level.

In its regulations on risk mitigation and the use of credit risk collateral, the Bank determines:

- the risk management process and methods, including decision-making powers and tasks linked to risk assumption as well as the requirements for the control of risk assumption;
- the types of eligible collateral in connection with contracts entailing bank exposures and the conditions for their acceptance;
- the criteria for the appraisal of the financial position and future solvency of current and future debtors, internal regulations related to debtor rating, and the manner in which the findings of the rating procedure are used.

The Bank's market risk management strategy is to realize benefit from exchange rate and yield curve movements, by matching legal requirements, taking the risk exposure the loss from which does not damage profitability and operation safety of the Group. Aim of market risk management is to restrict potential loss arising from unfavorable exchange rate and/or yield curve movements.

- Treasury is responsible for market risk management and keeping risk within the frames approved by the Board.
- Continuous monitoring of market risk exposure, its reporting to the management, and development of risk measurement methods belong to organizational unit in separate division from Treasury.
- The Board approves the market risk measurement methodologies and the limit system which defines the acceptable risk.

The bank applies a risk management system for risk measuring and internal reporting based on but independent from the front office system so that it makes possible the efficient IT implementing of the developing risk measure techniques. All the concerned organizational areas have access to the risk management system but the competence varies with the different users. The internal risk management system complies with the EU directives and it is based on the methodological principles of the program checked by the Authority which is used for reporting risk exposure of the trading book.

Main principles of market risk management regulation:

- The bank is allowed to run market risks within the limits set by the Board of Directors. The bank can open ALM positions to hedge strategic risks appearing in the profit plan, but it needs the decision of the Board of Directors based on an ALCO proposal in every case. For the sake of the risk management, positions originating from other organizational units (for example home loan payments) are forwarded without delay to the Treasury in compliance with the internal reporting process.
- The bank divides the positions exposed to market risk into underlying risk factors (interest rates, foreign exchange rates, stock prices, volatility) and manages them in accordance with the positions calculated in the manner stated above.
- The bank continuously monitors the changes in the value of the positions originating from portfolios exposed to market risk, the value-at-risk of the portfolio and the changes in the values of the portfolio and it sets a limit system in connection with them. The bank attaches an internal action plan concerning limit breach to avoid losses incompatible with the risk-taking policy of the bank.
- Decision-makers of the bank get information about the bank's risk exposure and the regarding portfolios' profit-and-loss effects with pre-defined regularity.
- The profit-and-loss effect of ALM deals which intend to hedge the profit plan-driven market risk exposure and the profit-and-loss effect of the core portfolio in the plan are regularly reported to the management of the bank, so making the transparent control of hedging effectiveness possible.
- The bank allocates capital to the portfolios exposed to market risk in order to cover the possible losses.

Application of prudential requirements

List of fully consolidated entities under the rules of Consolidation Accounting (IFRS) and Consolidated Based Supervision:

Fully consolidated entities Q4 2010	Consolidation Accounting (IFRS)	Consolidated Based Supervision
OTP Bank Nyrt.	X	X
OTP Ingatlan Zrt.	X	X
Concordia-Info Zrt.	X	
Merkantil Bank Zrt.	X	X
Merkantil Car Zrt.	X	X
Merkantil Bérlet Kft.	X	X
OTP Lakástakarékpénztár Zrt.	X	X
Bank Center No. 1. Kft.	X	X
OTP Faktoring Vagyonkezelő Kft.	X	X
OTP Faktoring Zrt.	X	X
OTP Alapkezelő Zrt.	X	X
INGA KETTŐ Kft.	X	X
OTP Jelzálogbank Zrt.	X	X
OTP Pénztárszolgáltató Zrt.	X	
HIF Ltd.	X	X
OTP Banka Slovensko, a. s.	X	X
DSK Bank EAD	X	X
DSK Trans security EOOD	X	
DSK Tours EOOD	X	
POK DSK-Rodina AD	X	
NIMO 2002 Kft.	X	X
OTP Kártyagyártó Kft.	X	X
OTP Bank Romania S. A.	X	X
OTP Faktoring Slovensko, a.s.	X	X
OTP banka Hrvatska d.d.	X	X

Fully consolidated entities Q4 2010	Consolidation Accounting (IFRS)	Consolidated Based Supervision
OTP invest d.o.o.	X	X
OTP nekretnine d.o.o.	X	X
Merkantil Ingatlan Lízing Zrt.	X	X
Air-Invest Kft.	X	X
SPLC-B Kft.	X	
SPLC-N Kft.	X	
SPLC-P Kft.	X	
SPLC-S Kft.	X	
SPLC-T1 Kft.	X	
SPLC Vagyonkezelő Kft.	X	X
OTP Lakáslízing Zrt.	X	X
OTP Életjáradék Ingatlanbefektető Zrt.	X	X
Closed Joint Stock Company OTP Bank	X	X
OAO OTP Bank (Russia)	X	X
OTP banka Srbija a.d.	X	X
OTP Leasing d.o.o. Novi Sad	X	X
OTP Investments d.o.o. Novi Sad	X	X
Crnogorska Komercijalna banka a.d.	X	X
Opus Security S.A.	X	X
Kratos nekretnine d.o.o. Zagreb	X	X
OTP Financing Cyprus	X	X
OTP Financing Netherlands B.V.	X	X
OTP HOLDING LIMITED	X	X
LLC OTP Leasing (Ukrajna)	X	X
LLC AMC OTP Capitol (Ukrajna)	X	X
OTP Asset Management SAI S.A.	X	X
OTP Financing Solution B.V.	X	X
Velvin Ventures Ltd.	X	X
DSK Leasing	X	X
DSK Auto Leasing	X	X
DSK Leasing Insurance	X	
OTP Leasing d.d.	X	X
Z plus d.o.o.	X	X
OTP Leasing Romania IFN S.A.	X	X
OTP Faktoring SRL	X	X
OTP Faktoring Ukraine LLC	X	X
Monicomp Zrt.	X	X
OTP Factoring Bulgaria LLC	X	X
OTP Factoring Serbia d.o.o.	X	X
OTP Factoring Montenegro d.o.o.	X	X
Projekt 3 Kft.	X	
CIL Babér Kft.	X	X
LLC OTP Credit	X	X
Cresco d.o.o.		X
SC Aloha Buzz SRL		X
SC Favo Consultanta SRL		X
SC Tezaur Cont SRL		X
OTP Ingatlan Befektetési Alapkezelő Zrt.		X

