OTP BANK PLC.

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

FOR THE NINE MONTH PERIOD
ENDED 30 SEPTEMBER 2011

CONTENTS

Unconsolidated Condensed Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

UNCONSOLIDATED STATEMENT OF FINIANCIAL POSITION AS AT 30 SEPTEMBER 2011 (UNAUDITED) (in HUF mn)

	Note	30 September 2011	31 December 2010	30 September 2010
Cash, amounts due from banks and balances with the National Bank of Hungary		164,384	171,677	252,833
Placements with other banks, net of allowance for placement losses		1,026,106	794,686	907,187
Financial assets at fair value through profit or loss	*3.*	235,348	248,790	256,871
Securities available-for-sale	*4.*	1,779,547	1,477,930	1,645,205
Loans, net of allowance for loan losses	*5.*	2,666,097	2,723,784	2,704,240
Investments in subsidiaries	*6.*	655,883	637,819	640,987
Securities held-to-maturity	*7.*	136,407	154,003	171,555
Property and equipment		72,217	70,004	68,610
Intangible assets		29,663	35,145	34,443
Other assets		38,450	44,512	55,661
TOTAL ASSETS		**6,804,102**	**6,358,350**	**6,737,592**
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks		1,017,274	741,845	824,956
Deposits from customers	*8.*	3,399,644	3,279,573	3,475,273
Liabilities from issued securities	*9.*	439,095	512,466	563,791
Financial liabilities at fair value through profit or loss		292,393	257,328	232,214
Other liabilities		204,624	231,288	295,082
Subordinated bonds and loans		311,888	297,638	301,632
TOTAL LIABILITIES		**5,664,918**	**5,320,138**	**5,692,948**
Share capital		28,000	28,000	28,000
Retained earnings and reserves		1,116,510	1,013,941	1,020,367
Treasury shares		(5,326)	(3,729)	(3,723)
TOTAL SHAREHOLDERS' EQUITY		**1,139,184**	**1,038,212**	**1,044,644**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**6,804,102**	**6,358,350**	**6,737,592**

(in HUF mn)

	Note	Nine month period ended 30 September 2011	Nine month period ended 30 September 2010	Year ended 31 December 2010
Interest Income	*11.*	460,077	508,083	654,457
Interest Expense	*11.*	284,530	326,674	411,625
NET INTEREST INCOME	*11.*	**173,547**	**181,409**	**242,832**
Provision for impairment on loan and placement losses	*5.*	51,192	83,729	97,540
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES		**124,355**	**97,680**	**145,292**
Net profit from fees and commissions		79,586	92,612	125,388
Net operating income		82,158	48,282	54,222
Other administrative expenses		137,487	132,862	190,268
PROFIT BEFORE INCOME TAX		**148,612**	**105,712**	**134,634**
Income tax		18,436	5,964	9,970
NET PROFIT FOR THE YEAR		**130,176**	**99,748**	**124,664**
Earnings per share (in HUF)				
Basic		468	359	449
Diluted		468	355	444

The comprehensive income items are as follows:

	Nine month period ended 30 September 2011	Nine month period ended 30 September 2010	Year ended 31 December 2010
NET PROFIT FOR THE YEAR	**130,176**	**99,748**	**124,664**
Fair value adjustment of securities available-for-sale	(9,972)	(3,914)	(19,667)
NET COMPREHENSIVE INCOME	**120,204**	**95,834**	**104,997**

(UNAUDITED) (in HUF mn)

