OTP Bank Plc.

Summary of the full-year 2009 results

(English translation of the original report submitted

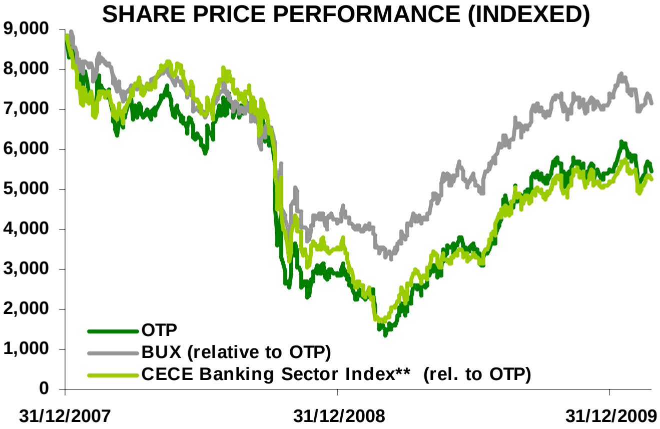
to the Budapest Stock Exchange)

Budapest, 2 March 2010

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

Main components of the Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Consolidated after tax profit	**241,068**	**150,333**	**-38%**	**-60,677**	**45,899**	**20,411**	**-56%**	**-134%**
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, the result of the sale of OTP Garancia Group and goodwill impairment charges	**218,691**	**151,453**	**-31%**	**44,871**	**45,870**	**20,514**	**-55%**	**-54%**
Pre-tax profit	250,293	172,014	-31%	45,329	40,907	24,595	-40%	-46%
Operating profit	368,920	438,098	19%	116,777	109,947	107,918	-2%	-8%
Total income	732,584	787,230	7%	211,171	191,943	202,574	6%	-4%
Net interest income (adj.)	515,946	590,830	15%	145,795	137,754	153,829	12%	6%
Net fees and commissions	140,623	132,977	-5%	37,008	33,123	34,519	4%	-7%
Total other non-interest income (adj.)	76,015	63,422	-17%	28,368	21,066	14,226	-32%	-50%
Operating expenses (adj.)	-363,664	-349,131	-4%	-94,394	-81,996	-94,656	15%	0%
Provision for loan losses (adj.)	-108,043	-247,303	129%	-62,682	-66,635	-79,774	20%	27%
Other cost of risk	-10,584	-18,781	77%	-8,766	-2,405	-3,549	48%	-60%
Main components of balance sheet closing balances in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Total assets	9,379,436	9,774,557	4%	9,379,436	9,697,729	9,774,557	1%	4%
Placements with other banks and securities	593,542	629,541	6%	593,542	515,752	629,541	22%	6%
Total customer loans and advances (gross)	**7,000,850**	**6,844,061**	**-2%**	**7,000,850**	**6,874,374**	**6,844,061**	**0%**	**-2%**
Allowances for loan losses	-270,680	-495,365	83%	-270,680	-420,918	-495,365	18%	83%
Liabilities to credit institutions	842,867	800,723	-5%	842,867	881,199	800,723	-9%	-5%
Total customer deposits	**5,219,226**	**5,645,894**	**8%**	**5,219,226**	**5,517,376**	**5,645,894**	**2%**	**8%**
Issued securities	1,526,639	1,361,528	-11%	1,526,639	1,359,160	1,361,528	0%	-11%
Subordinated loans	316,148	287,093	-9%	316,148	276,604	287,093	4%	-9%
Total shareholders' equity	1,048,971	1,191,496	14%	1,048,971	1,171,348	1,191,496	2%	14%
Indicators %	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
ROA (adj.)	2.5%	1.6%	-0.9%	1.9%	1.9%	0.8%	-1.1%	-1.1%
ROE (adj.)	22.5%	13.4%	-9.1%	16.3%	15.9%	6.9%	-9.0%	-9.5%
Operating profit margin	4.14%	4.57%	0.44%	4.96%	4.54%	4.40%	-0.15%	-0.56%
Total income margin	8.21%	8.22%	0.01%	8.96%	7.93%	8.25%	0.32%	-0.71%
Net interest margin (adj.)	5.78%	6.17%	0.39%	6.19%	5.69%	6.27%	0.58%	0.08%
Risk cost to average gross loans (adj.)	1.69%	3.57%	1.88%	3.65%	3.81%	4.61%	0.80%	0.96%
Cost/income ratio (adj.)	49.6%	44.3%	-5.3%	44.7%	42.7%	46.7%	4.0%	2.0%
Gross loan/deposit ratio (%)	134%	121%	-13%	134%	125%	121%	-3%	-13%
Capital adequacy ratio (consolidated, IFRS)	15.4%	17.5%	2.1%	15.4%	16.9%	17.5%	0.6%	2.1%
Tier1 ratio	11.3%	13.8%	2.6%	11.3%	13.2%	13.8%	0.7%	2.6%
Core Tier1 ratio	9.5%	12.1%	2.6%	9.5%	11.5%	12.1%	0.7%	2.6%
Share Data	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
EPS diluted (HUF)	940	570	-39.4%	-239	170	76	-55%	-132%
Closing price (HUF)	2,875	5,456	89.8%	2,875	5,252	5,456	4%	90%
High (HUF)	8,874	5,790	-34.8%	6,405	5,465	5,790	6%	-10%
Low (HUF)	2,320	1,355	-41.6%	2,320	3,086	5,000	62%	116%
Market Capitalization (EUR billion)	3.0	5.6	85.5%	3.0	5.4	5.6	4%	86%

SHARE PRICE PERFORMANCE (INDEXED)



MOODY'S RATINGS

OTP Bank	
Foreign currency long term deposits	Baa1
Local currency long term deposits	Baa1
Financial strength	D+
OTP Mortgage Bank	
Covered mortgage bond	A2
Foreign currency long term deposits	Baa1
Financial strength	D+
DSK Bank	
Long term deposits	Baa3
Local currency long term deposits	Baa3
Financial strength	D+

STANDARD & POOR'S RATINGS

OTP Bank and OTP Mortgage Bank	
Long term credit rating	BB+

[1] Structural adjustments made on consolidated IFRS profit and loss statement together with the calculation methodology of adjusted indicators are detailed in the Supplementary data section of the Report.

SUMMARY OF THE FULL-YEAR 2009 RESULTS

OTP Bank Plc. has prepared its consolidated and unconsolidated, unaudited IFRS report for 31 December 2009. Below we present our analysis derived from the consolidated and the unconsolidated condensed IFRS financial statements adopted by the European Union.

SUMMARY OF THE LAST THREE MONTHS AND FULL-YEAR 2009

Successful crisis management

In 2009 OTP Group successfully managed all the challenges induced first by the US subprime crisis and later by the global fiscal and lending turmoil. It also met the major preliminary targets of the management. The Bank's strong performance helped a lot to preserve the stability of the Hungarian banking sector.

Even though operating conditions have already deteriorated in 2008, last year required further radical business adjustments from the Company. The strong underlying profitability, in particular the robust net interest income as well as the continuously strict cost control, enabled the Bank to realize positive earnings in each consecutive quarters amid heavily increasing provisioning. As a result the Bank managed to strengthen both its consolidated and stand-alone capital adequacy to such levels (IFRS CAR: 17.5%, Core Tier1: 13.8%) that are outstanding even in international comparison. It was achieved without any governmental or bilateral support or equity increase. The economic crisis and the fiscal adjustment resulted in serious business adjustment: loan demand shrank a lot and risk management required a more cautious lending practice. At the same time the Group paid particular attention to deposit collection, as a result the consolidated loan-to-deposit ratio improved a lot throughout the year. Due to the successful business adjustment both in Hungary and abroad, and also to newly attracted external funding sources (retail targeted bonds, syndicated loan), OTP's liquid reserves reached record levels despite prepaying half of the State loan in the amount of EUR 700 million. The year-end liquidity reserve (EUR 6 billion) is enough to cover its total FX-denominated senior and covered bonds obligations, as well as the rest of the State loan.

In order to ease the negative effects of the crisis the Bank actively participated in the debtor protection programmes and initiated several other measures aimed at assisting its clients facing temporary fiscal difficulties. Besides, the Bank persistently looked at those lending segments where it could meet demands at the expense of its own sources, but also utilizing the State loan. Even though 2009 was not the year of a steady loan growth, the strong capital position, as well as the stable liquidity reserves enabled the Bank to increase its corporate loan book in Hungary by 4% through originating HUF 248 billion new loans to the sector. In Russia, the growing customer demand helped the bank to revitalize its POS-lending and even strengthen its market position.

Straightforward business adjustments, stable capital positions, slightly improving economic performance in 4Q across the region

While 1H 2009 was quite challenging as for the general macroeconomic conditions, from 2H it became clear that despite earlier concern most of the East European economies amid existing problems were more resilient towards the crisis. The local banking sectors were decently capitalized, and local governments were brave enough to introduce fiscal restrictions or in case of Russia and Slovakia used anticyclical measures to boost local consumption. The only exception was Ukraine, where markets are expecting consolidation after the presidential elections in January 2010.

Beginning from April market sentiments changed to be more favourable, investors' risk appetite returned, liquidity enhancing measures by the major central banks helped risk spreads to drop significantly; 2H already witnessed successful bond transactions from the CEE region. As for fiscal adjustment and economic stabilization the most remarkable turnaround was achieved by Hungary, but Bulgaria and Croatia were also amongst the frontrunners in implementing rigorous budgetary policy.