Fully consolidated entities Q4 2010	Consolidation Accounting (IFRS)	Consolidated Based Supervision
DSK Asset Management		X
AlyansReserv OOO		X
OTP Immobilien Verwertung		X
OTP Mérnöki Szolgáltató Kft.		X
OTP Létesítményüzemeltető Kft.		X

List of unconsolidated entities owned more than 20% of shares, under the rules of Consolidated Accounting (IFRS) and Consolidated Based Supervision:

List of unconsolidated entities, owned more than 20% of shares (31.12.2010)	
Consolidation Accounting	Consolidated Based Supervision
Agóra-Kapos Építőipari Kft.	Agóra-Kapos Építőipari Kft.
AlyansReserv OOO	Company for Cash Services AD
Company for Cash Services AD	CONCORDIA-INFO Zrt.
CRESCO d.o.o.	Diákigazolvány Kft.
Diákigazolvány Kft.	Drustvo za upravljanje PIF-om Moneta
Drustvo za upravljanje PIF-om Moneta	DSK Bul-Projekct OOD
DSK Asset Management EAD	DSK Leasing Ins. EOOD
DSK Bul-Projekct OOD	DSK Tours EOOD
Gamayun Llc.	DSK Trans security EOOD
Gizella Projekt Ingatlanforgalmazó Kft.	Gamayun Llc.
Ingatlanbefektetési Projekt 7 Kft.	Gizella Projekt Ingatlanforgalmazó Kft.
Ingatlanforgalom Projekt 15. Kft.	Ingatlanbefektetési Projekt 7 Kft.
Ingatlanhasznosító Projekt 11 Kft	Ingatlanforgalom Projekt 15. Kft.
Ingatlankezelő Projekt 16. Kft.	Ingatlanhasznosító Projekt 11 Kft
Ingatlanvagyon Projekt 14. Kft.	Ingatlankezelő Projekt 16. Kft.
JN Parkolóház Kft.	Ingatlanvagyon Projekt 14. Kft.
Kereskedelmi Projekt 10.Kft	JN Parkolóház Kft.
Kikötő Ingatlanforgalmazó Kft.	Kereskedelmi Projekt 10.Kft
LLC Promstroyinvest	Kikötő Ingatlanforgalmazó Kft.
M8-2 Ingatlanhasznosító Kft.	LLC Promstroyinvest
MIN Holding Niš (f.a.)	M8-2 Ingatlanhasznosító Kft.
Miskolci Diákotthon Kft.	MIN Holding Niš (f.a.)
Mlekara Han d.o.o.	Miskolci Diákotthon Kft.
Naprijed d.d. (f.a.) (forg.)	Mlekara Han d.o.o.
Omega Interconsult SRL (v. a.)	Naprijed d.d. (f.a.) (forg.)
OOO OTP Travel	Omega Interconsult SRL (v. a.)
OTP Broker de Intermedieri Financiare SRL	OOO OTP Travel
OTP Buildings s.r.o.	OTP Broker de Intermedieri Financiare SRL
OTP Consulting Romania SRL	OTP Buildings s.r.o.
OTP Faktor Slovensko s.r.o.	OTP Consulting Romania SRL
OTP Faktoring Fedezetkezelő Kft.	OTP Faktor Slovensko s.r.o.
OTP Fedezetingatlan Kft.	OTP Faktoring Fedezetkezelő Kft.
OTP Hungaro-Projekt Kft.	OTP Fedezetingatlan Kft.
OTP Immobilien Verwertung Gmbh.	OTP Hungaro-Projekt Kft.
OTP Ingatlan Bau Kft.	OTP Ingatlan Bau Kft.
OTP Ingatlan Befektetési Alapkezelő Zrt.	OTP Nedvizhimost ZAO
OTP Létesítményüzemeltető Kft.	OTP Pension Funds Administrator LLC
OTP Mérnöki Szolgáltató Kft.	OTP Pénztárszolgáltató Zrt.
OTP Nedvizhimost ZAO	OTP Real Estate Services LLC

List of unconsolidated entities, owned more than 20% of shares (31.12.2010)	
Consolidation Accounting	Consolidated Based Supervision
OTP Pension Funds Administrator LLC	OTP Real Slovensko s.r.o.
OTP Real Estate Services LLC	OTP Travel Kft.
OTP Real Slovensko s.r.o.	POK DSK-Rodina AD
OTP Travel Kft.	PortfoLion Kockázati Tőkealap-kezelő Zrt.
PortfoLion Kockázati Tőkealap-kezelő Zrt.	Projekt 13 Apartmány Slovensko s.r.o.
Projekt 13 Apartmány Slovensko s.r.o.	Projekt 2003. Ingatlan Befektető és Fejlesztő Kft.
Projekt 2003. Ingatlan Befektető és Fejlesztő Kft.	Projekt 3. Ingatlanforglamazó és Kereskedelmi Kft.
Projekt Ingatlanforgalmazó 9. Kft.	Projekt Ingatlanforgalmazó 9. Kft.
Projekt Vagyonkezelési 13 Kft.	Projekt Vagyonkezelési 13 Kft.
Projekt-Ingatlan 8. Kft	Projekt-Ingatlan 8. Kft
PSF Llc.	PSF Llc.
Rácalmás Projekt Kft.	Rácalmás Projekt Kft.
Rácalmási Területfejlesztő Kft.	Rácalmási Területfejlesztő Kft.
Sasad-Beregszász Ingatlanforgalmazó Kft.	Sasad-Beregszász Ingatlanforgalmazó Kft.
SC Aloha Buzz SRL	SC AS Tourism SRL
SC AS Tourism SRL	Sinvest Kft. (v.a.)
SC Favo Consultanta SRL	SPLC-B Kft.
SC Tezaur Cont SRL	SPLC-C Kft.
Sinvest Kft. (v.a.)	SPLC-N Kft.
SPLC-C Kft.	SPLC-P Kft.
Suzuki Pénzügyi Szolgáltató Zrt.	SPLC-S Kft.
Szalamandra Ingatlanforgalmazó Kft.	SPLC-T1 Kft.
TradeNova Kereskedelmi Kft. f.a.	Suzuki Pénzügyi Szolgáltató Zrt.
Vagyonkezelő Projekt 12 Kft	Szalamandra Ingatlanforgalmazó Kft.
	TradeNova Kereskedelmi Kft. f.a.
	Vagyonkezelő Projekt 12 Kft

The group of companies deducted from consolidated regulatory capital:

- The value of interests in other financial institutions, investment firms, insurance and reinsurance companies which deduct the regulatory capital: 464 million HUF.
- The ownership share value in the company which need not be included in the consolidation because of the Commission decision is zero.