	Nine month period ended 30 September 2011	Nine month period ended 30 September 2010	Year ended 31 December 2010
Profit before income tax	148,612	105,712	134,634
Income tax paid	(5,258)	(4,330)	(7,404)
Depreciation and amortization	18,291	17,869	24,141
Provisions for impairment	59,022	89,142	99,134
Share-based payment	5,592	4,716	(11,821)
Unrealised gains on fair value adjustment of securities available-for-sale and held for trading	1,318	7,912	9,031
Unrealised (losses) / gains on fair value adjustment of derivative financial instruments	(3,691)	13,879	1,737
Net changing in assets and liabilities in operating activities	68,126	24,074	(191,974)
Net cash provided by operating activities	**292,012**	**258,974**	**57,478**
Net cash (used in)/ provided by investing activities	**(500,776)**	**174,534**	**431,111**
Net cash provided / (used in) financing activities	**199,841**	**(367,019)**	**(506,071)**
Net (decrease) / increase in cash and cash equivalents	**(8,923)**	**66,489**	**(17,482)**
Cash and cash equivalents at the beginning of the period	88,197	105,679	105,679
Cash and cash equivalents at the end of the period	**79,274**	**172,168**	**88,197**
Cash, amounts due from banks and balances with the National Bank of Hungary	171,677	178,217	178,217
Compulsory reserve established by the National Bank of Hungary	(83,480)	(72,538)	(72,538)
Cash and cash equivalents at the beginning of the period	**88,197**	**105,679**	**105,679**
Cash, amounts due from banks and balances with the National Bank of Hungary	164,384	252,833	171,677
Compulsory reserve established by the National Bank of Hungary	(85,110)	(80,665)	(83,480)
Cash and cash equivalents at the end of the period	**79,274**	**172,168**	**88,197**

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011 (UNAUDITED) (in HUF mn)

	Share Capital	Capital reserve	Share-based payment	Retained earnings and reserves	Put option reserve	Treasury Shares	Total
Balance as at 1 January 2010	**28,000**	**52**	**6,830**	**976,204**	**(55,468)**	**(3,774)**	**951,844**
Net comprehensive income for the year	-	-	-	95,834	-	-	95,834
Share-based payment	-	-	4,716	-	-	-	4,716
Payments to ICES holders	-	-	-	(7,771)	-	-	(7,771)
Loss on sale of treasury shares	-	-	-	(30)	-	-	(30)
Acquisition of treasury shares	-	-	-	-	-	51	51
Balance as at 30 September 2010	**28,000**	**52**	**11,546**	**1,064,237**	**(55,468)**	**(3,723)**	**1,044,644**
Balance as at 1 January 2011	**28,000**	**52**	**28**	**1,069,329**	**(55,468)**	**(3,729)**	**1,038,212**
Net comprehensive income for the year	-	-	-	120,204	-	-	120,204
Share-based payment	-	-	5,592	-	-	-	5,592
Payments to ICES holders	-	-	-	(3,043)	-	-	(3,043)
Sale of treasury shares	-	-	-	-	-	2,878	2,878
Loss on sale of treasury shares	-	-	-	(24)	-	-	(24)
Acquisition of treasury shares	-	-	-	-	-	(4,475)	(4,475)
Dividend payable for 2010	-	-	-	(20,160)	-	-	(20,160)
Balance as at 30 September 2011	**28,000**	**52**	**5,620**	**1,166,306**	**(55,468)**	**(5,326)**	**1,139,184**

The accompanying notes to unconsolidated condensed financial statements on pages 6 to 15 form an integral part of these unconsolidated financial statements

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. Due to the fact that the Bank is listed on international and national stock exchanges, the Bank is obliged to present its financial position in accordance with the International Financial Reporting Standards ("IFRS"). 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 IFRS.

The unconsolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union (the "EU"). IFRS as adopted by the EU do not currently differ from IFRS as issued by the IASB, except for portfolio hedge accounting under IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") which has not been approved by the EU. As the Bank does not apply portfolio hedge accounting under IAS 39, there would be no impact on these unconsolidated financial statements, had it been approved by the EU at the balance sheet date.

NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011, AND POST BALANCE SHEET EVENTS

Term Loan Facility

On 19 May 2011 the Bank signed a EUR 300 million Term Loan Facility The originally planned amount was EUR 200 million, but the transaction was very well received and heavily oversubscribed, all together 21 banks took part in the deal. The facility has a 2 years tenor, carries a margin of 1.5% above Euribor and the proceeds will be used for general funding purposes.