From 3Q and more so from 4Q there were more and more signs of the bottoming out in the region: export performance improved, industrial production started recovering, the current account balances previously being in the danger zone rebounded, the currency and stabilization reserves kept increasing. The more favourable macro conditions enabled central banks to loose their monetary policy: in Hungary the NBH gradually brought down the base rate from 10% to 6.25%, whereas the local currency remained stable.

As a result of those positive developments, in October 2009 Standard & Poor's improved Hungary's sovereign outlook from negative to stable, whereas Moody's and Fitch did so in early 2010 in case of Bulgaria and Romania, respectively. Given that most of the countries but again Ukraine, met their commitments to IFM, further tranches became available. Hungary, on the other hand announced that it did not need the remaining EUR 4 billion of the IMF package.

Despite all economies suffered heavy, somewhere even double-digit economic setbacks, loan volume shrinkage started easing, and in 2H already slight recovery might be experienced. In Russia, however, POS-lending accelerated so nicely that in 4Q new origination even exceeded the so far record period of last quarter 2007.

Successful deposit collection, substantially improving loan-to-deposit ratio

Due to modest loan demand throughout the most of 2009 the consolidated gross loan portfolio dropped by 2% y-o-y and remained basically flat q-o-q. Despite the remarkable 4% y-o-y corporate loan growth in Hungary, the total corporate book declined by 4% y-o-y and 3% q-o-q respectively. FX-adjusted consolidated loan volumes shrank by 3% and 1% during the same periods. At the same time deposits increased 8% y-o-y and 2% q-o-q. As a result, loan-to-deposit ratio improved a lot (to 121%). In case of Croatia and Hungary the ratio was below 100%, but Romania, Russia and Ukraine also pushed down those levels substantially, true from high basis.

Strong operating income adjusted full year results exceeding both the management forecast and market consensus

Despite the sharp increase in risk costs as a result of worsening operating conditions, the Company realized HUF 151.5 billion adjusted after tax profit. It was by 31% lower y-o-y, but exceeded market consensus by about HUF 6 billion.

In 4Q the consolidated adjusted after tax profit was HUF 20.5 billion, less than half of level reported for 3Q, mainly as a result of record risk costs levels.

Pre-tax profit figure showed HUF 24.6 billion for the last three months vs. HUF 40.9 billion in 3Q. The impact of the repurchase of upper Tier2 capital (UT2) in 4Q was negligible both in terms of volumes and results. (before tax profit in net other non-interest income in HUF billion: 2009 1Q: 19.6, 2Q: 5.5 billion, 3Q: HUF 2.6 billion, 4Q: HUF 0.1 billion).

Outstandingly strong consolidated and stand-alone CAR

The consolidated IFRS CAR improved by 0.6%-points q-o-q, thus reached 17.5, the Tier1 ratio (13.8%) grew by 0.7%-points. Both levels are significantly higher than that of for OTP's main competitors.

The HAR based CAR of OTP stood at 16.2% (-1.0%-points q-o-q), the decline is the results of the quarterly increase of RWA, but also the effect of a RON 30 million capital increase into the Romanian subsidiary at the expense of OTP Bank's guarantee capital.

Since OTP did not draw down the EUR 200 million subordinated loan facility offered by EBRD by the December 2009 deadline, the contract was prolonged until 20 June 2010.

Main drivers of the consolidated result: stable NII, increasing risk costs, strict cost control

In 2009 net interest income of the full year grew by 15% y-o-y, and the dynamism remained strong 4Q, too (+12% q-o-q). The HUF 591 billion net interest result is mainly the consequence of asset repricing measures of the pre-crisis period and the higher overall interest rate environment. The yearly NIM (6.17%) improved steadily (+39 bps y-o-y), whereas 4Q NIM stood at 6.27% (+58 bps q-o-q).

Net F&C declined by 5% y-o-y, but somewhat recovered in 4Q (+4%). The absolute volume of operating expenses dropped by almost HUF 15 billion (-4% y-o-y), though the last quarter grew by 15% q-o-q partly due to seasonal effects and also because of the consolidation of new companies. In 4Q Bulgarian, Croatian and Romanian leasing companies were consolidated and their operating expenses amounted to HUF 4.4 billion. The CIR improved significantly, its level of 44.3% is lower by 5.3%-points vs. the base period (4Q: 46.7%, +4%-points q-o-q).

Despite the consolidated loan portfolio quality further deteriorated and the ratio of DPD 90+ loans increased from 8.9% to 9.7%, the speed of worsening significantly moderated. As a result of the conservative provisioning the coverage ratio improved substantially q-o-q and reached 73.8% (+5.2%-points q-o-q).

Excellent Hungarian net interest income, moderating decline in lending due to growing corporate volumes, successful funding

Within the Banking group 2009 PAT of OTP Core (basic activity in Hungary) reached HUF 178.3 billion, marking an increase of 34% y-o-y. In 4Q, however, due to the doubling risk costs the after tax result dropped by 37% (to HUF 39.2 billion).

The key driver of the strong income was the good net interest income performance (+18% y-o-y and (+10% q/q). Net F&C remained flat y-o-y, but grew by 5% q-o-q. Total revenues reached HUF 446 billion (+20% y-o-y, -2% q-o-q). The strong earnings were also supported by the one-off HUF 28 billion results of own securities (UT2) buy back and the positive effect of lower tax burdens. Risk costs grew by 59% compared to the base period, whereas in 4Q the increase was 105% q-o-q. The share of DPD90+ loans increased from 4.3% to 7.4% y-o-y, the coverage ratio of 74.9% was stable. By the end of 2009 app. 4.4% of the household portfolio has been restructured against 3.0% at end-September.

The loan portfolio grew by 1% y-o-y amid the crisis and the increase was similar in 4Q. That was mainly the result of a strong corporate lending activity where volumes grew by 4% y-o-y and 2% q-o-q. In the retail segment new loan origination was only the fraction of the corresponding period: mortgage loan origination dropped by 82%, the personal loans by 54% respectively, true there was some pick up since the bottom in 1Q 2009. In line with the efforts of the management within new disbursements the weight of HUF denomination increased: in case of mortgages it comprised 55%, for personal loans the ratio was 96%.

The deposit portfolio on a yearly base expanded by a remarkable 8%, while in 4Q remained practically flat (+1%), though the retail volumes grew by 2% q-o-q. At the same time the local bond issuance targeted at household savings continued successfully: during 2009 their volumes increased by HUF 179 billion and reached HUF 237 billion by the end of December.

The loan-to-deposit ratio improved by 6% y-o-y, dropping again below 100% (4Q 2009: 97%). Including the volume of the retail bonds which are practically a form of extended term deposits, the adjusted "net loan/(deposit + retail bond)" ratio would be 86% (-12% y-o-y).

The liquidity of the Bank was further enhanced by a EUR 1.4 billion loan facility of the Hungarian State to OTP Bank for supporting its domestic corporate lending activity. On 5 November the Bank prepaid half of the facility. Due to the conditions of the loan facility, namely the interest rate level and maturity, the Bank could satisfy the demand of only a limited circle of entrepreneurs, thus OTP Bank supported a wider range of potential client interest at the expense of its own liquidity

The volume of issued securities were effected by the retail bond issuance on one hand and by the repayment of EUR 750 million senior bonds, as well as by HUF 120 billion volume decrease of issued mortgage bonds on the other. There was no international capital market transaction in 2009, however in December the Bank arranged a EUR 220 million syndicated loan transaction and in February 2010 OTP had a successful debut CHF 100 million senior issue.

Out of domestic Group members Merkantil Group realized HUF 1.8 billion loss in 2009 being almost equal to the provisioning for the losses of newly consolidated leasing firms. Without that Merkantil Group's net result would be around zero. Risk costs for loan losses increased by 156% which turned to be too much to be compensated by stringent cost control (-15% opex y-o-y). OTP Fund Management posted HUF 5.1 billion after tax result, an increase of 12% y-o-y. Both total assets and managed funds expanded nicely (+32% and +38% y-o-y and +7% and 2% q-o-q respectively). Its market position improved by 176 bps q-o-q reaching 32.3% by the end of December.

Regarding domestic market positions of OTP Group, in 4Q its deposit share (24.2%) declined a bit. Retail and municipality deposits shrank by 0.1% and 1.6% respectively, whereas corporate deposits grew by 0.2%. On the loan side market positions (17.8%) somewhat improved: the retail book declined by 0.3%, within that housing loans shrank by 0.5% and consumer loans by 0.2% respectively. Municipality lending (45.3%) dropped by 0.6%, whereas the corporate book improved (to 8.1%). As a result, within the total balance sheet of the sector OTP Bank's share grew from 24.4% to 26.3%.

Performance of foreign subsidiaries: excellent Bulgarian, stable Croatian, dynamically improving Russian and Romanian results; substantial losses in Ukraine, portfolio cleaning in Slovakia and Serbia

After a severe contraction of regional economies in 2009 forecasts for 2010 are more optimistic: most of the countries may already expect moderate GDP growth.

In 2009 the macroeconomic uncertainness and growing unemployment coupled with weak loan demand. Apart from the Russian POS-lending there was no meaningful expansion of loan books in any countries. On the other hand all the subsidiaries launched deposit campaigns, as a result loan-to deposit ratio improved at each subsidiary. Besides Ukraine, debtor protection programmes in Bulgaria and Romania also gained momentum; their positive impact was already evident in 4Q.

