



**OTP BANK PLC.**

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

**FOR THE THREE MONTH PERIOD  
ENDED 31 MARCH 2012**

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in accordance with International Financial Reporting Standards as  
adopted by the European Union

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OTP BANK PLC.  
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012  
(UNAUDITED) (in HUF mn)

	Note	31 March 2012	31 December 2011	31 March 2011
Cash, amounts due from banks and balances with the National Bank of Hungary		322,849	226,976	191,650
Placements with other banks, net of allowance for placement losses		1,023,799	897,980	602,774
Financial assets at fair value through profit or loss	4.	256,958	272,577	313,418
Securities available-for-sale	5.	1,622,930	1,711,418	1,867,336
Loans, net of allowance for loan losses	6.	2,593,757	2,741,827	2,563,334
Investments in subsidiaries	7.	664,830	651,709	639,541
Securities held-to-maturity	8.	120,997	120,467	139,621
Property and equipment		72,206	73,161	70,833
Intangible assets		31,805	31,171	33,800
Other assets		<u>101,685</u>	<u>57,404</u>	<u>54,521</u>
<b>TOTAL ASSETS</b>		<b><u>6,811,816</u></b>	<b><u>6,784,690</u></b>	<b><u>6,476,828</u></b>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks		1,150,464	871,770	722,126
Deposits from customers	9.	3,300,967	3,416,221	3,444,417
Liabilities from issued securities	10.	428,173	453,423	528,558
Financial liabilities at fair value through profit or loss		248,041	345,955	151,655
Other liabilities		267,459	267,184	284,468
Subordinated bonds and loans		<u>310,470</u>	<u>325,997</u>	<u>288,209</u>
<b>TOTAL LIABILITIES</b>		<b><u>5,705,574</u></b>	<b><u>5,680,550</u></b>	<b><u>5,419,433</u></b>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		1,083,764	1,081,659	1,033,046
Treasury shares		<u>(5,522)</u>	<u>(5,519)</u>	<u>(3,651)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>1,106,242</u></b>	<b><u>1,104,140</u></b>	<b><u>1,057,395</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>6,811,816</u></b>	<b><u>6,784,690</u></b>	<b><u>6,476,828</u></b>



OTP BANK PLC.  
SEPARATE CONDENSED STATEMENT OF RECOGNISED INCOME AND COMPREHENSIVE  
INCOME FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012  
(in HUF mn)

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	Note	Three month period ended 31 March 2012	Three month period ended 31 March 2011	Year ended 31 December 2011
Interest Income	12.	182,486	146,049	633,355
Interest Expense	12.	<u>130,966</u>	<u>92,093</u>	<u>387,537</u>
<b>NET INTEREST INCOME</b>	12.	<b><u>51,520</u></b>	<b><u>53,956</u></b>	<b><u>245,818</u></b>
Provision for impairment on loan and placement losses	6.	9,659	7,390	76,439
<b>NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES</b>		<b><u>41,861</u></b>	<b><u>46,566</u></b>	<b><u>169,379</u></b>
Net profit from fees and commissions		22,221	21,908	95,356
Net operating income		28,982	10,887	41,048
Other administrative expenses		<u>65,823</u>	<u>42,911</u>	<u>180,040</u>
<b>PROFIT BEFORE INCOME TAX</b>		<b><u>27,241</u></b>	<b><u>36,450</u></b>	<b><u>125,743</u></b>
Income tax		<u>(4,350)</u>	<u>666</u>	<u>14,995</u>
<b>NET PROFIT FOR THE YEAR</b>		<b><u>31,591</u></b>	<b><u>35,784</u></b>	<b><u>110,748</u></b>
Earnings per share (in HUF)				
Basic		<u>114</u>	<u>129</u>	<u>399</u>
Diluted		<u>114</u>	<u>129</u>	<u>399</u>