EU Wide Stress Test Result

OTP Bank Plc. Was subject to the 2011 EU-wide stress test conducted by the European Banking Authority 8EBA), in cooperation with the Hungarian Financial Supervisory Authority, the European Central Bank (ECB), the European Commission (EC) and the European Systemic Risk Board (ESRB).
The EU-wide stress test, carried out across 91 banks covering over 65% of the EU banking system total assets, seeks to assess the resilience of European banks to severe shocks and their specific solvency to hypothetical stress events under certain restrictive conditions.
The assumptions and methodology were established to assess banks' capital adequacy against a 5% Core Tier1 capital benchmark and are intended to restore confidence in the resilience of the banks tested. The adverse stress test scenario was set by ECB and covers a two-year time horizon (2011-2012). The stress test has been carried out using a static balance sheet assumption as at December 2010. The stress test does not take into account future business strategies and management actions and is not a forecast of OTP Bank Plc. profits.
The estimated consolidated Core Tier1 capital ratio of OTP Bank Plc. would change to 17.2% under the baseline scenario and to 13.6% under the adverse scenario in 2012 compared to 12.3% as of end of 2010.
Following completion of the EU-wide stress test, the results determine that OTP Bank Plc. meets the capital benchmark set out for the purpose of the stress test. The bank will continue to ensure that appropriate capital level must be maintained.

NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011, AND POST BALANCE SHEET EVENTS [continued]

Home Protection Action Plan to help mortgage loan debtors with payment difficulties

1. Fixing of the exchange rate for calculating the monthly instalments and government guarantee

On 28 July 2011, Act LXXV 2011 on fixing the exchange rate for calculating the monthly instalments of retail FX mortgage loans and on the foreclosure order of residential real estates has been announced. Accordingly, the natural person FX mortgage debtor can initiate between 12 August and 31 December 2011 the fixing of the exchange rate used to specify his monthly instalments for 36 months or until 31 December 2014 the latest. The fixed exchange rates are set at 180 HUF/CHF, 250 HUF/EUR and 2 HUF/JPY. For the difference between the fixed and the exceeding actual spot exchange rate, banks provide a special purpose HUF denominated mortgage loan (so called „escrow account loan"), granting of which is not regulated by the rules of prudent lending. During the time of fixing, the Bank is entitled to charge the 3-months BUBOR interest rate on the HUF obligations on the escrow account. Accumulating interest on the account could be capitalised in every three months. From January 2015, instalments of both the original mortgage and the escrow account loans have to be paid. From that time the interest rate charged on the escrow account must not surpass the market rate applicable for HUF denominated mortgages provided for the same purpose as the original FX mortgage loan. The Government backs the escrow account in full through a State Guarantee during the fixed exchange rate period, the guarantee applies to 25% of the escrow account after 1 January 2015.

2. Implementation of a quota system for foreclosures

In accordance with the above mentioned Act, by introducing a quota system for foreclosures, a schedule of foreclosure of residential real estates serving as collateral for mortgage loans has been implemented for the following three years. For the period in between 1 July and 1 October 2011 the Act maintains the auction and foreclosure moratorium, but with further restricted scope – it is not eligible for high value real estates (above HUF 30 million market value and covering at least HUF 20 million loan amount) – and from October 1, 2011 the so called „quota system for foreclosures" will be effective. The quota determines how many real estates – as a ratio of the creditors' DPD90+ loan portfolio – are allowed to be offered for foreclosure on a quarterly base by the lenders. The quarterly quotas for 2011, 2012, 2013 and 2014 are set at 2%, 3%, 4% and 5% respectively. From 2015 onwards, the quota system as well as any foreclosure moratorium will cease to exist and the system of foreclosures returns to its normal operation in accordance with the rules of civil law and the legislation for lending.