DSK Group posted HUF 25 billion after tax profit in 2009. While the result was by 20% lower than a year ago, 4Q performance already exceeded the previous one by 31%. The outstandingly strong net interest revenues (+27% y-o-y) to a certain extend could mitigate the negative impact of the sharp increase of risk costs (+169% y-o-y). As a result of loan portfolio repricing NIM (5.68%) was higher by 86 bps compared to the base period. Despite the increase of operating expenses (+17% y-o-y and +11% q-o-q), CIR level still represents one of the most efficient operations within the Group. The gross loan portfolio remained flat both on yearly and quarterly bases, at the same time deposit volumes grew nicely (+11% y-o-y and 2% q-o-q). As a result DSK's loan-to-deposit ratio improved by 12% (2009 4Q: 128%), whereas the Bank could stabilize its market position in major segments. The ratio of DPD90+ already showed signs of improvement as a result of loan restructuring advancing; the coverage ratio grew a lot in 4Q and its 86% level well exceeds the Group average.

As a result of sharply increasing risk costs the Ukrainian subsidiary accumulated a total HUF 44 billion loss in 2009 vs. the HUF 16.4 billion net profit in the base period. In 4Q OTP Bank Ukraine (OBU) posted a loss of HUF 14.4 billion. Despite the sharply increasing risk costs (+259%) operating income still improved (+2%). The weakening of the portfolio quality moderated, the ratio of DPD90+ reached 22.3% (+3.0%-points q-o-q). In line with the earlier commitment of the management, special attention was paid to increasing the coverage ratio, accordingly in 4Q OBU set aside HUF 26.6 billion provisions; as a result the coverage ratio grew to 74%. The share of restructured retail portfolio increased to 39% (+3%-point q-o-q).

Given that within the Group Ukraine suffered the single biggest economic contraction, customers' appetite for loans was fairly weak. Parallel, the bank also put a break on lending, having quite an impact on volumes. On the other hand, deposit erosion stopped in 2Q, and from 3Q volumes started growing again. As a result, the loan-to-deposit ratio improved significantly.

In Russia, 2H 2009 already witnessed a recovery in lending. While total volumes dropped by 3% y-o-y, in 4Q OTP Bank Russia (OBRu) posted a remarkable 9% increase. It was mainly the result of the significant revival in POS-lending, that's why the retail loan book grew by 1% y-o-y. The bank had significant deposit collection results both on a yearly and quarterly base (+37% and 25% respectively). As a result, loan-to-deposit ratio improved massively (-50%-points y-o-y). In 4Q due to the strong interest income and the successful placement of excess liquidity into higher yielding assets, the bank posted a 53% q-o-q PAT improvement. Because of the weak 1H, and also the y-o-y higher risk costs (+11%), the 2009 after tax profit was only one third of that a year ago. Apart from the POS-growth another positive development was that despite the crisis risk cost rate basically remained flat (5.59%). The ratio of DPD90+ loans – mainly due to NPL write-offs – declined, their coverage ratio was stable, around 84%.

Out of smaller subsidiaries OTP Banka Hrvatska (OBH in Croatia) in each and every quarter posted positive results and despite doubling risk costs realized a yearly net profit of HUF 3.2 billion. Thanks to the successful deposit collection (+7% y-o-y) the bank enjoys favourable liquidity position and the lowest loan-to-deposit ratio within the Group (94%).

OTP Bank Romania (OBR) achieved HUF 1.1 billion after tax profit that was more than five times higher than in 2008. The two major drivers of the improving results were the strong core banking revenue generating capability and the stringent cost control. The portfolio quality of OBR is the best in the Group. Deposits grew by more than 30%, loan book shrank by 7%, as a result loan-to-deposit ratio improved by 135%-points y-o-y. The improving results showed that systematic business development coupled with efficient operation and excellent management could make a greenfield investment a great success.

In Montenegro, CKB posted a moderate HUF 0.4 billion net result for the full year after a loss of HUF 0.8 billion in 4Q. Even though net interest income showed an excellent picture (+66% y-o-y), the sharply increasing risk costs, as well as the declining F&C results (-38% y-o-y) took its toll through weaker earnings. Total assets shrank by 24%, the loan-to-deposit ratio declined to 110%.

The Slovakian subsidiary had a weak performance in 2009. After posting smaller losses in 2Q and 3Q, the last quarter showed an all-time high negative result because of risk cost increasing three fold. The total 2009 loss of OBS reached HUF 6.4 billion. Loan volumes contracted by 13% y-o-y, deposits by 3% respectively, though retail deposits slightly grew by 3%.

The Serbian subsidiary posted a significant cumulative loss of HUF 9.2 billion in 2009, almost HUF 8 billion alone in 4Q. All major income lines showed weak results – NII dropped by 40%, NF&C by 16% –, operating costs were basically flat (-2%) and risk costs grew by 260%. In line with the moderate business activity significant network rationalization and stuff reduction took place; the total network was reduced by 45 branches (-47%), whereas the employees number by 399 people (-34%).

By the end of 2009 OTP group had 1,496 branches (-77 branches y-o-y, -24 branches q-o-q). The most sizeable decline was realized in Serbia: 45 branches were closed down. Also, in Ukraine 23 branches, in Slovakia 12 branches were closed down during 2009.

Credit ratings, shareholder structure

There has been no change in the rating of OTP Bank in 4Q. End-of December the actual rating of the Bank was Baa1 from Moody's and BB+ from Standard & Poor's; both ratings carry negative outlook.

No major change has taken place in 4Q as for the ownership structure; there are still three shareholders with an influence above 5%, namely MOL, Groupama Group and the Rahimkulov family.

POST BALANCE SHEET EVENTS

Hungary

- The Hungarian government approved a decree on the conditions of prudent retail lending and the assessment of credit worthiness. The aim of the decree is to promote responsible lending, to limit the risks of foreign currency loans as well as to support financial stability in the Hungarian financial system.

  The decree will require lenders to establish, as part of their internal regulatory systems, a way to calculate the maximum amount a client is capable to repay each month (the so called "lending limit") based on an evaluation of the client's income. Lenders will be allowed to sign contracts for no more than 80% of this monthly "lending limit" in case of euro-denominated loans and for no more than 60% in case of loans denominated in other foreign currencies.

  The regulation caps the amount for which lenders may sign a housing mortgage contract at 75% of the home's value for forint loans, 60% for euro-denominated loans and 45% for loans denominated in other currencies. The limits are 80%, 65% and 50% respectively in the case of financial leasing.

  The maximum tenor of car-financing loans will be set at seven years. Car loans will be capped at 75% of the value of the vehicle for forint loans, 60% for euro-denominated loans and 45% for loans denominated in other currencies. The limits for car lease are 80%, 65% and 45% respectively.

  The rules governing the calculation of the lending limit are to come into effect on 11 June 2010, whereas the rules in relation to mortgage and car financing are to be in force from 1 March 2010.
- On 25 January the Monetary Council decided to reduce the central bank base rate by 25 basis points from 6.25% to 6.00%, with effect from 26 January 2010. On 22 February Hungarian National Bank cut benchmark interest rate to record low reaching 5.75%, effective from 23 February.
- On 29 January, in the course of its general methodology review, Moody's Investors Service downgraded OTP Bank's Upper Tier 2 ratings to Ba1 from Baa2 with negative outlook.
- On 8 February, the National Bank of Hungary announced a new monetary policy tool to support the development of the domestic HUF denominated mortgage lending and mortgage bond markets. Under the programme, the National Bank will purchase forint mortgage bonds and undertake regulatory initiatives to develop the domestic HUF mortgage lending market. The first step of the programme is to improve the conditions for forint-based financing for banks and their customers by stimulating a reduction in liquidity premium in the mortgage bond market. This may contribute to an increase in the supply of HUF mortgage loans and a further reduction in the interest differential vs. foreign currency loans. Further details on the implementation of the programme will be published until 28 February 2010.
- OTP Bank Plc. issued bonds in nominal value of CHF 100 million at 100.633 per cent of the face value with value date 24th February 2010. The issue serves general funding purposes. The price of the fixed rate senior bonds with 2 years maturity was set on 22nd January 2010. The Sole Bookrunner of the successful bond issue was BNP Paribas with OTP Bank Plc. as Co-Lead Manager. The re-offer spread is 305 bps over 2 year mid-swap, the bond bears a coupon of 4 per cent fixed rate, with annual interest payments and will be introduced to the SIX Swiss Exchange.

Bulgaria

- On 21 January Moody's raised the outlook on the Bulgarian government's Baa3 ratings to positive from stable suggesting a potential upgrade.

Russia

- Donskoy Narodny Bank was merged into OAO OTP Bank. The merger has been registered by the Court of Registration on 5 February 2010, thus the core capital of OAO OTP Bank (OTP Russia) reached RUB 2,797 million.

Ukraine

- The first round of the Ukrainian presidential election of 2010 was held on 17 January 2010. Viktor Yanukovich won the first round of the elections receiving the highest share (35%), while Timosenko won the second place with 25% of votes. Since none of the candidates received absolute majority the second round was held on 7 February. Yanukovich was officially declared a winner of the elections with 49% versus Tymosenko's 46%.