*The comprehensive income items are as follows:*

	Three month period ended 31 March 2012	Three month period ended 31 March 2011	Year ended 31 December 2011
<b>NET PROFIT FOR THE YEAR</b>	<b><u>31,591</u></b>	<b><u>35,784</u></b>	<b><u>110,748</u></b>
Fair value adjustment of securities available-for-sale	<u>(1,762)</u>	<u>4,408</u>	<u>(22,606)</u>
<b>NET COMPREHENSIVE INCOME</b>	<b><u>29,829</u></b>	<b><u>40,192</u></b>	<b><u>88,142</u></b>



OTP BANK PLC.  
SEPARATE CONDENSED STATEMENT OF CASH FLOWS FOR THE  
THREE MONTH PERIOD ENDED 31 MARCH 2012  
(UNAUDITED) (in HUF mn)

	Three month period ended 31 March 2012	Three month period ended 31 March 2011	Year ended 31 December 2011
Profit before income tax	27,241	36,450	125,743
Income tax paid	(1,200)	(2,029)	(11,557)
Depreciation and amortization	5,141	5,954	23,767
Provisions for impairment	10,377	13,372	155,915
Share-based payment	1,219	-	6,188
Unrealised (losses) / gains on fair value adjustment of securities available-for-sale and held for trading	(1,718)	535	1,757
Unrealised gains / (losses) on fair value adjustment of derivative financial instruments	10,485	5,377	(5,570)
Net changing in assets and liabilities in operating activities	<u>(172,565)</u>	<u>119,165</u>	<u>55,058</u>
<b>Net cash (used in) /provided by operating activities</b>	<b><u>(121,020)</u></b>	<b><u>178,824</u></b>	<b><u>351,301</u></b>
<b>Net cash used in investing activities</b>	<b><u>(17,565)</u></b>	<b><u>(139,829)</u></b>	<b><u>(378,209)</u></b>
<b>Net cash provided by/ (used in) financing activities</b>	<b><u>234,417</u></b>	<b><u>(16,138)</u></b>	<b><u>84,919</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>95,832</u></b>	<b><u>22,857</u></b>	<b><u>58,011</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>146,208</u></b>	<b><u>88,197</u></b>	<b><u>88,197</u></b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>242,040</u></b>	<b><u>111,054</u></b>	<b><u>146,208</u></b>
Cash, amounts due from banks and balances with the National Bank of Hungary	226,976	171,677	171,677
Compulsory reserve established by the National Bank of Hungary	<u>(80,768)</u>	<u>(83,480)</u>	<u>(83,480)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>146,208</u></b>	<b><u>88,197</u></b>	<b><u>88,197</u></b>
Cash, amounts due from banks and balances with the National Bank of Hungary	322,849	191,650	226,976
Compulsory reserve established by the National Bank of Hungary	<u>(80,809)</u>	<u>(80,596)</u>	<u>(80,768)</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>242,040</u></b>	<b><u>111,054</u></b>	<b><u>146,208</u></b>



OTP BANK PLC.  
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH PERIOD  
ENDED 31 MARCH 2012 (UNAUDITED) (in HUF mn)