3. Interest subsidy scheme

Mortgage loan debtors with more than 90 days past due instalments can apply for subsidized loan if the debtor concerned is willing to sell his/her home and moves to cheaper accommodation. Interest rate subsidy – depending on the fulfilment of personal eligibility criteria – is provided up to 5 years, and it can be a maximum of 3.5% in the first year, decreased by 0.5 percentage points each year thereafter. The yearly budgetary impact of the program cannot exceed HUF 1.5 billion.

4. National Asset Management Company (NAMC) and social family-house building program

The Government proposes to establish a National Asset Management Company. The lender and the debtor can jointly offer the collateral for purchase to NAMC at a selling price fixed by the regulation. NAMC buys the real estate if it is eligible and rent it to the original owner. The National Asset Management Company will also build new homes for households in need in the scope of public work programmes. These homes will be offered for rental to the families in need.

5. Enabling EUR-denominated mortgage lending

With strict conditions EUR denominated mortgage lending is available again for retail customers. The borrower has to have an income in EUR and of at least 15 times the minimum wage to apply for an EUR-denominated mortgage-backed loan.

NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011, AND POST BALANCE SHEET EVENTS [continued]

Partial cancellation of EUR 125 million subordinated notes

On 26 August 2011 The Bank purchased on the secondary market Notes from the EUR 125 million subordinated Notes series maturing 04/03/2015, in the total notional amount of EUR 1.15 million. On 7 September 2011, and on 8 September 2011 the Bank purchased additional EUR 1 and 1 million notional amount from the same Note series. The Bank initiated the cancellation of the Notes on 26 August 2011, on 7 September 2011 and on 8 September 2011. On 21 October 2011 the Bank purchased EUR 1.85 million from the EUR 125 million subordinated Notes series. After the cancellation of these bonds the outstanding amount of the notes decreased to EUR 120 million.

Capital increase in Crnogorska Komercijalna Banka A.D.

The Bank increased the capital of its Montenegrin subsidiary that has been registered by the Montenegrin Court of Registration. Accordingly the statutory capital of Crnogorska Komercijalna Banka A.D. Podgorica has been increased from EUR 96,876,521.4606 to EUR 106,876,368.4408.

Country Protection Action Plan

On 12 September 2011, Hungary's Prime Minister announced a "Country Protection Action Plan" comprising several measures influencing Hungarian lending practices. The proposals directly affecting the banking sector are as follows:

1. ***Possibilities for early repayment at pre-set exchange rates***

Full early repayment of FX mortgage loans is allowed for debtors at fixed off-market exchange rates of HUF/CHF 180, HUF/EUR 250 or HUF/JPY 2.00. According to the law all costs of early repayment transactions should be absorbed by banks, including the loss, stemming from the mismatch between the book value of the loans registered at market rates and the lower amount of the repayment implied by the off-market rates. If the FX borrower meets the eligibility criteria stipulated by the law, banks can not reject the application, and should prepare the closure of the loan contract(s) within 60 days.

The main eligibility conditions in respect of the early repayment opportunity are as follows:

• The early repayment option is available for FX mortgage borrowers in case the exchange rate of the forint at origination was weaker than the fixed rates.

• Borrowers shall assume the full repayment of the original FX mortgage loan as well as any bridge loan or special account related to it.

• The loan contract of the client was not abrogated by the bank until 30 June 2011.

• The written application should be submitted by 30 December 2011. The fixed exchange rates for the early repayment are applicable only if the client pays back his loan(s) within 60 days after application.

2. ***Ceiling the annual percentage rate ('APR')***

The maximum APR of customer loans can exceed the Central bank's base rate by no more than 24%. Consumer loans, credit card loans or loans linked to payment accounts are exempt: in their case the maximum APR is capped at base rate + 39%.

3. ***Costs raising in HUF can only be transferred in HUF also in case of FX loans***

In the case of FX and FX-based loans, only charges and fees directly related to the raising and maintaining of FX funds (including interest like handling fees) are allowed to be charged in FX.