Romania

- On 14 January the parliament approved the 2010 state budget that will cut spending significantly: freezes state wages and cuts investments in order to narrow the budget deficit to 5.9% in 2010 from 7.3% in 2009.
- On 21 January the capital increase – in the amount of RON 30 million – into OTP Bank's Romanian subsidiary has been registered by the court of registration. Accordingly the statutory capital of OTP Bank Romania S.A. has reached RON 462,909,120.
- On 27 January the IMF delegation announced that they will recommend the release of the bailout loan's next tranche (EUR 2.3 billion). The loan was locked in 2009 because of the lack of approved 2010 budget due to political turmoil. On 23 February the IMF's board of directors agreed to resume payments to Romania.
- Fitch Ratings raised the outlook on Romania's BB+ credit rating to "stable" from "negative" on 2 February. On 13 January the credit rating agency S&P announced that Romania's credit rating outlook may be raised after the parliamentary approval of the 2010 budget and the unfreeze of the bailout loan.
- Due to the improvement of the countries' risk perception, the central bank cut the benchmark rate twice in January and February 2010 (by 100 bps to 7%)

Croatia

- On 12 January the World Bank approved a loan of EUR 200 million to Croatia for the development of the fiscal, social and financial sector.
- Effective from 10 February 2010 the Croatian Central Bank lowered the required reserve ratio of commercial banks from 14% to 13%.

Serbia

- The Serbian national bank intervened several times in the first two months of 2010 to support the dinar by selling Euro on the currency market.
- The Economy Ministry released a lending stimulus plan on 15 January. Under this program, the government plans to allocate 8.6 billion dinars to subsidize interest rates on bank loans to businesses and individuals. The ministry expects the economic stimulus plan to generate 900 million euros in loans.
- The IMF announced on 23 February that the third tranche of the IMF loan to Serbia has been preliminarily approved and the IMF expects Serbia to receive the EUR 350 million instalments in April.

Slovakia

- The government is preparing a constitutional amendment to cap state debt. According to the Finance Minister, the ceiling will be set below the current European Union rule of 60% of GDP.
- The Finance Ministry released new economic forecasts on 10 February. The 2010 GDP growth was revised upward from 1.9% to 2.8% but 2011 growth forecast was reduced to 3.3%.

CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)[2]

in HUF million	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Consolidated after tax profit	**241,068**	**150,333**	**-38%**	**-60,677**	**45,899**	**20,411**	**-56%**	**-134%**
Profit of the strategic short position[1] (after tax)	-4,720	-1,912	-59%	-9,457	0	0		-100%
Dividend and total net cash transfers (consolidated)	2,380	792	-67%	638	29	-102	-450%	-116%
Profit of the sale of OTP Garancia Group (after tax)	117,346	0	-100%	-4,101	0	0		-100%
Goodwill impairment charges (after tax)[2]	-92,629	0	-100%	-92,629	0	0		-100%
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, the result of the sale of OTP Garancia Group and goodwill impairment charges	**218,691**	**151,453**	**-31%**	**44,871**	**45,870**	**20,514**	**-55%**	**-54%**
Banks total without one-off items[3]	201,371	145,844	-28%	45,068	46,851	18,742	-60%	-58%
OTP CORE (Hungary)[4]	132,831	178,289	34%	20,869	61,983	39,218	-37%	88%
Corporate Centre[5] (after tax)	2,159	-6,067	-381%	4,625	-3,112	-1,757	-44%	-138%
o/w After tax result of subsidiary financing[6]	15,314	8,288	-46%	8,005	752	1,623	116%	-80%
Interest expense of Tier2 Capital	-13,155	-14,115	7%	-3,380	-3,680	-3,380	-8%	0%
OTP Bank Russia	8,916	3,087	-65%	3,942	1,136	1,733	53%	-56%
OTP Bank JSC (Ukraine)	16,414	-43,650	-366%	5,369	-19,161	-14,423	-25%	-369%
DSK+SPV (Bulgaria)	31,021	24,797	-20%	8,486	5,571	7,278	31%	-14%
OBR adj. (Romania)[7]	241	1,136	372%	437	191	384	101%	-12%
OTP banka Srbija (Serbia)	1,670	-8,990	-638%	-474	-946	-7,920	737%	
OTP banka Srbija, adj.	262	-8,990		-54	-946	-7,920	737%	
OTP banka Srbija one-off items[8]	1,408	-0	-100%	-420	-	-		-100%
OBH (Croatia)	5,041	3,245	-36%	1,329	632	693	10%	-48%
OBS (Slovakia)	1,431	-6,672	-566%	-489	-488	-5,654		
OBS, adj.	1,538	-6,429	-518%	-382	-495	-5,653		
OBS one-off items[9]	-108	-244	126%	-108	7	-1	-112%	-99%
CKB (Montenegro)	2,949	428	-85%	445	1,053	-809	-177%	-282%
Leasing	3,497	-3,009	-186%	-2,606	-356	-3,018	749%	16%
Merkantil Bank + Car, adj. (Hungary)[10]	3,835	-1,830	-148%	-2,136	-356	-1,827	414%	-14%
Merkantil Bank + Car one-off items[11]	-402	12	-103%	-476	0	0		-100%
Foreign leasing companies (Slovakia, Croatia, Bulgaria, Romania)[12]	64	-1,191		6	0	-1,191		
Insurance companies	4,029	0	-100%	-7	0	0		-100%
OTP Garancia (Hungary)	5,149	0	-100%	0	0	0		
OTP Garancia, adj.	5,338	0	-100%	0	0	0		
OTP Garancia one-off items[13]	-189	0	-100%	0	0	0		
Foreign insurance companies (Bulgaria, Slovakia, Romania)[14]	-1,120	0	-100%	-6	0	0		-100%
Asset Management	4,743	5,104	8%	223	1,308	1,443	10%	546%
OTP Asset Management (Hungary)	4,988	5,124	3%	468	1,294	1,443	12%	209%
Value creation of OTP Asset Management (after-tax)[15]	10,196	9,681	-5%	1,670	2,417	2,786	15%	67%
Foreign Asset Management Companies (Ukraine, Romania)[16]	-244	-20	-92%	-244	14	-1	-105%	-100%
Other Hungarian Subsidiaries	1,526	-2,283	-250%	447	-1,614	-1,599	-1%	-458%
Other Foreign Subsidiaries (Slovakia, United Kingdom, Cyprus)[17]	25	3,433		-51	139	2,873		
Eliminations	2,199	2,607	19%	2,325	-465	2,074	-546%	-11%
Total after tax profit of HUNGARIAN subsidiaries[18]	152,285	175,851	15%	26,122	57,730	37,550	-35%	44%
Total after tax profit of FOREIGN subsidiaries[19]	66,406	-24,399	-137%	18,749	-11,859	-17,038	44%	-191%
Share of foreign profit contribution, %	30%	-16%	-46%	42%	-26%	-83%	-57%	-125%

[2] Belonging footnotes are in the Supplementary data section of the Report.

CONSOLIDATED AND UNCONSOLIDATED, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATE STATEMENT OF RECOGNISED INCOME[3]