	Share Capital	Capital reserve	Share-based payment reserve	Retained earnings and reserves	Put option reserve	Treasury Shares	Total
<b>Balance as at 1 January 2011</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>28</u></b>	<b><u>1,069,329</u></b>	<b><u>(55,468)</u></b>	<b><u>(3,729)</u></b>	<b><u>1,038,212</u></b>
Net profit for the year	-	-	-	35,784	-	-	35,784
Other comprehensive income	-	-	-	4,408	-	-	4,408
Share-based payment	-	-	-	-	-	-	-
Payments to ICES holders	-	-	-	(911)	-	-	(911)
Sale of treasury shares	-	-	-	-	-	2,477	2,477
Loss on sale of treasury shares	-	-	-	(16)	-	-	(16)
Acquisition of treasury shares	-	-	-	-	-	(2,399)	(2,399)
Dividend payable for 2010	-	-	-	(20,160)	-	-	(20,160)
<b>Balance as at 31 March 2011</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>28</u></b>	<b><u>1,088,434</u></b>	<b><u>(55,468)</u></b>	<b><u>(3,651)</u></b>	<b><u>1,057,395</u></b>
<b>Balance as at 1 January 2012</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>6,216</u></b>	<b><u>1,130,859</u></b>	<b><u>(55,468)</u></b>	<b><u>(5,519)</u></b>	<b><u>1,104,140</u></b>
Net profit for the year	-	-	-	31,591	-	-	31,591
Other comprehensive income	-	-	-	(1,762)	-	-	(1,762)
Share-based payment	-	-	1,219	-	-	-	1,219
Payments to ICES holders	-	-	-	(947)	-	-	(947)
Sale of treasury shares	-	-	-	-	-	353	353
Loss on sale of treasury shares	-	-	-	4	-	-	4
Acquisition of treasury shares	-	-	-	-	-	(356)	(356)
Dividend for the year 2011	-	-	-	(28,000)	-	-	(28,000)
<b>Balance as at 31 March 2012</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>7,435</u></b>	<b><u>1,131,745</u></b>	<b><u>(55,468)</u></b>	<b><u>(5,522)</u></b>	<b><u>1,106,242</u></b>

**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 separate statutory accounts in order to present the separate 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 separate 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 separate financial statements, had it been approved by the EU at the balance sheet date.

**NOTE 2: SIGNIFICANT EVENTS DURING THE THREE MONTH PERIOD ENDED 31 MARCH 2012**

There were no relevant events.

**NOTE 3: POST BALANCE SHEET EVENTS****Change in the accounting recognition of the special tax on financial institutions**

The IFRS Interpretation Committee (‘IFRIC’) published a draft on the accounting method of the special tax on financial institutions. Accordingly, in Hungary the full year banking tax should be booked on 1 January. Thus in case of the Hungarian members of OTP Group the previous accounting method, which booked the yearly burden on a quarterly base, will change. As a result the whole amount of the banking tax for 2012 is going to be recognised in the financial statements for the three month period ended 31 March 2012. Accordingly, no further amount will be recognised for the rest of the year. Under Hungarian Accounting Standards there will be no change in the accounting method.

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

	31 March 2012	31 December 2011
<i>Held for trading securities:</i>		
Corporate shares	92,822	87,871
Government bonds	7,846	22,846
Mortgage bonds	5,019	5,776
Hungarian government discounted Treasury Bills	1,815	4,146
Securities issued by the NBH	248	1,715
Hungarian government interest bearing Treasury Bills	62	115
Securities issued by credit institutions	36	2,093
Other securities	53	314
	<b><u>107,901</u></b>	<b><u>124,876</u></b>
Accrued interest	691	1,083
<b>Total</b>	<b><u>108,592</u></b>	<b><u>125,959</u></b>
<i>Derivative financial instruments designated as held for trading:</i>		
CCIRS <sup>1</sup> and mark-to-market CCIRS swaps designated as held for trading	79,959	66,281
Interest rate swaps designated as held for trading	34,007	39,442
Foreign currency swaps designated as held for trading	24,560	24,329
Other derivative transactions	9,840	16,566
	<b><u>148,366</u></b>	<b><u>146,618</u></b>
<b>Total</b>	<b><u>256,958</u></b>	<b><u>272,577</u></b>

<sup>1</sup> CCIRS: Cross Currency Interest Rate Swap



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

	<b>31 March 2012</b>	<b>31 December 2011</b>
Mortgage bonds	826,397	863,422
Bonds issued by NBH	432,222	497,198
Government bonds	268,721	260,681
Other securities	62,103	49,623
<i>-listed securities</i>	<u>39,097</u>	<u>27,414</u>
<i>in HUF</i>	-	-
<i>in foreign currency</i>	39,097	27,414
<i>-non-listed securities</i>	<u>23,006</u>	<u>22,209</u>
<i>in HUF</i>	20,919	20,387
<i>in foreign currency</i>	2,087	1,822
<b>Subtotal</b>	<b><u>1,589,443</u></b>	<b><u>1,670,924</u></b>
Accrued interest	<u>33,487</u>	<u>40,494</u>
<b>Total</b>	<b><u>1,622,930</u></b>	<b><u>1,711,418</u></b>

There was no provision for impairment on securities-available-for-sale in the three month period ended 31 March 2012 and in the year ended 31 December 2011.