Internal capital adequacy

The internal capital adequacy assessment process (ICAAP) aims to measure and ensure the disposability of the capital which is necessary to cover the material risks of OTP Group.

The internal capital adequacy assessment process assesses and defines the sufficient level of capital for the coverage of each risk type.

The ICAAP has to ensure the disposability of the sufficient capital by management information system and preparation of the necessary decisions.

The decisions related to the ICAAP process, and also the approval of the results, are made by Management Committee of OTP Bank.

The main principles of the ICAAP:

- The main aim of the internal capital adequacy assessment process is to measure the actual and the planned capital need.

- It is important to integrate the ICAAP to the decision making process of the Bank. We should ensure that the relevant management bodies are informed on the results of the ICAAP and are able to make the necessary capital management decisions.
- The ICAAP and the capital requirement of each risk type have to be reviewed and refreshed on a yearly basis.
- The capital requirement calculation is prepared in line with the Bank's business and risk strategy.
- The capital adequacy assessment process covers all relevant risk types.
- The assessment process should comply not just with the actual but also with the future circumstances.

Guarantee capital and regulatory capital requirements

The consolidated capital requirement calculation of OTP Group is based on HAS data.

OTP Group applied standardized capital calculation method regarding credit and market risk, basic indicator approach (BIA) and alternative standardized approach (ASA) regarding operational risk. OTP Group consolidated regulatory capital requirement as of end of December 2010 was 481 billion HUF, the amount of guarantee capital was 1 366 billion HUF. The consolidated capital adequacy ratio stood at 18.3%.

Consolidated capital requirement (million HUF)	Q4 2010
Capital requirement	**597 158**
Credit risk	480 852
Market risk	30 807
Operational risk	85 500

Consolidated regulatory capital[1] (million HUF)	Q4 2010
Regulatory capital	**1 365 686**
Tier1	1 081 229
Tier2	284 921
Additional capital	0
Deductions	-464

Capital requirement for credit and counterparty risk (million HUF)	Q4 2010
Standardized method capital requirement	**480 852**
Central governments or central banks	16 106
Regional governments or local authorities	33 219
Public sector entities	1 070
Multilateral Development Banks	12
Institutions	20 244
Corporate	152 475
Retail	136 938
Secured by real estate property	55 076
Past due items	37 075
Collective investment undertakings	958
Other items	27 678

[1] Positive components of Tier 1: Share capital, Capital reserve, Tied-up reserve, General reserve, Retained ernings, Change in equity of subsidiaries, Change because of consolidation, Minority interests, Balance sheet profit, General risk reserve; Core loan capital
Negative components of Tier 1: Treasury shares, Goodwill and other intangible assets
Positive components of Tier 2: Upper Tier 2, Lower Tier 2
Negative components of Tier 2: Difference resulting from the capital consolidation

OTP BANK

Calculation methods and approaches of impaired items and provisions

The Bank's provisioning policy is prudent and conservative.

In establishing the profit or loss for the reporting year, it is through accounting for impairment and raising provisions that foreseeable risks and potential losses are taken into consideration even if they become known between the end of the last reporting period and the balance sheet date. Impairment and provisions are both recognized, irrespective of whether the business year is closed with a profit or a loss.

For the debts outstanding at the rating cut-off date and the cut-off date for the business year and unpaid until the balance sheet date, impairment is recognized on the basis of available information; the amount of the recognized impairment is the difference between the book value of the outstanding debt and the expected amount of the recovered debt. (The following qualify as receivables: receivables from credit institutions and financial enterprises, loans, advance payments as well as items of receivable type recorded among accruals and deferrals of income.)

If the amount of the debt that is expected to be recovered exceeds the book value of the debt at the cut-off date for rating, the impairment recognized earlier will be reduced through reversal.

The Bank recognizes risk provision for off-balance sheet (pending, future) liabilities on the basis of their rating. If the rating process reveals that the amount of the risk provision exceeds the amount required on the basis of the rating, the excess amount of the risk provision is released. Risk provisions are used upon the termination of pending or certain (future) liabilities, or when losses arising from such liabilities are realized.

In its regulations entitled "Special valuation criteria", the Bank provides detailed regulations pertaining to the valuation and impairment recognition of, and provisioning for, outstanding debts, investments, assets received in return for receivables and recorded as inventories and off-balance sheet liabilities.

Low-amount outstanding debts are rated on the basis of group evaluation with a simplified method. The most important parameters of the simplified rating procedure are payment delay and the status of restructuring.

The Bank determines the payment delay on the basis of the number of the calendar days without the client's fulfilment that pass without debt amortization from the due date of the principal repayment and/or the loan rate payment obligation specified in the assumption of risk contract to the cut-off date of the valuation.

The frequency and length of payment delay, as well as its growing trend increase the credit risk of the transaction and impair the quality of the risk assumption.

Outstanding debts subject to group evaluation are classified into five categories during the rating process. A certain amount of provision is allocated to each rating category, and it is this percentage value on the basis of which impairment is recognized on all receivables in the same category.

Based on a case-by-case evaluation, outstanding debts not qualifying as 'low amount' are included in one of the following asset rating categories, which are associated with the following provisioning weight bands:

- performing 0%,
- watch 1-10%,
- substandard 11-30%,
- doubtful 31-70%,
- bad 71-100%.

Depending on the nature of the item, classification into asset rating categories is based on the joint deliberation of the following aspects:

- client and counterparty rating – financial situation, stability and income generation capability of the client or counterparty affected by the financial and investment service, and any changes in these factors;
- compliance with the repayment schedule (overdue days) – patterns of delay on principal and interest payment related to the amortization of the outstanding debt, regularly fulfilment of the payment obligation;
- status of restructured risk contract;

- sovereign risk and changes in the sovereign risk associated with the client (both political risk and transfer risk);
- value, marketability and availability of the securities pledged as collateral and any changes in them;
- resale-ability and marketability of the item (market demand and supply, achievable market prices, share in the issuer's equity in proportion to the size of the investment),
- future payment obligation, which qualifies as a loss originating from the item.

Probable future losses on the item are determined on a case-by-case basis, in consideration of the above aspects as applicable. The comparison of such probable future losses with the value of the collateral securing the item indicates the expected amount of losses determined on the basis of the value of the collateral, i.e. the required amount of provisions. If this amount is lower than the amount recognized on the item earlier, it has to be supplemented by the amount of the difference by recognizing a further amount of impairment, or if it is higher, it has to be reduced by the reversal of the existing amount of impairment. Classification into asset rating categories occurs on the basis of the expected amount of losses determined on the basis of the value of the collateral.