Main components of the Statement of recognised income in HUF million	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Consolidated after tax profit	**241,068**	**150,333**	**-38%**	**-60,677**	**45,899**	**20,411**	**-56%**	**-134%**
Dividends and net cash transfers (after tax)	2,380	792	-67%	638	29	-102	-456%	-116%
Profit of the strategic open FX position (after tax)	-4,720	-1,912	-59%	-9,457	0	0		-100%
Pre tax result of strategic open FX position	-5,899	-2,390	-59%	-11,821	0	0		-100%
Income taxes	1,180	478	-59%	2,364	0	0		-100%
Profit of the sale of OTP Garancia Group (after tax)	117,346	0	-100%	-4,101	0	0		-100%
Consolidated after tax profit without the result of strategic open FX position, consolidated dividend and net cash transfers, the result of the sale of OTP Garancia Group and goodwill impairment charges	**218,691**	**151,453**	**-31%**	**44,871**	**45,870**	**20,514**	**-55%**	**-54%**
Before tax profit	**250,293**	**172,014**	**-31%**	**45,329**	**40,907**	**24,595**	**-40%**	**-46%**
Operating profit	**368,920**	**438,098**	**19%**	**116,777**	**109,947**	**107,918**	**-2%**	**-8%**
Total income	**732,584**	**787,230**	**7%**	**211,171**	**191,943**	**202,574**	**6%**	**-4%**
Net interest income (adj.)	**515,946**	**590,830**	**15%**	**145,795**	**137,754**	**153,829**	**12%**	**6%**
Net fees and commissions	**140,623**	**132,977**	**-5%**	**37,008**	**33,123**	**34,519**	**4%**	**-7%**
Other net non-interest income (with net insurance result and net other, other non-interest result) (adj.)	**76,015**	**63,422**	**-17%**	**28,368**	**21,066**	**14,226**	**-32%**	**-50%**
Foreign exchange result, net (adj.)	44,393	-5,863	-113%	23,658	4,548	3,785	-17%	-84%
Gain/loss on securities, net (adj.)	-1,096	7,459	-781%	-235	7,450	175	-98%	-174%
Net insurance result	13,255	-1	-100%	-2	0	0	123%	-71%
Insurance premiums	60,432	0	-100%	-1	0	0		-100%
Insurance expenses	-47,178	-1	-100%	-1	0	0	123%	-40%
Net other non-interest result (adj.)	19,462	61,828	218%	4,947	9,068	10,267	13%	108%
Operating expenses	**-363,664**	**-349,131**	**-4%**	**-94,394**	**-81,996**	**-94,656**	**15%**	**0%**
Personnel expenses	-167,461	-155,516	-7%	-44,022	-37,005	-40,793	10%	-7%
Depreciation (adj.)	-38,609	-45,026	17%	-8,198	-10,694	-13,557	27%	65%
Other expenses (adj.)	-157,594	-148,589	-6%	-42,173	-34,297	-40,306	18%	-4%
Provision for loan losses (adj.)	**-108,043**	**-247,303**	**129%**	**-62,682**	**-66,635**	**-79,774**	**20%**	**27%**
Other provision	**-10,584**	**-18,781**	**77%**	**-8,766**	**-2,405**	**-3,549**	**48%**	**-60%**
Corporate taxes	-31,602	-20,561	-35%	-458	4,963	-4,081	-182%	791%
INDICATORS (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
ROA (adj.)	2.5%	1.6%	-0.9%	1.9%	1.9%	0.8%	-1.1%	-1.1%
ROE (adj.)	22.5%	13.4%	-9.1%	16.3%	15.9%	6.9%	-9.0%	-9.5%
Operating profit margin	4.14%	4.57%	0.44%	4.96%	4.54%	4.40%	-0.15%	-0.56%
Total income margin	8.21%	8.22%	0.01%	8.96%	7.93%	8.25%	0.32%	-0.71%
Net interest margin (adj.)	5.78%	6.17%	0.39%	6.19%	5.69%	6.27%	0.58%	0.08%
Net fee and commission margin	1.58%	1.39%	-0.19%	1.57%	1.37%	1.41%	0.04%	-0.16%
Net other non-interest income margin	0.85%	0.66%	-0.19%	1.20%	0.87%	0.58%	-0.29%	-0.62%
Risk cost to average gross loans (adj.)	1.69%	3.57%	1.88%	3.65%	3.81%	4.61%	0.80%	0.96%
Cost/income ratio (adj.)	49.6%	44.3%	-5.3%	44.7%	42.7%	46.7%	4.0%	2.0%
Effective tax rate	12.6%	12.0%	-0.7%	1.0%	-12.1%	16.6%	28.7%	15.6%
Comprehensive Income Statement	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Net comprehensive income	**206,807**	**151,755**	**-27%**	**-66,243**	**39,797**	**20,324**	**-49%**	**-131%**
Net profit of the current year	**240,472**	**151,172**	**-37%**	**-60,788**	**45,942**	**21,168**	**-54%**	**-135%**
Consolidated after tax profit	241,068	150,333	-38%	-60,677	45,899	20,411	-56%	-134%
Non-controlling interest	-597	839	-241%	-112	43	757	1662%	-778%
Fair value adjustment of securities available-for-sale (recognised directly through equity)	**-12,475**	**9,941**	**-180%**	**-2,004**	**10,185**	**-3,979**	**-139%**	**99%**
Fair value adjustment of cash flow hedge transactions	**788**	**431**	**-45%**	**-2,401**	**107**	**113**	**6%**	**-105%**
Fair value adjustment of strategic open FX position recognised directly through equity	**0**	**-1,589**		**0**	**304**	**-131**	**-143%**	
Fair value adjustment of revaluation reserves	**-21,978**	**-8,200**	**-63%**	**-1,050**	**-16,741**	**3,153**	**-119%**	**-400%**

[3] Adjustments on the consolidated Statement of recognised income are summarised in the Supplementary data section of this report.

- ***Dynamically increasing full year operating profit reaching HUF 438 billion 19% y-o-y), HUF 151 billion adjusted PAT (-31% y-o-y) exceeded consensus***
- ***Strong NIIs (+15% y-o-y), improving NIM (6.17%, +39 bps), 5% decline of net F&C***
- ***Stringent cost control, outstanding efficiency (2009 CIR: 44.3%)***
- ***Significant increase of risk costs (+124% y-o-y) with record high provisioning of HUF 83 billion in 4Q (4Q 2009 risk cost rate: 4.61%)***
- ***Stable ROE (13.4%) amid deteriorating operating environment***

The 2009 adjusted consolidated IFRS after tax profit of OTP Group reached HUF 151.5 billion which is in line with the preliminary targets of the management. PAT dropped by 31% y-o-y. The 4Q adjusted consolidated IFRS after tax profit was HUF 20.5 billion (-55% q-o-q).

Profit before tax stood at HUF 24.6 billion being by 40% lower compared to 3Q. Unlike in the previous quarter there was no substantial tax shield effect, accordingly the effective tax rate in 4Q was close to 17%, on a yearly base this indicator was 12%.

Adjusted net interest income reached HUF 591 billion, 15% higher than in the base period, 6.17% NIM is higher by 39 bps than that of the base period. NIM improved significantly by 58 bps in the last quarter. This improvement is explained by several factors: NII in 4Q was increased by the one-off consolidation effect of 4 foreign leasing companies (+3.6 billion forint effect q-o-q), and, in case of OTP Core by the positive result on revaluation of derivative transactions. As an offsetting effect of the latter improvement, there was a decrease in OTP Core's results on its securities portfolio, almost the same in its amount. Furthermore, the NII of the Russian subsidiary grew significantly as well (+HUF 1.2 billion q-o-q).

Within non-interest income Net F&C dropped by 5% y-o-y, which was in line with preliminary expectations and reflected the decrease of business activity and the transaction income.

Other adjusted non-interest income increased by 17% y-o-y, whereas in last three months the decline was 32%. The biggest profit change was on net FX gain and loss line: around HUF 6 billion loss in 2009 compared to HUF 44.4 billion profit in 2008. Note that the high profit of the base period was principally influenced by the 4Q 2008 revaluation of the Ukrainian provisions while 2009 results were significantly influenced by the 1Q 2009 losses on the other open FX-positions above the strategic position due to HUF depreciation. Given that this position in the meantime have been closed down this income line showed gradually improving trend and in the last quarter already reached HUF 3.8 billion. HUF 7.5 billion profit was realized on securities portfolio, mainly due to the sharp decline of HUF yields, however in 4Q only a moderate profit was posted here (HUF 0.2 billion) as longer yields increased by 15-20 bps in average in 4Q, as a result OTP Core pocketed a loss of HUF 0.7 billion. In contrast with the previous quarters in 4Q practically there was no repurchase of Upper Tier 2 Capital, only HUF 0.1 billion profit before tax was realised on these transactions by the Bank (in forint billion 1Q 2009: 19.6, 2Q: 5.5, 3Q: 2.6) which was booked on other net non-interest income line.

Within total income non-interest income revenues represented 25%, a decline of 5%-points y-o-y.

The Bank has been implementing very strict cost control throughout the year. Within operational costs other expenses lagged behind the basic period by 6%, whereas personal expenses dropped by 7% y-o-y (mainly as a result of staff reduction, suspending branch network expansion and even closing down branches in Serbia, Slovakia and in the Ukraine, and as rationalization of operation). On a quarterly base operating expenses increased by 15%: personal expenses grew by 10% due to seasonal effects, other expenses by 18% and amortisation costs increased significantly q-o-q by 27% which is primarily due to the first time consolidation of foreign leasing companies in 4Q. The yearly Cost/Income Ratio (CIR) improved by 5.3%-points to 44.3%, well below the 2009 management target; the quarterly increase was 4%-points (46.7%).

The deteriorating macroeconomic environment equally hitting the households and corporates resulted a significant portfolio quality deterioration. This required a massive provisioning which was comfortably met due to the robust operating result. Provisions for potential loan losses and other provisions added up to HUF 266 billion, +124% y-o-y, of which loan loss provisions amounted to HUF 247.3 billion, but other provisions were also mainly lending related ones. In 4Q total provisions exceeded HUF 83 billion, of which loan loss provisions represented HUF 79.8 billion (+20% q-o-q), significant portion of which was related the Ukrainian portfolio (HUF 27 billion).

As a result the consolidated risk costs grew in the last quarter from 3.81% to 4.61%; while the yearly risk costs rate was 3.57%.

Consolidated ROA (1.6%) decreased by 0.9%-points, while ROE (13.4%) shrank by 9.1%-points in the previous 12 months. 4Q diluted EPS was HUF 76, in 2009 it stood at HUF 570. Consolidated profitability indicators deteriorated on a quarterly base as well: ROA decreased by 1.1%-point, while ROE (6.9%) by 9%-points respectively.

The Net Comprehensive Income of the Group was HUF 151.8 billion, 27% lower than in 2008. This income category includes all the fair value adjustments, which are directly booked through equity rather than through P&L.