4. ***Banks are required to apply a more transparent benchmark-linked interest rate on mortgage loans***

In case of new mortgage loan origination banks are required to apply either a benchmark-linked interest rate or should fix the interest rate for a longer period, minimum for three years. Apart from the interest rate banks are not allowed to charge any other regular expense for clients servicing debt properly or offer preferential rates for a limited period of time. In case of the benchmark-linked pricing, banks will be allowed to change the spread adversely to the client only in case there is a change in credit risk. The client is allowed to terminate its contract free of charge at the end of every interest period, thus he can decide about prepaying its loan obligation being notified about the new interest rate terms.

NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2011, AND POST BALANCE SHEET EVENTS [continued]

5. ***Complete credit registry***

Introduction of a positive credit registry for households, in order to promote sound assessment of creditworthiness, support responsible lending practices and lessen credit risk.

Covering losses due to loan prepayments at fixed foreign exchange rate

On 10 October 2011 OTP Bank Plc., subject to the conditions of the respective agreement, announced its engagement to cover losses of OTP Mortgage Bank arising from mortgage loan prepayments at foreign exchange rates fixed by certain act on the Amendment of Certain Acts concerning Home Protection.

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

	30 September 2011	31 December 2010
Held for trading securities:		
Shares	75,455	105,832
Securities issued by the NBH	-	19,984
Government bonds	14,843	13,784
Mortgage bonds	8,670	4,201
Hungarian government discounted Treasury Bills	6,310	3,635
Hungarian government interest bearing Treasury Bills	9	26
Other securities	949	153
	106,236	**147,615**
Accrued interest	731	244
Total	**106,967**	**147,859**
Derivative financial instruments designated as held for trading:		
CCIRS[1] and mark-to-market CCIRS swaps designated as held for trading	57,037	42,807
Interest rate swaps designated as held for trading	39,272	34,414
Foreign currency swaps designated as held for trading	18,787	18,084
Other derivative transactions	13,285	5,626
	128,381	**100,931**
Total	**235,348**	**248,790**

[1] CCIRS: Cross Currency Interest Rate Swap

NOTE 4: SECURITIES AVAILABLE-FOR-SALE (in HUF mn)

	30 September 2011	31 December 2010
Mortgage bonds	984,980	778,553
Bonds issued by NBH	389,408	300,648
Government bonds	311,178	318,637
Other securities	48,698	40,639
-listed securities	*26,193*	*19,851*
in HUF	-	-
in foreign currency	*26,193*	*19,851*
-non-listed securities	*22,505*	*20,788*
in HUF	*20,581*	*18,398*
in foreign currency	1,924	2,390
Total	**1,734,264**	**1,438,477**
Accrued interest	45,283	39,453
Securities available-for-sale total	**1,779,547**	**1,477,930**

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

	30 September 2011	31 December 2010
Opening balance	**-**	**5,220**
Provision for the period	-	(523)
Release of provision	-	(4,697)
Closing balance	-	-

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

	30 September 2011	31 December 2010
Short-term loans and trade bills (within one year)	645,183	664,197
Long-term loans and trade bills (over one year)	2,153,067	2,177,421
	2,798,250	**2,841,618**
Accrued interest	17,815	16,787
Provision of impairment on loan losses	(149,968)	(134,621)
Total	**2,666,097**	**2,723,784**

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

	30 September 2011		31 December 2010	
Corporate loans	1,928,694	68%	1,944,825	68%
Consumer loans	353,151	13%	365,648	13%
Municipality loans	322,614	12%	322,120	11%
Housing loans	120,738	4%	131,609	5%
Mortgage backed loans	73,053	3%	77,416	3%
Total	**2,798,250**	**100%**	**2,841,618**	**100%**