Investments (including assets received in return for receivables and recorded as inventories) and off-balance sheet liabilities are, in all cases, evaluated on a case-by-case basis.

In keeping with § 87 (2) of Act CXII of 1996 on Credit Institutions and Financial Enterprises, the Bank creates general risk provisions – up to a maximum of 1.25% of the risk-weighted exposure amounts (adjusted balance sheet total) – to cover any unforeseeable and indeterminable losses in connection with exposures.

General risk provisions can be used if losses are incurred when assets are sold, derecognized or written off as loan or investment losses, and when losses are realized due to off-balance sheet liabilities.

General risk provisions are used – in the amount of the losses – when losses are realized on a portion of the above assets or off-balance sheet liabilities that is uncovered by reserves.

Qualified exposures:

Qualified exposure and volume of provision (million HUF)	Qualified exposure on gross value (31.12.2010.)	Volume of provision / impairment (01.01.2010.)	Provision / impairment accounted	Provision / impairment released	Provision / impairment utilized	Exchange difference	Total change of provision / impairment	Volume of provision / impairment (31.12.2010.)
Loans to credit institutions and financial enterprises	38.013	981	4.695	-3.219	0	219	1.695	2.675
Loans to non-financial enterprises	164.778	29.572	50.724	-34.246	-10.952	1.126	6.651	36.223
Household loans	90.682	25.917	52.951	-30.798	-33.201	1.726	-9.323	16.594
Other domestic loans	59.620	789	5.025	-1.367	-118	31	3.571	4.360
Loans abroad	363.134	34.265	66.166	-26.139	-1.740	1.913	40.199	74.464

Qualified exposure by countries (million HUF)	Qualified loans on gross value	Volume of provision / impairment	Qualified loans on net value
Hungary	353.093	59.851	293.242
the Netherlands	140.316	1.999	138.318
Montenegro	61.975	38.362	23.613
Cyprus	58.950	10.762	48.188
Romania	29.774	8.411	21.363
Bulgaria	27.219	1.101	26.118
Slovakia	15.714	4.006	11.708
Ukraine	7.757	1.828	5.929
Kazakhstan	6.051	908	5.143
Serbia	4.982	3.496	1.486
Seychelles	4.700	705	3.995
Croatia	3.489	2.240	1.249
Russia	836	544	292
Lithuania	836	42	794
Egypt	525	58	468
United Kingdom	5	2	3
Other countries (gross value is less than 1 million HUF individually)	3	1	2
Total	**716.227**	**134.316**	**581.911**

Guarantee capital and regulatory capital requirements

The capital requirement calculation of OTP Bank is based on HAS and audited data.

OTP Bank applied standardized capital calculation method regarding credit and market risk, and alternative standardized approach (ASA) regarding the operational risk. OTP Bank regulatory capital requirement as of end of December 2010 was 313 billion HUF, the amount of regulatory capital was 709 billion HUF. The capital adequacy ratio stood at 18.1%.

OTP Bank capital requirement (million HUF)	Q4 2010
Capital requirement	**313 236**
Credit risk	256 998
Market risk	30 166
Operational risk	26 073

Regulatory capital[2] (million HUF)	Q4 2010
Regulatory capital	**708 530**
Tier1	813 701
Tier2	316 237
Additional capital	0
Deductions	-421 408

[2] Positive components of Tier 1: Share capital, Capital reserve, Tied-up reserve, General reserve, Retained ernings, Balance sheet profit, General risk reserve
Negative components of Tier 1: Treasury shares, Goodwill and other intangible assets
Positive components of Tier 2: Upper Tier 2, Lower Tier 2

Capital requirement for credit and counterparty risk Q4 2010 (million HUF)	Credit	Counterparty	Total
Standardized method capital requirement	**250 551**	**6 447**	**256 998**
Central governments or central banks	0	0	0
Regional governments or local authorities	26 468	44	26 513
Public sector entities	1 049	0	1 049
Multilateral Development Banks	0	12	12
Institutions	25 548	5 612	31 160
Corporate	145 327	759	146 086
Retail	28 961	20	28 981
Secured by real estate property	3 622	0	3 622
Past due items	7 993	0	7 993
Covered bonds	223	0	223
Collective investment undertakings	958	0	958
Other items	10 401	0	10 401

Exposures[3] broken down by exposure classes

Exposure amounts broken down by exposure classes - gross (million HUF)	Q4 2010
Gross exposure	**7 326 121**
Central governments or central banks	852 538
Regional governments or local authorities	411 367
Public sector entities	39 320
Multilateral Development Banks	6 623
Institutions	1 668 813
Corporate	2 255 873
Retail	729 389
Secured by real estate property	126 731
Past due items	161 344
Covered bonds	864 472
Collective investment undertakings	11 980
Other items	197 671

Exposure amounts broken down by exposure classes - net (million HUF)	Q4 2010
Net exposure	**7 176 454**
Central governments or central banks	852 538
Regional governments or local authorities	405 523
Public sector entities	39 295
Multilateral Development Banks	6 623
Institutions	1 667 864
Corporate	2 200 550
Retail	723 236
Secured by real estate property	124 008
Past due items	88 146
Covered bonds	864 472
Collective investment undertakings	11 980
Other items	192 219

Exposures[3] broken down by exposure classes and maturity

Exposures broken down by exposure classes and maturity (million HUF)	In 1 year	1 - 2,5 year	2,5 - 5 year	Over 5 year	Without maturity	Non allocated
Összesen	**3 150 674**	**1 085 496**	**1 375 215**	**1 514 638**	**146 745**	**53 353**
Központi kormányok és központi bankok	520 811	31 198	143 231	157 088	0	210
Helyi önkormányzatok	146 702	54 363	40 271	170 016	0	15
Közszektorbeli intézmények	10 816	2 382	4 379	19 920	0	1 823
Multilateriális fejlesztési bankok	6 623	0	0	0	0	0
Hitelintézetek és befektetési vállalkozások	769 364	130 543	441 665	287 502	0	39 739
Vállalkozások	654 005	624 304	592 550	377 351	3 000	4 663
Lakosság	461 271	73 307	109 308	79 253	2 532	3 718
Ingatlannal fedezett követelések	27 982	16 089	22 727	59 913	0	20
Késedelmes tételek	99 043	9 140	6 893	46 268	0	0
Fedezett kötvények	388 784	144 170	14 191	317 327	0	0
Kollektív befektetési értékpapírok	0	0	0	0	11 980	0
Egyéb tételek	65 273	0	0	0	129 233	3 165