CONSOLIDATED BALANCE SHEET

Main components of balance sheet in HUF million	3Q 2008	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
TOTAL ASSETS	**9,363,461**	**9,379,436**	**9,697,729**	**9,774,557**	**1%**	**4%**
Cash and bank	309,770	348,849	289,529	316,253	9%	-9%
Placements with other banks	682,834	593,542	515,752	629,541	22%	6%
Financial assets at fair value	169,437	129,332	548,487	254,934	-54%	97%
Securities available-for-sale	368,895	481,257	466,062	1,338,372	187%	178%
Gross customer loans	**6,660,303**	**7,000,850**	**6,874,374**	**6,844,061**	**0%**	**-2%**
o/w Retail loans	4,022,148	4,353,189	4,270,774	4,291,847	0%	-1%
Corporate loans	2,258,468	2,258,579	2,236,838	2,161,903	-3%	-4%
Car financing loans	375,760	389,767	364,296	387,431	6%	-1%
Allowances for loan losses	-218,775	-270,680	-420,918	-495,365	18%	83%
Accrued interest receivables	77,960	87,793	93,895	104,726	12%	19%
Equity investments	11,797	10,467	10,265	18,834	83%	80%
Securities held-to-maturity	572,700	321,733	760,220	185,274	-76%	-42%
Intangible assets	533,724	469,701	456,943	476,177	4%	1%
Other assets	194,816	206,592	103,120	101,750	-1%	-51%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,363,461**	**9,379,436**	**9,697,729**	**9,774,557**	**1%**	**4%**
Liabilities to credit institutions and governments	761,759	842,867	881,199	800,723	-9%	-5%
Customer deposits	**5,375,929**	**5,219,226**	**5,517,376**	**5,645,894**	**2%**	**8%**
o/w Retail	3,710,137	3,914,944	4,013,022	4,161,910	4%	6%
Corporate	1,665,793	1,299,904	1,504,354	1,483,984	-1%	14%
Issued securities	1,425,603	1,526,639	1,359,160	1,361,528	0%	-11%
Accrued interest payable	94,127	99,141	108,775	95,864	-12%	-3%
Other liabilities	278,345	326,444	383,267	391,959	2%	20%
Subordinated bonds and loans	291,216	316,148	276,604	287,093	4%	-9%
Total shareholders' equity	**1,136,482**	**1,048,971**	**1,171,348**	**1,191,496**	**2%**	**14%**
	3Q 2008	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Loan/deposit ratio	124%	134%	125%	121%	-3%	-13%
Net loan/(deposit + retail bond) ratio	120%	128%	112%	108%	-4%	-20%
Net loans	6,441,528	6,730,170	6,453,456	6,348,696	-2%	-6%
Customer deposits	5,375,929	5,219,226	5,517,376	5,645,894	2%	8%
Retail bonds	9,438	58,073	229,749	236,733	3%	308%
90+ days past due loans/gross customer loans	3.9%	4.5%	8.9%	9.8%	0.9%	5.3%
Total provisions/90+ days past due loans	84.3%	86.0%	68.5%	73.8%	5.2%	-12.2%
Capital adequacy ratio (consolidated, IFRS)	15.4%	15.4%	16.9%	17.5%	0.6%	2.1%
Tier1 ratio	11.5%	11.3%	13.2%	13.8%	0.7%	2.6%
Core Tier1 ratio	9.7%	9.5%	11.5%	12.1%	0.7%	2.6%
Leverage (Shareholder's Equity/Total Assets)	12.1%	11.2%	12.1%	12.2%	0.1%	1.0%

- ***Moderately decreasing loan volumes y-o-y (-2%), stagnation in 4Q***
- ***Successful deposit collection, volumes grew both on yearly and quarterly base (+8% y-o-y and +2% q-o-q respectively) improving loan-to-deposit ratio (121%, -3%-points q-o-q)***
- ***Significant moderation in loan quality deterioration, DPD 90+ loans at 9.8% (+0.9%-points q-o-q)***
- ***Stable, further improving capital position, consolidated IFRS CAR stood at 17.5% with Tier1 at 13.8%***

IFRS consolidated total assets increased by 4% in the last year (+1% q-o-q) and reached HUF 9,775 billion. The Group's consolidated shareholder equity grew to HUF 1,191 billion (+14% y-o-y and +2% q-o-q), representing 12.2% of balance sheet total.

Due to the more conservative lending policy and the moderate loan demand the volume of gross consolidated loans decreased by 2% y-o-y, however in 4Q practically stagnated. Closing amount of the portfolio was HUF 6,844 billion. Within the gross loan portfolio the single most important part was the retail one (HUF 4,292 billion, 63%), the corporate book (HUF 2,162 billion) represented a smaller portion (31%). Car financing amounted to HUF 387 billion (6%). Out of retail loans mortgages represented HUF 2,703 billion, while consumer loans stood at HUF 1,149 billion.

In the last 12M HUF-based loan portfolio increase was experienced only in Croatia (+3%) Bulgaria (+1%) and in case of OTP Core (+1%), elsewhere the portfolio decreased. The most significant portfolio contraction was experienced in Montenegro (-29%), Slovakia (-13%) and Ukraine (-12%).

In 4Q 2009 q-o-q the consolidated loan portfolio stagnated, the FX-adjusted volume decreased by 1% q-o-q. The FX-adjusted loan portfolio of the Russian subsidiary representing a significant share in the consolidated book realized an 8% increase while OTP Core and the Bulgarian subsidiary stagnated and the Ukrainian contracted by 2%. Beside of the stagnating or slightly decreasing portfolio volumes of smaller foreign subsidiaries CKB suffered a 18% drop in the last three months as a consequence of a loan portfolio sale to the mother company.

In the previous 12 months, parallel with the moderate lending activity the portfolio quality deteriorated in all markets; the share of DPD90+ loans grew to 9.8% at consolidated level. Within the Group the Ukrainian and Serbian subsidiary has constantly represented the worst portfolio quality, the share of DPD90+ loans stood at 22.3% and 33.7% respectively. In Russia – formerly the worst performer within the Group in this respect – the level improved in 4Q (12.4%). It was a positive development, that in case of OTP Core, mainly due to the HUF appreciation and the actively applied debtor protection program, the speed of worsening of the Hungarian loan portfolio moderated from the level of 2Q 2009, DPD90+ loans grew from 6.8% only to 7.4% q-o-q.

Consolidated loan loss provisions were around HUF 495 billion at the end of December 2009 (+83% y-o-y and +18% q-o-q). DPD90+ loans reached HUF 671 billion, accordingly the coverage ratio improved to 73.8% (+5.2%-points q-o-q).

Consolidated deposits grew by 8% on a yearly base; on a quarterly base it increased by 2%. The FX-adjusted base would show a similar 2% increase q-o-q.

In the past 12 months the most significant deposit growth was captured in Russia (+37%), Romania (+33%) Bulgaria (+11%) and in Croatia (+7%) and the deposit growth at OTP Core was outstanding as well (+8%). The strongest deposit withdrawal hit CKB (-20%). In 4Q 2009 the situation improved a lot: there was no decrease but at worst stagnation. In 4Q apart from Croatia, Slovakia and Serbia all other subsidiaries managed to increase their deposit book. The most successful ones were the Russian, Ukrainian and Romanian subsidiaries (+25%, +11% and +6% respectively).

As a result of the modest lending activity, the consolidated loan-to-deposit ratio (121%) improved both on a quarterly and yearly base (-13% and -3% respectively) The net loan/(deposit+retail bond) liquidity ratio was 108%. On a stand-alone base the most significant improvement was realized at subsidiaries with the highest LTD ratios: in Ukraine it declined by 46%-points, in Romania by 22%-points while in Russia by 18%-points respectively. It is worth mentioning that in case of Ukraine the net loan-to-deposit rate adjusted by the significant provisioning would be 338% (the formal ratio was at 405%).

In Hungary OTP Bank successfully continued its strategy started in 2007: collection of deposits was combined with different form of savings (mutual funds, retail distributed bonds). OTP Core managed to increase its deposit base by 8% y-o-y, and by 1% q-o-q. In case of retail and corporate deposits volume dynamics were different: retail deposits grew y-o-y and q-o-q by 2%, furthermore the retail bond adjusted deposit base increased by 9% y-o-y, while corporate deposits increased by 25% y-o-y, but dropped by 2% q-o-q. Assets under management at OTP Fund Management due to the improving capital market environment expanded continuously, acceleration on a yearly base was 32%, and 7% in the last 3 months.

Issued securities dropped by 11% y-o-y, and remained unchanged in 4Q. The maturing debt (EUR 750 million senior bonds and cca. HUF 120 billion HUF denominated mortgage bonds) exceeded the volume of collected domestic retail bonds. There was no international bond issuance in 2009.

CONSOLIDATED CAPITAL ADEQUACY RATIO (IN ACCORDANCE WITH BASEL II)

At the end of December 2009 regulatory capital of OTP Group represented HUF 1,204 billion, while the preliminary estimated RWA, taking into account the capital needs for market risk and operational risk too, stood at HUF 6,886 billion. CAR stood at 17.5% with Tier1 (after deducting goodwill and intangible assets) at 13.8% and Core Tier1 (further deducting hybrid instruments) at 12.1% respectively.

By the December deadline OTP Bank has not drawn down the EUR 200 million subordinated loan facility offered by EBRD; the utilization period of the contract has been prolonged to 20 June 2010.