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

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

	30 September 2011	31 December 2010
In HUF	33%	34%
In foreign currency	67%	66%
Total	**100%**	**100%**

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

	30 September 2011	31 December 2010
Opening balance	**134,621**	**89,587**
Provision for the period	51,835	98,320
Write offs	(36,488)	(53,286)
Closing balance	**149,968**	**134,621**

NOTE 6: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	30 September 2011	31 December 2010
Investments in subsidiaries:		
Controlling interest	811,664	784,041
Other	1,806	1,006
	813,470	**785,047**
Provision for impairment	(157,587)	(147,228)
Total	**655,883**	**637,819**

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

	30 September 2011	31 December 2010
Opening balance	**147,228**	**126,545**
Provision for the period	11,670	20,683
Release of provision	(1,311)	-
Closing balance	**157,587**	**147,228**

NOTE 7: SECURITIES HELD-TO-MATURITY (in HUF mn)

	30 September 2011	31 December 2010
Government bonds	71,531	87,878
Mortgage bonds	59,951	60,140
Hungarian government discounted Treasury bills	341	395
	131,823	**148,413**
Accrued interest	4,584	5,590
Total	**136,407**	**154,003**

NOTE 7: SECURITIES HELD-TO-MATURITY (in HUF mn) [continued]

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

	30 September 2011	31 December 2010
Opening balance	**-**	**4,164**
Provision for the period	-	(1,566)
Release of provision	-	(2,598)
Closing balance	**-**	**-**

NOTE 8: DEPOSITS FROM CUSTOMERS (in HUF mn)

	30 September 2011	31 December 2010
Within one year:		
In HUF	2,728,006	2,595,048
In foreign currency	624,790	646,053
	3,352,796	**3,241,101**
Over one year:		
In HUF	26,265	26,185
In foreign currency	4,738	2,421
	31,003	**28,606**
Total	**3,383,799**	**3,269,707**
Accrued interest	15,845	9,866
Deposits from customers total	**3,399,644**	**3,279,573**

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

	30 September 2011		31 December 2010	
Retail deposits	2,000,962	59%	2,043,644	63%
Corporate deposits	1,176,956	35%	1,056,183	32%
Municipality deposits	205,881	6%	169,880	5%
Total	**3,383,799**	**100%**	**3,269,707**	**100%**

NOTE 9: ISSUED SECURITIES (in HUF mn)

	30 September 2011	31 December 2010
Within one year:		
In HUF	330,465	282,049
In foreign currency	18,446	140,094
	348,911	**422,143**
Over one year:		
In HUF	53,015	45,964
In foreign currency	26,735	36,196
	79,750	**82,160**
Total	**428,661**	**504,303**
Accrued interest	10,434	8,163
Issued securities total	**439,095**	**512,466**

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

(a) Contingent liabilities and commitments

	30 September 2011	31 December 2010
Legal disputes	9,916,792	9,595,780
Commitments to extend credit	758,827	699,332
Guarantees arising from banking activities	654,238	693,526
Contingent liabilities related to OTP Mortgage Bank Ltd.	3,217	2,532
Confirmed letters of credit	348	1,640
Other	3,587	2,689
Total	**11,337,009**	**10,995,499**

At the balance sheet date the Bank was involved in various claims and legal proceedings of a nature considered normal to its business. The level of these claims and legal proceedings corresponds to the level of claims and legal proceedings in previous years.

The Victims of Hungarian Holocaust initiated a class action against, amongst others, OTP Bank Plc. before the United States District Court Northern District of Illinois. OTP Bank Plc. emphasises that “Országos Takarékpénztár Nemzeti Vállalat” was established on 1 March 1949 with no predecessor. OTP Bank Plc. considers the claim against it entirely unfounded.

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation.
Provisions due to legal disputes were HUF 439 million and HUF 1,476 million as at 30 September 2011 and 31 December 2010 respectively.