[3] Exposures according to credit and counterparty risk excluding items are treated as negative components of capital

Exposures of foreign countries[4] broken down by exposure classes

Exposure of foreign countries - gross Q4 2010 (million HUF)											
Country	Central governments or central banks	Regional governments or local authorities	Multilaterial Development Banks	Insitutions	Corporate	Retail	Secured by real estate property	Past due items	Secured bonds	Other items	**Total**
Austria				7 950	20	8					**7 978**
Australia				111							**111**
Azerbaijan				635							**635**
Belgium				44 389		50					**44 439**
Bulgaria				25 895	65 827	1					**91 723**
Belarus				627							**627**
Belize					19 011						**19 011**
Canada				217		2					**219**
Switzerland				13 231	15 306	6					**28 543**
China						1					**1**
Colombia						2					**2**
Cyprus					496 150					1 175	**497 325**
Czech Republic				404							**404**
Germany	7 817			45 635		37					**53 489**
Denmark				1 288		1					**1 289**
Estonia				25		1					**26**
Egypt					525						**525**
Spain				3 700							**3 700**
Finland				11							**11**
France				80 807		7					**80 814**
United Kingdom			6 623	204 661		3		5			**211 292**
Greece				9 608							**9 608**
Croatia				13 172	27 501	2		3 489			**44 164**
Ireland				8 591							**8 591**
Israel				25		1					**26**
Iraq						1					**1**
Iran						1					**1**
Italy				1 750			20				**1 770**
Japan				1 009							**1 009**
Kazakstan				6 051							**6 051**
Luxembourg				2 215		1					**2 216**
Latvia				844							**844**
Montenegro				21 489	19 999	24		48 316			**89 828**
Mongolia						2					**2**
Malta				300		1		10 622			**10 923**
Netherlands				30	418 102	5					**418 137**
Norway				998							**998**
Poland				981		2					**983**
Romania	1 047	458		89 550	43 134	9 047	5 940	15 753		35	**164 964**
Serbia				12 733	6 940			4 982			**24 655**
Russian Federation				108 423	17 273			836		22 304	**148 836**
Seychelles					4 700						**4 700**
Sweden				7		4					**11**
Slovenia						112					**112**
Slovakia				713	39 365	277		15	13 938		**54 308**
Turkey				1 271							**1 271**
Ukrain				34 794	4 272	35		3 485			**42 586**
United States				6 142	9	3					**6 154**
South Africa						1					**1**
Total	**8 864**	**458**	**6 623**	**750 282**	**1 178 134**	**9 638**	**5 960**	**87 503**	**13 938**	**23 514**	**2 084 914**

[4]Exposures according to credit and counterparty risk excluding items are treated as negative components of capital

Credit risk mitigation

Regulations on the valuation and management of securities contain (1) the aspects and factors that the Bank uses as a basis for collateral valuation depending on the type of the collateral and (2) the methods that the Bank uses in evaluating collateral. They lay down the procedures applicable when change occurs in the availability, value and enforceability of the collateral as well as the rules governing the frequency of regular and subsequent collateral valuation.

Collateral valuation covers all the lending, risk managing and legal activities that the Bank performs prior to the extension of a loan as well as during the term of the risk assumption in order to obtain information on the availability, value and enforceability of the collateral.

During the term of the contract containing the risk exposure the Bank regularly monitors and documents the fulfillment of the conditions set forth in the contract, including developments in the client's financial and economic position as well as changes in the availability, fair value and enforceability of the collateral and the securities.

In its lending activity the Bank uses the following types of eligible securities the most frequently: collateral deposit, lien, guarantee and suretyship.

Collaterals used in capital requirement calculation (Q4 2010):

Net[5] exposure covered by collaterals (million HUF)	State guarentee	Institution guarantee	Guarantee provided by others	Guarantee	Secured by real estate	Financial guarantee
Összesen	**73 705**	**765**	**79**	**74 548**	**128 932**	**48 856**
Regional governments or local authorities	1 700	0	0	1 700	0	1 821
Public sector entities	16 037	0	0	16 037	0	2 737
Institutions	0	0	0	0	0	9 677
Corporate	13 326	765	0	14 091	0	32 613
Retail	38 956	0	0	38 956	0	1 961
Secured by real estate property	0	0	0	0	124 008	0
Past due items	3 686	0	79	3 765	4 924	46

Information about market and credit risk concentration

In order to avoid excessive dependency, the Bank manages the concentration risks of the portfolio by setting limits for sectors, countries, clients and counterparties at both bank and bank group levels.

In order to restrain the transfer of risk originating from a potential owner-business interest relationship between clients or relationships of business nature or collateral-related relationships, clients that qualify as a client group must be defined and client level concentration limits must be interpreted at a client-group level.

In order to support the recording and maintenance of client groups at a bank-group level, group-level regulations have been developed together with an IT system.

[5] Gross exposure less provisions (credit and counterparty)

Use of credit assessment by Export Credit Agencies

OTP Bank uses S&P, Moody's and Fitch credit assessment[6]. Exposures to central governments and central banks shall be assigned a risk weight in a credit assessment scale. Exposures to institutions shall be assigned a risk weight according to the credit quality step to central government.

Credit quality step (CQS) to which central government is assigned	1	2	3	4	5	6
Central governments and central banks risk weight	0%	20%	50%	100%	100%	150%
Institutions risk weight	20%	50%	100%	100%	100%	150%

Trading book

At the end of 2010 counterparty risk represented 6 446 million HUF

The capital requirement for market risk:

Capital requirement for market risk (million HUF)	Q4 2010
Total	**30 166**
Position risk	3 325
FX-rate risk	26 841

OTP Bank has not applied IRB method regarding the market risk since 28. November 2008.

Exposures in equities and interest risk rate positions not included in trading book

Aspects of classification for trading purposes (capital gain, strategic reasons):

According to the Act on Accounting (Subsection (1) of Section 27 of Act C of 2000) those participations shall be shown under the financial investments which are kept for the purposes of gaining permanent income, or an influencing, directive or controlling option therein while the purpose for holding of participations included in the trading books is the short term exchange gain due to the price difference between the purchase and selling price.