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

	<b>31 March 2012</b>	<b>31 December 2011</b>
Short-term loans and trade bills (within one year)	744,274	995,053
Long-term loans and trade bills (over one year)	<u>1,980,944</u>	<u>1,891,447</u>
	<b><u>2,725,218</u></b>	<b><u>2,886,500</u></b>
Accrued interest	<u>14,648</u>	<u>15,651</u>
Provision of impairment on loan losses	<u>(146,109)</u>	<u>(160,324)</u>
<b>Total</b>	<b><u>2,593,757</u></b>	<b><u>2,741,827</u></b>

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

	<b>31 March 2012</b>		<b>31 December 2011</b>	
Corporate loans	1,927,985	71%	2,044,081	71%
Consumer loans	348,438	13%	350,256	12%
Municipality loans	287,951	11%	308,334	11%
Housing loans	95,428	4%	115,044	4%
Mortgage backed loans	<u>65,416</u>	<u>2%</u>	<u>68,785</u>	<u>2%</u>
<b>Total</b>	<b><u>2,725,218</u></b>	<b><u>100%</u></b>	<b><u>2,886,500</u></b>	<b><u>100%</u></b>

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

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

	31 March 2012	31 December 2011
In HUF	34%	32%
In foreign currency	<u>66%</u>	<u>68%</u>
<b>Total</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:

	31 March 2012	31 December 2011
<b>Balance as at 1 January</b>	<b>160,324</b>	<b>134,621</b>
Provision for the period	14,237	129,912
Release of provision	<u>(28,452)</u>	<u>(104,209)</u>
<b>Closing balance</b>	<b><u>146,109</u></b>	<b><u>160,324</u></b>

**NOTE 7: INVESTMENTS IN SUBSIDIARIES (in HUF mn)**

	31 March 2012	31 December 2011
Investments in subsidiaries:		
Controlling interest	894,200	880,136
Other	<u>1,021</u>	<u>1,021</u>
	<b><u>895,221</u></b>	<b><u>881,157</u></b>
Provision for impairment	<u>(230,391)</u>	<u>(229,448)</u>
<b>Total</b>	<b><u>664,830</u></b>	<b><u>651,709</u></b>

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

	31 March 2012	31 December 2011
<b>Balance as at 1 January</b>	<b>229,448</b>	<b>147,228</b>
Provision for the period	943	83,531
Release of provision	<u>-</u>	<u>(1,311)</u>
<b>Closing balance</b>	<b><u>230,391</u></b>	<b><u>229,448</u></b>

**Capital increase at OTP Bank Romania**

According to the resolution passed by the general meeting of OTP Bank Romania S.A. held on 29 February, the capital of OTP Bank Romania was increased by its majority shareholder, OTP Bank. The registered capital was raised from RON 542,909,040 by RON 139,999,920 to RON 682,908,960.

**Capital increase at Crnogorska Komercijalna Banka**

On 17 January 2012 the extraordinary general meeting at Crnogorska Komercijalna Banka A.D. passed a resolution about a EUR 11,999,509 capital increase by converting the subordinated debt provided by OTP Bank into ordinary shares. The registered capital of the Montenegrin subsidiary grew to EUR 118,875,878 after the capital increase.