OTP BANK HUNGARIAN CORE BUSINESS[4]

OTP Core Statement of recognised income

Main components of the Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
OTP CORE after-tax profit w/o dividends and net cash transfer	132,831	178,289	34%	20,869	61,983	39,218	-37%	88%
OTP CORE pre-tax profit	146,085	194,153	33%	16,443	56,731	41,354	-27%	151%
Operating profit	191,112	265,970	39%	49,480	67,309	63,009	-6%	27%
Total income	371,392	445,574	20%	94,753	111,422	109,686	-2%	16%
Net interest income	270,910	320,579	18%	71,057	77,596	85,270	10%	20%
Net fees and commissions	88,322	88,379	0%	22,516	21,800	22,415	3%	0%
Other net non-interest income	12,160	36,616	201%	1,181	12,026	2,001	-83%	70%
Operating expenses	-180,280	-179,604	-0.4%	-45,274	-44,114	-46,677	6%	3%
Total provisions	-45,027	-71,817	59%	-33,037	-10,577	-21,655	105%	-34%
Provisions for loan losses	-24,889	-72,530	191%	-13,947	-10,619	-23,424	121%	68%
Other provisions	-20,138	713	-104%	-19,089	41	1,768	4174%	-109%
Revenues by Busines Lines								
RETAIL								
Total income	322,269	325,673	1%	89,092	81,333	77,527	-5%	-13%
Net interest income	233,711	241,774	3%	65,897	60,524	56,432	-7%	-14%
Net fees and commissions	84,671	78,805	-7%	21,662	19,582	19,879	2%	-8%
Other net non-interest income	3,887	5,094	31%	1,533	1,227	1,216	-1%	-21%
CORPORATE								
Total income	41,036	32,335	-21%	13,781	8,111	9,895	22%	-28%
Net interest income	31,052	20,094	-35%	11,065	5,288	5,840	10%	-47%
Net fees and commissions	8,847	10,751	22%	2,268	2,464	3,699	50%	63%
Other net non-interest income	1,136	1,489	31%	448	359	355	-1%	-21%
Treasury ALM								
Total income	10,975	84,901	674%	-7,140	19,672	23,486	19%	-429%
Net interest income	6,147	58,711	855%	-5,905	11,783	22,998	95%	-489%
Net fees and commissions	105	1,274	1118%	-554	664	195	-71%	-135%
Other net non-interest income	4,724	24,917	427%	-680	7,224	294	-96%	-143%
Indicators (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
ROA	2.8%	3.3%	0.5%	1.6%	4.5%	2.7%	-1.8%	1.1%
ROE	16.9%	19.6%	2.7%	9.3%	26.9%	16.1%	-10.8%	6.8%
Total income margin	7.75%	8.26%	0.51%	7.49%	8.01%	7.56%	-0.45%	0.07%
Net interest margin	5.66%	5.95%	0.29%	5.62%	5.58%	5.88%	0.30%	0.26%
Cost of risk/average gross loans	0.77%	2.15%	1.38%	1.69%	1.24%	2.74%	1.50%	1.05%
Cost/income ratio	48.5%	40.3%	-8.2%	47.8%	39.6%	42.6%	3.0%	-5.2%
Effective tax rate	9.1%	8.2%	-0.9%	-26.9%	-9.3%	5.2%	14.4%	32.1%

[4] In this section the results of OTP Bank, OTP Mortgage Bank, OTP Building Society and OTP Faktoring are aggregated. The consolidated after tax results were adjusted by the after tax result on open FX-position, by dividends and by one-off cash transfers, as well as by the net interest income of subsidiary financing and by the interest expenses of Lower and Upper Tier2 funding. Those two items are shown as part of the Corporate Centre. Also, the net result of interest swaps concluded with OBR as part of its financing were booked within the adjusted profit after tax of OBR. The Bank's IFRS unconsolidated condensed financial statements are available on the website of the Budapest Stock Exchange (www.bse.com), on the website of HFSA (www.kozzetetelek.hu) and on the website of OTP Bank (www.otpbank.hu).

- ***2009 profit rose by 34% to HUF 178 billion***
- ***Rising corporate lending, 4% volume growth***
- ***Increasing NII (+18% y-o-y), stable net F&C income (+1% y-o-y) and strict cost control: nominal operating costs below the level of 2008 (-0.1% y-o-y)***
- ***Successful deposit collection and retail bond issuance: net loans / (deposit + retail loans) ratio at 86% (-12%-points y-o-y)***
- ***Quarterly profit decrease of 37% due to higher provisioning (+105%) and lower profit realised on the securities portfolio***
- ***Coverage ratio of DPD90+ portfolio improved (4Q 2009: 74.9%, +3.0%-points q-o-q)***

P&L developments

2009 PAT of OTP Core is HUF 178.3 billion, representing a growth of 34% y-o-y. The result on one hand represents an outstandingly strong core operating profitability: net interest income increased by 18% y-o-y, F&C income remained stable nominally and strong cost control was applied (operating costs were below the base level, cost/income ratio dropped from 49% to 40% y-o-y). The improvement of profitability was positively affected by the approx. HUF 27.7 billion (pre-tax) trading profit realised on the repurchase of Upper Tier2 Capital (UT2) accounted within the other non-interest income (latter trebled y-o-y). Additional positive effect was due to the lower tax burden (8% vs. 9%). Risk costs increased by 59% compared to the base period (risk cost rate jumped from 0.77% to 2.15%).

The HUF 39.2 billion profit of 4Q represents a 37% drop q-o-q. The single positive one-off effect was the lower effective tax burden due to the provisions made in relation to Ukrainian exposures (4Q 2009: 5% effective tax burden): in the last three months there was no significant profit made on the repurchase of UT2 capital elements. The increase of risk costs (+105% q-o-q) had, however, a strong negative impact, furthermore the drop of profit related to securities (which pushed down other non-interest income by 83%) had also a negative impact. Nevertheless, core drivers of profitability performed well: NII grew by 10% q-o-q, whit net F&C income growing by 5%.

Regarding one-off items: the profit generation on the repurchase of UT2 capital was significant in 1H 2009, in the last quarter it was negligible (1Q 2009: HUF 19.6 billion, 2Q: HUF 5.5 billion, 3Q: HUF 2.6 billion, 4Q: HUF 0.1 billion in other non-interest income). Low 2009 effective tax burden reflected the effect of two factors: on one hand the a significant portion of the goodwill write-off could not be accounted as part of the corporate tax base in 2008, but a legal change stipulated that under IFRS the Bank can account that in a single amount in 2009, whereas under HAR in four equal tranches in the next four years respectively. That move trimmed the IFRS tax burden by HUF 11.7 billion in 3Q. In addition provisioning in the book of OTP Bank (Hungary) for Ukrainian loan guarantees in 4Q 2009 significantly lowered the tax base and tax payable under HAR, thus the IFRS tax amount as well. In this report – in accordance with IFRS requirements - we present the above mentioned risk cost as part of the Ukrainian performance, but its tax effect is presented in the results of OTP Core. This tax burden is commensurate with the effects of a goodwill write-off. With this the 4Q effective tax rate of OTP Core (4Q 2009: 5%) is still below the normal 20% rate. Presumably neither the previously detailed goodwill write-off nor the provisions made on the Ukrainian exposure will have further impact on the IFRS tax amount, thus the effective tax rate can return to the 20% area in 1Q 2010.

In 4Q the risk costs of OTP Core increased to HUF 21.7 billion (+105% q-o-q), as a result the provision coverage of the non-performing portfolio increased significantly (2Q 2009: 73.1%; 3Q: 72.0%; 4Q: 74.9%). The experienced deterioration of DPD90+ rate (4Q 2009: 7.4%, +0.6%-points q-o-q) is about the same as the 3Q level (3Q: +0.5%-points q-o-q). There has been a remarkable turnaround in the performance of major portfolio segments[5]: deterioration of mortgage loans stopped (DPD90+ rate grew from 5.0% to 5.1%), while for consumer loans the rate of deterioration moderated a lot (4Q 2009: 15.9%, +0.5%-points q-o-q). The significant strengthening of HUF in 2Q and the relative stability in 2H 2009 had a stabilizing effect on the retail portfolio. In addition the positive effects of debtor protection programme on both portfolio quality and risk cost became visible in the second half of the year. The household loans involved in the program represented approx. 4.4% (3Q 2009: 3.0%) of the retail portfolio. The restructuring went on at a much lower pace in November and December.

The deterioration of loans to medium and large enterprises somewhat accelerated compared to the previous period (DPD90+ grew from 6.2% to 7.9% q-o-q). HUF 2.5 billion provisions were made for the loans given to its local subsidiaries; their one-off effect appeared in the risk cost line of OTP Core in 4Q 2009.

Net interest income increased by 18% y-o-y as a result of the 0.29%-points growth of NIM (2009: 5.95% vs. 2008: 5.66%). The good performance is resulted on one hand from the reprising of assets since end-2008: interest on existing mortgage and

[5] Segmentation of DPD90+ portfolio has been changed since 4Q 2009: the new categories are in line with the loan portfolio segmentation. So the DPD90+ segment data here can not be compared to previously released data.

consumer loans was raised in 4Q 2008 (about 100-150 bps in case of FX-mortgages) and also the interest for new retail loans were higher as well. Furthermore spreads of new corporate disbursements were also above the pre-crisis levels. Net interest income in 2H 2009 also improved (3Q: +3% q-o-q, 4Q +10% q-o-q) since the Bank's funding costs started moderating together with the sinking HUF base rate and the calm down of competition in the deposit market. The quarterly 10% increase was however supported by a remarkable one-off item: revaluation result of derivative transactions resulted a significant profit in the NII, which was counterbalanced by about the same amount of losses booked on the revaluation result of securities line. The latter is reflected in the significant quarterly drop of other non-interest income.