According to the Investment Regulation of the OTP Plc. the long-term participations can be classify as it follows:

I. Strategic capital investments

- Group of OTP Bank
- Other strategic capital investments
  - Capital investments based on provisions of law
  - Capital investments for banking operation
  - Capital investments for banking business
  - Credit institution investments
  - Other strategic investments

II. Non strategic capital investments

- Investments planned to be sold for portfolio settlement or other purposes
- Investments under liquidation, dissolution and framework of bankruptcy
- Investments resulted from credit-capital conversion (forced investments)

[6] If more than two credit assessments are available from nominated ECAIs for a rated item, the two assessments generating the two lowest risk weights shall be referred to. If the two lowest risk weights are different, the higher risk weight shall be assigned.

Accounting and valuation methods:

According to the Accounting Policy of the OTP Bank Plc. the cost value (purchase value) of the investments representing participating interests shall mean as it follows:

- In the course of buying shares, participations, capital contributions the cost value shall be comprised the amount paid for it, or - in respect of acquisitions - decreased or increased by the goodwill or negative goodwill, as appropriate, if goodwill or negative goodwill is shown
- In the course of foundation or increase of capital the amount is recorded as combined value of contributions, as defined in the deed of foundation or its amendments, or in the general meeting or shareholders' or founders' resolution, to cover the subscribed capital, the balance between subscription or issue price and the face value, or the capital above and beyond the subscribed capital in the amount of paid up cash contributions and non-pecuniary contribution provided.

Main factors influencing the valuation:

The shares and business shares of the companies which are included in the investment portfolio of OTP Bank's shall be classify according to the OTP Bank's actual regulations for the valuation and shall be adjusted based on the classification. Essentially, the probability and size of the expected losses of investment have to be determined under the classification.

Exposures in equity not included in trading book:

Exposures in equitis not included in trading book 31.12.2010	Currency	Gross value (million)		Exchange-traded
		Currency	HUF	
OTP Banka Slovensko a.s.	EUR	82	22 786	Yes
OTP Banka Srbija a.d. Novi Sad	RSD	7 454	19 528	Yes
MasterCard Inc.	USD	0	0	Yes
Merkantil Bank Zrt.	HUF	0	1 600	No
OTP Lakástakarék Zrt.	HUF	0	1 000	No
OTP Jelzálogbank Zrt.	HUF	0	27 000	No
OTP Faktoring Zrt.	HUF	0	225	No
OTP Lakáslízing Zrt.	HUF	0	241	No
GIRO Elszámolásforgalmi Zrt.	HUF	0	294	No
Garantiqua Hitalgarancia Zrt.	HUF	0	280	No
Budapesti Értéktőzsde Zrt.	HUF	0	123	No
OTP Pénztárszolgáltató Zrt.	HUF	0	2 620	No
OTP Alapkezelő Zrt.	HUF	0	1 653	No
OTP Ingatlan Befektetési Alapkezelő Zrt.	HUF	0	1 352	No
Kisvállalkozás-fejlesztő Pénzügyi Zrt.	HUF	0	50	No
OTP Életjáradék Zrt.	HUF	0	1 600	No
Portfolion Zrt.	HUF	0	150	No
Monicomp Zrt.	HUF	0	3 146	No
DSK Bank AD	BGN	360	51 281	No
OTP Bank Romania S.A.	RON	580	37 719	No
OTP banka Hrvatska d.d.	HRK	1 202	45 388	No
OAO OTP Bank	RUB	7 651	52 256	No
OTP Bank JSC	UAH	3 120	81 725	No
Crnogorska komercialna banka a.d.	EUR	97	27 042	No
Eastern Securities S.A.	RON	1	35	No
VISA Europe Ltd.	EUR	0	0	No
VISA Inc.	USD	0	0	No
OTP Financing Cyprus Company Limited	EUR	0	0	No
OTP Holding Ltd.	EUR	8	2 304	No
Budapest Bank Nyrt.	HUF	0	0	No
HAGE Zrt.	HUF	0	135	No
Honeywell ESCO Zrt.	HUF	0	37	No
Mátrai Erőmű Zrt.	HUF	0	0	No
Pénzügykutató Zrt.	HUF	0	1	No

Net earnings on equities not included in trading book in 2010 was 774 million HUF.

OTP Bank measures banking book interest rate risk via sensitivity analyses based on simulation. The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. The analysis is prepared assuming the amount of assets and liabilities outstanding at the balance sheet date were outstanding for the whole year. The main assumptions were as follows:

- Floating-rate assets and liabilities were repriced to the modeled benchmark yields at the repricing dates assuming the unchanged margin compared to the last repricing.
- Fixed-rate assets and liabilities were repriced at the contractual maturity date.
- As for liabilities with discretionary repricing feature by the Bank were assumed to be repriced with two-weeks delay, assuming no change in the margin compared to the last repricing date.
- The assets and liabilities with interest rate lower than 0.3% assumed to be unchanged during the whole period.

The simulation was prepared by assuming two scenarios:

- 0.50%-0.75% decrease in average HUF yields (probable scenario)
- 1 % - 1.50% decrease in average HUF yields (alternative scenario)

The net interest income in a one year period after December 31, 2009 would be decreased by HUF 2597 million (probable scenario) and HUF 12746 million (alternative scenario) as a result of these simulation. This effect is counterbalanced by capital gains (HUF 6453 million for probable scenario, HUF 9411 million for alternative scenario) on the government bond portfolio held for hedging.

The effects of the parallel shifts of the yield-curves to the net interest income on a one-year period and to the market value of the hedge government bond portfolio booked against capital can be summarized as follows (HUF million):

Description	Effects to the net interest income (1 year period)	Effects to capital (Price change of AFS government bonds)
HUF -0,1% parallel shift	-728	1191
EUR -0,1% parallel shift	-183	0
USD +0,1% parallel shift	-80	0
Total	**-991**	**1191**

Counterparty risk management

The establishment of limits is fundamentally influenced by the risk rating of counterparties, which comprises the analysis of financial data and deliberation over qualitative factors. The rating of the counterparty thus established defines the amount of the limit that can be granted to it, and the exposures and maturities for which it is permitted to use the limit. A detailed description of the rating is contained in the Counterparty Rating Regulations, and the manner in which limits are established and broken down into sub-limits are contained in the Risk Exposure Regulations. The regulations are regularly reviewed in consideration of the changes in market trends.

The Collateral Valuation Regulations, reviewed annually, set out the security categories into which the collateral provided by the counterparties with different ratings can be classified, as well as the values assigned to such collateral.