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 September 2011	31 December 2010	30 September 2011	31 December 2010
Interest rate swaps designated as held for trading				
Positive fair value of interest rate swaps designated as held for trading	39,272	34,414	93,831	44,613
Negative fair value of interest rate swaps designated as held for trading	(44,215)	(40,064)	(54,821)	(59,736)
Foreign exchange swaps designated as held for trading				
Positive fair value of foreign exchange swaps designated as held for trading	18,787	18,084	18,150	22,973
Negative fair value of foreign exchange swaps designated as held for trading	(34,905)	(5,426)	(30,397)	(5,100)
Interest rate swaps designated as hedge accounting relationship				
Positive fair value of interest rate swaps designated in fair value hedge accounting relationships	1,868	8,477	(49,182)	13,412
Negative fair value of interest rate swaps designated in fair value hedge accounting relationships	(9,510)	(7,143)	(29,219)	(11,479)
CCIRS designated as held for trading				
Positive fair value of CCIRS designated as held for trading	55,864	35,408	47,873	21,434
Negative fair value of CCIRS designated as held for trading	(174,920)	(197,450)	(130,978)	(177,976)
Mark-to-market CCIRS designated as held for trading				
Positive fair value of mark-to-market CCIRS designated as held for trading	1,173	7,399	4,121	40,124
Negative fair value of mark-to-market CCIRS designated as held for trading	(29,490)	(9,437)	(995)	1,852
Other derivative contracts designated as held for trading				
Positive fair value of other derivative contracts designated as held for trading	13,285	5,626	7,301	2,161
Negative fair value of other derivative contracts designated as held for trading	(8,863)	(4,951)	(2,805)	(1,700)
Derivative financial assets total	**130,249**	**109,408**	**122,094**	**144,717**
Derivative financial liabilities total	**(301,903)**	**(264,471)**	**(249,215)**	**(254,139)**
Derivative financial instruments total	**(171,654)**	**(155,063)**	**(127,121)**	**(109,422)**

As at 30 September 2011 the Bank has derivative instruments with positive fair values of HUF 130,249 million and negative fair values of HUF 301,903 million. Corresponding figures as at 31 December 2010 are HUF 109,408 million and HUF 264,471 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.

NOTE 11: NET INTEREST INCOME (in HUF mn)

	Nine month period ended 30 September 2011	Nine month period ended 30 September 2010	Year ended 31 December 2010
Interest Income:			
Loans	168,615	168,507	228,847
Placements with other banks, net of allowance for placement losses	191,006	243,399	297,539
Securities available-for-sale	86,654	79,511	107,113
Securities held-to-maturity	7,655	11,064	13,752
Amounts due from banks and balances with National Bank of Hungary	4,699	3,619	4,807
Securities held for trading	1,448	1,983	2,399
Total Interest Income	**460,077**	**508,083**	**654,457**
Interest Expense:			
Amounts due to banks and deposits from the National Bank of Hungary, other banks and the Hungarian Government	152,750	195,339	232,605
Deposits from customers	97,802	92,952	128,885
Liabilities from issued securities	22,061	26,072	33,892
Subordinated bonds and loans	11,917	12,311	16,243
Total Interest Expense	**284,530**	**326,674**	**411,625**
NET INTEREST INCOME	**175,547**	**181,409**	**242,832**

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.:

	Nine month period ended 30 September 2011	Nine month period ended 30 September 2010
Loans sold to OTP Mortgage Bank Ltd. with recourse (including interest)	4,354	8,556
The gross book value of the loans sold	4,352	8,551
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans	13,500	27,707
Provision for the repurchase obligation of non-performing loans originated by OTP Mortgage Bank Ltd.	141	173

Transactions related to OTP Factoring Ltd.:

	Nine month period ended 30 September 2011	Nine month period ended 30 September 2010
Loans sold to OTP Factoring Ltd. without recourse (including interest)	26,645	27,732
The gross book value of the loans	56,466	64,239
Provision for loan losses on the loans sold	21,597	30,515
Loss of these transaction (recorded in the unconsolidated financial statements as loan and placement loss)	8,224	5,992

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