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

	31 March 2012	31 December 2011
Mortgage bonds	59,823	59,887
Government bonds	55,210	55,260
Hungarian government discounted Treasury bills	<u>331</u>	<u>346</u>
	<b><u>115,364</u></b>	<b><u>115,493</u></b>
Accrued interest	<u>5,633</u>	<u>4,974</u>
<b>Total</b>	<b><u>120,997</u></b>	<b><u>120,467</u></b>

There was no provision for impairment on securities-held-to-maturity in the three month period ended 31 March 2012 and in the year ended 31 December 2011.

**NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)**

	31 March 2012	31 December 2011
Within one year:		
In HUF	2,710,137	2,791,891
In foreign currency	<u>542,684</u>	<u>582,330</u>
	<b><u>3,252,821</u></b>	<b><u>3,374,221</u></b>
Over one year:		
In HUF	24,310	25,397
In foreign currency	<u>4,463</u>	<u>4,645</u>
	<b><u>28,773</u></b>	<b><u>30,042</u></b>
<b>Subtotal</b>	<b><u>3,281,594</u></b>	<b><u>3,404,263</u></b>
Accrued interest	<u>19,373</u>	<u>11,958</u>
<b>Total</b>	<b><u>3,300,967</u></b>	<b><u>3,416,221</u></b>

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

	31 March 2012		31 December 2011	
Retail deposits	1,905,169	58%	1,978,914	58%
Corporate deposits	1,169,733	36%	1,260,824	37%
Municipality deposits	<u>206,692</u>	<u>6%</u>	<u>164,525</u>	<u>5%</u>
<b>Total</b>	<b><u>3,281,594</u></b>	<b><u>100%</u></b>	<b><u>3,404,263</u></b>	<b><u>100%</u></b>

**NOTE 10: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)**

	<b>31 March 2012</b>	<b>31 December 2011</b>
Within one year:		
In HUF	300,617	312,155
In foreign currency	<u>29,068</u>	<u>54,820</u>
	<b><u>329,685</u></b>	<b><u>366,975</u></b>
Over one year:		
In HUF	83,122	74,279
In foreign currency	<u>4,563</u>	<u>2,245</u>
	<b><u>87,685</u></b>	<b><u>76,524</u></b>
<b>Subtotal</b>	<b><u>417,370</u></b>	<b><u>443,499</u></b>
Accrued interest	<u>10,803</u>	<u>9,924</u>
<b>Total</b>	<b><u>428,173</u></b>	<b><u>453,423</u></b>

**NOTE 11: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)**

*(a) Contingent liabilities and commitments*

	<b>31 March 2012</b>	<b>31 December 2011</b>
Legal disputes (disputed value)	10,167,235	11,066,974
Commitments to extend credit	719,362	697,144
Guarantees arising from banking activities	614,844	642,165
Confirmed letters of credit	483	189
Other	<u>1,106</u>	<u>1,081</u>
<b>Total</b>	<b><u>11,503,030</u></b>	<b><u>12,407,553</u></b>

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.

Provision due to legal disputes were HUF 426 million and HUF 408 million as at 31 March 2012 and 31 December 2011 respectively.