Ratings performed prior to the establishment of limits focus on the vulnerability of the counterparties to negative market trends and special (one-off) shocks. A favourable rating is given to those banks only, whose financial situation (capitalization and liquidity) and external support (from its owner or the state) are both expected to ensure the banks' ability to honour their obligations even if unfavourable events occur.

The Risk Exposure Regulations set out the cases of counterparty exposures where encumbrance on limits can be reduced because collateral items are considered. This is rarely applied. No collateral is linked to the majority of the exposures.

The mark to market method is applied.

OTP MORTGAGE BANK

Calculation methods and approaches of impaired items and provisions

OTP Mortgage Bank. (by the Hungarian abbreviation: JZB) is engaged in an activity falling under the scope of Act XXX. of 1997 on Mortgage Banks and Mortgage Bonds (by the Hungarian abbreviation: Jht.). In order to protect the interests of investors purchasing mortgage bonds, Jht. stipulates tighter-than-usual criteria concerning the coverage securing individual claims and the portfolio as a whole.

Accordingly, the portfolio of OTP Mortgage Bank:

- is homogeneous,
- is comprised, without exception, of loans secured by mortgage, and – for certain loan types – an additional state guarantee as well.

Pertaining to the assessment of the collateral value of the real estate offered as collateral, Jht. stipulates the use of a *loan collateral value*, which is lower than the market value of the real estate, takes certain risks into consideration and is checked and approved by OTP Mortgage Bank. The regulations governing the establishment of this value are approved by the Hungarian State Supervisory Authority for Financial Enterprises (by the Hungarian abbreviation: PSZÁF).

OTP Mortgage Bank's regulations on the collateral registry, which are tight regulations stipulating compliance at the level of the individual collateral items and the portfolio as a whole, are also approved by PSZÁF. Accordingly, OTP Mortgage Bank's portfolio may only contain fully covered loans.

Changes are monitored by the collateral registry system. Given this background, the internal structure, and hence the quality of the portfolio is monitored on an ongoing basis. In establishing the profit or loss for the reporting year, it is through accounting for impairment and raising provisions that foreseeable risks and potential losses are taken into consideration even if they become known between the end of the last reporting period and the balance sheet date. Impairment and provisions are both recognized, irrespective of whether the business year is closed with a profit or a loss.

For the debts outstanding at the rating cut-off date and the cut-off date for the business year and unpaid until the balance sheet date, impairment is recognized on the basis of available information; the amount of the recognized impairment is the difference between the book value of the outstanding debt and the expected amount of the recovered debt. (The following qualify as receivables: receivables from credit institutions and financial enterprises, loans, advance payments as well as items of receivable type recorded among accruals and deferrals of income.)

If the amount of the debt that is expected to be recovered exceeds the book value of the debt at the cut-off date for rating, the impairment recognized earlier will be reduced through reversal.

The Bank recognizes risk provision for off-balance sheet (pending, future) liabilities on the basis of their rating. If the rating process reveals that the amount of the risk provision exceeds the amount required on the basis of the rating, the excess amount of the risk provision is released. Risk provisions are used upon the termination of pending or certain (future) liabilities, or when losses arising from such liabilities are realized.

In its regulations the Bank provides detailed regulations pertaining to the valuation and impairment recognition of, and provisioning for, outstanding debts, investments, assets received in return for receivables and recorded as inventories and off-balance sheet liabilities.

Low-amount outstanding debts are rated on the basis of group evaluation with a simplified method. The most important parameters of the simplified rating procedure are payment delay and the status of restructuring.

The Bank determines the payment delay on the basis of the number of the calendar days without the client's fulfilment that pass without debt amortization from the due date of the principal repayment and/or the loan rate payment obligation specified in the assumption of risk contract to the cut-off date of the valuation.

The frequency and length of payment delay, as well as its growing trend increase the credit risk of the transaction and impair the quality of the risk assumption.

Outstanding debts subject to group evaluation are classified into five categories during the rating process. A certain amount of provision is allocated to each rating category, and it is this percentage value on the basis of which impairment is recognized on all receivables in the same category.

Qualified exposures:

Qualified exposure and volume of provision (million HUF)	Qualified exposure on gross value (31.12.2010.)	Volume of provision / impairment (01.01.2010.)	Provision / impairment accounted	Provision / impairment released	Provision / impairment utilized	Exchange difference	Total change of provision / impairment	Volume of provision / impairment (31.12.2010.)
Loans to credit institutions and financial enterprises	0	0	0	0	0	0	0	0
Loans to non-financial enterprises	0	0	0	0	0	0	0	0
Household loans	245.879	0	51.042	-23.553	-7.775	969	20.683	20.683
Other domestic loans	0	0	0	0	0	0	0	0
Loans abroad	0	0	0	0	0	0	0	0

Guarantee capital and regulatory capital requirements

The capital requirement calculation of OTP Mortgage Bank is based on HAS and audited data.

OTP Mortgage Bank applied standardized capital calculation method regarding credit and market risk, alternative standardized approach (ASA) regarding the operational risk. OTP Mortgage Bank regulatory capital requirement as of end of December 2010 was 60 billion HUF, the amount of regulatory capital was 70 billion HUF. The capital adequacy ratio stood at 9.39%

OTP Mortgage Bank capital requirement (million HUF)	Q4 2010
Capital requirement	**59 541**
Credit risk	51 064
Market risk	503
Operational risk	7 974

Regulatory capital[7] (million HUF)	Q4 2010
Regulatory capital	**69 851**
Tier1	66 511
Tier2	3 340
Additional capital	0
Deductions	0

Capital requirement for credit and counterparty risk Q4 2010 (million HUF)	Credit	Counterparty	Total
Standardized method capital requirement	**50 949**	**115**	**51 064**
Regional governments or local authorities	24	0	24
Institutions	1 765	115	1 880
Corporate	521	0	521
Retail	11 415	0	11 415
Secured by real estate property	35 812	0	35 812
Past due items	1 399	0	1 399
Other items	13	0	13

[7] Positive components of Tier 1: Share capital, Capital reserve, Tied-up reserve, General reserve, Retained ernings, Balance sheet profit, General risk reserve
Negative components of Tier 1: Goodwill and other intangible assets
Positive components of Tier 1: Lower Tier 2

Exposures[8] broken down by exposure classes

Exposure amounts broken down by exposure classes - gross (million HUF)	Q4 2010
Gross exposure	**1 713 866**
Central governments or central banks	9 660
Regional governments or local authorities	299
Institutions	119 542
Corporate	6 516
Retail	253 262
Secured by real estate property	1 281 535
Past due items	42 885
Other items	167