**NOTE 11: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS**  
(in HUF mn) [continued]

(b) *Fair value of derivative instruments*

	Fair value		Notional value, net	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
<b>Interest rate swaps designated as held for trading</b>				
Positive fair value of interest rate swaps designated as held for trading	34,007	39,442	36,473	34,064
Negative fair value of interest rate swaps designated as held for trading	(44,070)	(40,577)	(51,727)	(37,496)
<b>Foreign exchange swaps designated as held for trading</b>				
Positive fair value of foreign exchange swaps designated as held for trading	24,560	24,329	29,136	28,486
Negative fair value of foreign exchange swaps designated as held for trading	(14,366)	(52,810)	(13,018)	(48,163)
<b>Interest rate swaps designated as fair value hedge</b>				
Positive fair value of interest rate swaps designated in fair value hedge	1,891	2,329	4,108	3,526
Negative fair value of interest rate swaps designated in fair value hedge	(10,066)	(12,563)	(11,825)	(10,980)
<b>CCIRS designated as held for trading</b>				
Positive fair value of CCIRS designated as held for trading	55,342	56,312	54,913	57,825
Negative fair value of CCIRS designated as held for trading	(178,640)	(232,564)	(199,236)	(257,590)
<b>Mark-to-market CCIRS designated as held for trading</b>				
Positive fair value of mark-to-market CCIRS designated as held for trading	24,617	9,969	6,206	(7,925)
Negative fair value of mark-to-market CCIRS designated as held for trading	(2,129)	(5,577)	(4,117)	(10,950)
<b>Other derivative contracts designated as held for trading</b>				
Positive fair value of other derivative contracts designated as held for trading	9,840	16,566	9,356	14,742
Negative fair value of other derivative contracts designated as held for trading	(8,836)	(14,428)	(8,838)	(12,670)
<b>Derivative financial assets total</b>	<b><u>150,257</u></b>	<b><u>148,947</u></b>	<b><u>140,192</u></b>	<b><u>130,718</u></b>
<b>Derivative financial liabilities total</b>	<b><u>(258,107)</u></b>	<b><u>(358,519)</u></b>	<b><u>(288,761)</u></b>	<b><u>(377,849)</u></b>
<b>Derivative financial instruments total</b>	<b><u>(107,850)</u></b>	<b><u>(209,572)</u></b>	<b><u>(148,569)</u></b>	<b><u>(247,131)</u></b>

As at 31 March 2012 the Bank has derivative instruments with positive fair values of HUF 150,257 million and negative fair values of HUF 258,107 million. Corresponding figures as at 31 December 2011 are HUF 148,947 million and HUF 358,519 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 12: NET INTEREST INCOME (in HUF mn)**

	<b>Three month period ended 31 March 2012</b>	<b>Three month period ended 31 March 2011</b>	<b>Year ended 31 December 2011</b>
<i>Interest Income:</i>			
Loans	55,287	54,880	230,529
Placements with other banks, net of allowance for placement losses	93,491	60,560	268,998
Securities available-for-sale	29,115	26,248	115,841
Securities held-to-maturity	2,315	2,527	9,637
Amounts due from banks and balances with National Bank of Hungary	1,866	1,360	6,274
Securities held for trading	<u>412</u>	<u>474</u>	<u>2,076</u>
<b>Total Interest Income</b>	<b><u>182,486</u></b>	<b><u>146,049</u></b>	<b><u>633,355</u></b>
<i>Interest Expense:</i>			
Amounts due to banks and deposits from the National Bank of Hungary, other banks and the Hungarian Government	85,772	46,587	214,376
Deposits from customers	33,512	33,653	128,253
Liabilities from issued securities	7,320	7,875	28,370
Subordinated bonds and loans	<u>4,362</u>	<u>3,978</u>	<u>16,538</u>
<b>Total Interest Expense</b>	<b><u>130,966</u></b>	<b><u>92,093</u></b>	<b><u>387,537</u></b>
<b>NET INTEREST INCOME</b>	<b><u>51,520</u></b>	<b><u>53,956</u></b>	<b><u>245,818</u></b>

**NOTE 13: 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 related to OTP Mortgage Bank Ltd.:**

	<b>Three month period ended 31 March 2012</b>	<b>Three month period ended 31 March 2011</b>
Loans sold to OTP Mortgage Bank Ltd. with recourse (including interest)	858	1,111
The gross book value of the loans sold	857	1,110
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans	870	950
Provision for the repurchase obligation of non-performing loans originated by OTP Mortgage Bank Ltd.	-	181

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

	<b>Three month period ended 31 March 2012</b>	<b>Three month period ended 31 March 2011</b>
Loans sold to OTP Factoring Ltd. without recourse (including interest)	7,321	5,081
The gross book value of the loans	23,695	14,378
Provision for loan losses on the loans sold	13,116	5,383
Loss of these transaction (recorded in the separate financial statements as loan and placement loss)	3,258	3,914

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