Exposure amounts broken down by exposure classes - net (million HUF)	Q4 2010
Net exposure	**1 690 775**
Central governments or central banks	9 660
Regional governments or local authorities	299
Institutions	119 542
Corporate	6 516
Retail	249 586
Secured by real estate property	1 275 529
Past due items	29 476
Other items	167

Exposures[8] broken down by exposure classes and maturity

Exposures broken down by exposure classes and maturity (million HUF)	In 1 year	1 - 2,5 year	2,5 - 5 year	Over 5 year	Without maturity	Non allocated
Total	**201 808**	**121 082**	**212 948**	**1 167 430**	**119**	**10 479**
Central governments or central banks	5 955	0	0	0	0	3 705
Regional governments or local authorities	299	0	0	0	0	0
Institutions	109 068	3 763	0	0	0	6 711
Corporate	4 043	325	541	1 563	0	44
Retail	13 191	12 265	25 403	202 398	0	5
Secured by real estate property	57 143	103 314	184 036	937 042	0	0
Past due items	12 075	1 415	2 968	26 427	0	0
Other items	34	0	0	0	119	14

Exposures[8] of foreign countries

Country	Insitutions (million HUF, 31.12.2010.)
Germany	1 533
France	836
United Kingdom	106 271
Total	**108 640**

Credit risk mitigation

Collaterals used in capital requirement calculation (Q4 2010):

Exposures covered by collaterals (million HUF)	State guarentee	Secured by real estate
Total	**57 755**	**1 301 308**
Retail	56 999	0
Secured by real estate property	0	1 275 529
Past due items	756	25 779

[8] Exposures according to credit and counterparty risk excluding items are treated as negative components of capital

Trading book

At the end of 2010 counterparty risk represented 115 million HUF.

The capital requirement for market risk:

Capital requirement for market risk (million HUF)	Q4 2010
Total	**503**
Position risk	29
FX-rate risk	474

OTP BUILDING SOCIETY

Calculation methods and approaches of impaired items and provisions

OTP Building Society is engaged in an activity falling under the scope of Act CXIII. of 1996 on Home Savings and Loan Association (by the Hungarian abbreviation: LTP) which stipulates tighter-than-usual criteria in order to protect customers.

Its activity is restricted to collecting home savings deposits and providing home acquisition loans.

Its products, business regulations and the General Contractual Terms are approved by the Hungarian State Supervisory Authority for Financial Enterprises (by the Hungarian abbreviation: PSZÁF).

10-15% of authorized customers have utilized their right to take the loan since the start of OTP Building Society.

OTP Building Society's outstanding debts – according to its regulation – are low-amount debts and are evaluated on the basis of group evaluation with a simplified method.

Outstanding debts subject to group evaluation are classified into five rating categories on the basis of payment delay. A certain amount of provision is allocated to each rating category, and it is this percentage value on the basis of which impairment is recognized on all receivables in the same category.

At the end of December 2010 the gross amount of loans was 4972 million HUF from which the non-problem free volume was only 99 million HUF, which is 1.99% of the gross loan volume.

Qualified exposures:

Qualified exposure and volume of provision (million HUF)	Qualified exposure on gross value (31.12.2010.)	Volume of provision / impairment (01.01.2010.)	Provision / impairment accounted	Provision / impairment released	Provision / impairment utilized	Exchange difference	Total change of provision / impairment	Volume of provision / impairment (31.12.2010.)
Loans to credit institutions and financial enterprises	0	0	0	0	0	0	0	0
Loans to non-financial enterprises	2	2	2	-1	0	0	-1	1
Household loans	97	18	40	-31	0	0	9	27
Other domestic loans	0	0	0	0	0	0	0	0
Loans abroad	0	0	0	0	0	0	0	0

Guarantee capital and regulatory capital requirements

The capital requirement calculation of OTP Building Society is based on HAS and audited data.

OTP Building Society applied standardized capital calculation method regarding credit and market risk, basic indicator approach (BIA) regarding the operational risk. OTP Building Society regulatory capital requirement as of end of December 2010 was 1.7 billion HUF, the amount of regulatory capital was 4.05 billion HUF. The capital adequacy ratio stood at 18.62%.

OTP Building Society capital requirement (million HUF)	Q4 2010
Capital requirement	**1 741**
Credit risk	315
Market risk	594
Operational risk	832

Regulatory capital[9] (million HUF)	Q4 2010
Regulatory capital	**4 050**
Tier1	4 050
Tier2	0
Additional capital	0
Deductions	0

Capital requirement for credit risk Q4 2009 (million HUF)	Q4 2010
Standardized method capital requirement	**315**
Central governments or central banks	0
Regional governments or local authorities	1
Institutions	0
Corporate	33
Retail	276
Past due items	4
Covered bonds	
Other items	2

Exposures broken down by exposure classes

Exposure amounts broken down by exposure classes - gross (million HUF)	Q4 2010
Gross exposure	**153 223**
Central governments or central banks	86 726
Regional governments or local authorities	12
Institutions	29 814
Corporate	414
Retail	4 645
Past due items	61
Covered bonds	31 531
Other items	20

Exposure amounts broken down by exposure classes - net (million HUF)	Q4 2010
Net exposure	**153 196**
Central governments or central banks	86 726
Regional governments or local authorities	12
Institutions	29 814
Corporate	414
Retail	4 645
Past due items	34
Covered bonds	31 531
Other items	20

[9] Positive components of Tier 1: Share capital, General reserve
Negative components of Tier 1: Goodwill and other intangible assets

Exposures broken down by exposure classes and maturity

Exposures broken down by exposure classes and maturity (million HUF)	In 1 year	1 - 2,5 year	2,5 - 5 year	Over 5 year	Without maturity	Non allocated
Total	**51 139**	**45 420**	**26 809**	**26 649**	**18**	**3 189**
Central governments or central banks	15 963	33 294	13 553	21 203	0	2 713
Regional governments or local authorities	12	0	0	0	0	0
Institutions	29 359	0	0	0	0	456
Corporate	147	176	85	6	0	0
Retail	1 572	1 998	946	111	0	18
Past due items	39	17	5	0	0	0
Covered bonds	4 047	9 935	12 220	5 329	0	0
Other items	0	0	0	0	18	2

Trading book

The capital requirement for market risk:

Capital requirement for market risk (million HUF)	Q4 2010
Total	**594**
Position risk	594
FX-rate risk	0