Net fees (4Q: HUF 22.4 billion) grew by 3% q-o-q, virtually stagnated on a yearly basis (+0.1%). Good performance was supported by deposit and cash transfer commissions, representing the major part of the commission income (2009: 48% of total commissions) and card commissions (2009: 37% of total) were stable: income resulting from these items decreased by 3% and 5% y-o-y respectively. The ratio of loan related commissions being hit by the crisis the most is relatively low (5%), the y-o-y drop in this category was 29%. In case of loan related commission it is important to mention that according to IFRS these commissions are accrued during the tenor of the loans, thus the decline in new disbursements resulted only a gradual moderation of this type of fee & commission income. Securities commissions (11% share of total in 2009) declined only by a mere 3% y-o-y. In 4Q the good quarterly performance of this category however was rather technical in nature. Some upfront fees of structured retail saving products were booked as deposit related and other fee income in 1-3Q 2009, whereas in the last quarter all this income was accounted as fees on securities, causing a one-off jump in the latter. This effect is also reflected on the consolidated level, where OTP Group's securities related fee income showed a HUF 1.2 billion quarterly growth in 4Q.

The HUF 24.5 billion increase of other non-interest income reflects basically the one-off profit realised on repurchase of UT2 capital. Behind the significant q-o-q decrease stands the lower profit volume realised on UT2 repurchase (HUF -2.5 billion effect q-o-q). The decrease is rather explained by the fact that the Bank realised great profit on the securities portfolio due to decreasing HUF-yields in 3Q (HUF 7.2 billion), whereas in 4Q it made HUF 0.7 billion loss due to the yield increase of 15-20 bps on the longer end of the sovereign yield curve.

Control of operating costs remained continuously strict: the yearly cost amount was nominally below the level of that in the previous year (-0.4% y-o-y). The 6% q-o-q increase in 4Q fits the seasonality of other expenses (+11% q-o-q). Personnel expenses grew by 3% q-o-q, depreciation remained flat q-o-q.

Closing number of the headcount diminished by 477 persons to 7,820 during 2009 (-6% y-o-y), number of branches increased by 2 in 4Q (4Q 2009: 405).

Main components of OTP Core balance sheet:

Main components of balance sheet closing balances in HUF mn	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Total Assets	4,964,333	5,689,537	5,818,981	2%	17%
Gross customer loans	3,348,950	3,378,180	3,396,769	1%	1%
Retail loans	2,189,534	2,191,642	2,186,022	0%	0%
Corporate loans	1,159,416	1,186,539	1,210,747	2%	4%
Allowances for loan losses	-117,635	-164,505	-188,501	15%	60%
Deposits from customers	3,244,482	3,474,662	3,496,796	1%	8%
Deposits from customers + retail bonds	*3,302,554*	*3,704,565*	*3,733,529*	*1%*	*13%*
Retail deposits	2,420,480	2,425,556	2,470,161	2%	2%
Retail deposits + retail bonds	*2,478,552*	*2,655,459*	*2,706,894*	*2%*	*9%*
Corporate deposits	824,002	1,049,106	1,026,635	-2%	25%
Liabilities to credit institutions and governments	598,386	839,086	823,211	-2%	38%
Issued securities	1,412,929	1,318,716	1,305,526	-1%	-8%
o/w retail bonds	*58,073*	*229,903*	*236,733*	*3%*	*308%*
Subordinated bonds and loans	302,878	273,209	283,863	4%	-6%
Total shareholders' equity	832,333	938,689	990,236	5%	19%
Loan Quality (%)	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
90+ days past due loans/gross customer loans	4.3%	6.8%	7.4%	0.6%	3.1%
Total provisions/90+ days past due loans	82.5%	71.9%	74.9%	3.0%	-7.6%
Market Share (%)	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Loans	17.6%	17.8%	17.8%	0.1%	0.3%
Deposits	24.1%	24.3%	24.2%	-0.1%	0.2%
Total Assets	23.8%	24.4%	26.3%	1.8%	2.5%
Indicators (%)	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Gross loans to deposits	103%	97%	97%	0%	-6%
Net loans to (deposits + retail bonds)	98%	87%	86%	-1%	-12%

Balance sheet trends

During 2009 the economic crisis and the fiscal measurements in Hungary induced a strong adjustment in the balance sheet of OTP Core. Since 1Q 2009 loan-to-deposit ratio has been on a downward track (4Q 2009: 97%, -6%-points y-o-y), net loan-to- deposit+retail bond ratio taking into account the proxy-deposit savings shows an even stronger adjustment (4Q 2009: 86%, -12%-points y-o-y).

The FX-adjusted customer loan portfolio has stagnated in 2009 (+0.4% y-o-y, w/o FX-adjustment +1% y-o-y) due to the materially lower loan demand. In 2009 within the FX-adjusted retail loans the portfolio of consumer and SME loans demonstrated a slight increase (+6% and +5% y-o-y respectively). The consumer loan growth primarily is the result of the portfolio growth of overdrafts. Mortgage loan portfolio had been decreasing during the year (-3% y-o-y, -1% q-o-q). Corporate loans increased by 3% y-o-y.

In 4Q 2009 the loan portfolio remained flat as a combined result of the 1% decrease of mortgage and consumer loans q-o-q, the stagnating SME portfolio and the 2% increment of corporate loan portfolio.

Disbursement of retail loans dropped significantly in 2009 partially due to the tightening of lending conditions from mid-November 2008 and partially as a negative effect of the financial crisis on loan demand. Disbursement of mortgage loans decreased by 82% y-o-y to HUF 64 billion while personal loans representing the biggest part within consumer loans dropped by 54% (disbursement in 2009: HUF 55 billion). In case of both types of loan after bottoming out in 1Q 2009 following quarters already showed a slight improvement in disbursement activity (mortgage loan disbursement: 1Q: HUF 11.8 billion; 2Q: HUF 16.8 billion; 3Q: HUF 19.6 billion; 4Q: HUF 16 billion; personal loan disbursement: 1Q: HUF 12 billion; 2Q: HUF 15.1 billion; 3Q: HUF 15.5 billion; 4Q: HUF 12.1 billion).

During the year with the aim of boosting loan disbursements the Bank cut several times the offered interest rate of its market-priced mortgage loans (both in case of HUF and FX loans), and in accordance with the recommendations of Code of Conduct in retail lending it stopped selling adjustable rate mortgages and launched new floating rate mortgage products. For the outstanding portfolio the type of interest payment has not changed automatically, but customers were enabled to refinance themselves with new mortgages. Results of these movements were experienced through continuously increasing disbursement of EUR denominated loans during the year. Disbursement of subsidised HUF loans were negatively influenced by the amendment of the subsidy scheme (between the suspension of the former system in July and the introduction of the new system in October in the interim period there was not any available subsidised mortgage loan product on the market) which was reflected in the drop of HUF disbursements in 4Q 2009. However, since October the Bank is present in the market with new subsidised HUF mortgage loan products which will generate further growth of HUF disbursement.

In line with the intention of the management both within the disbursement of mortgage loans and personal loans the ratio of HUF denomination grew remarkably in 2009: in case of mortgage loans from 12% to 55%, in case of personal loans from 31% to 96% respectively. Simultaneously, amongst FX denominated disbursements EUR became dominant (42% of newly disbursed mortgage loans and 4% of personal loans were EUR denominated in 2009).

OTP Core's deposit base grew by 8% y-o-y while in the last quarter it remained stable (+1% q-o-q). The y-o-y growth is even higher taking into consideration the amount of retail bond portfolio considered as a proxy-deposit by the retail customers. Adjusted by the bond volumes the increase of customer deposits and retail deposits were 13% and 9% y-o-y respectively. Since 4Q 2008 the retail bond portfolio has been growing steadily, by the end of 2009 the outstanding portfolio amounted to HUF 237 billion (+HUF 179 billion y-o-y, +HUF 7 billion q-o-q). Average maturity of the bonds (typically 1 year) exceeds that of term deposits (typically 3-6 months).

Other significant driver of the deposit growth was the deposit increase of medium and large corporates (+32% y-o-y, due to this the corporate deposit portfolio grew by 25% y-o-y). Within the medium and large corporate segment term deposits grew nicely (+HUF 59 billion y-o-y) but significant increase was generated by the growing term deposit taking of the funds managed by OTP Fund Management as well (+HUF 112 billion). The weaker q-o-q result of corporate deposits (-2%) is explained by the strong seasonality of municipal deposits: due to the local tax collection in 3Q the amount of municipality deposits increases (3Q 2009: +47% q-o-q) and in 4Q decreases (4Q 2009: -15% q-o-q) but altogether it produced a 7% increase y-o-y.

The outstanding bond portfolio of OTP Core (4Q 2009: HUF 1,305 billion, -8% y-o-y) was remarkably influenced during the year by the maturity and repayment of EUR 750 million senior note in February (approx. HUF 203 billion). This effect was significantly counterbalanced by the HUF 179 billion increase in retail bond volumes y-o-y. At the same time the outstanding volume of mortgage bonds decreased by approx. HUF 120 billion. New international transaction was issued only after closing of the balance sheet: in February 2010 OTP returned to the international capital markets with a senior unsecured bond of CHF 100 million with 2 years tenor This issue was the first ever CHF denominated bond issue in the Bank's history.

As a result of the repurchase of Upper Tier2 Capital during 2009 the volume of UT2 and LT2 capital declined by 6% compared to YE 2008. From the originally issued EUR 500 million UT2 capital altogether EUR 157 million was repurchased during the year (1Q: EUR 90 million; 2Q: EUR 39 million; 3Q: EUR 26 million; 4Q: EUR 2 million). Pre-tax profit on the transactions represented HUF 27.7 billion in 2009 (1Q: HUF 19.6 billion, 2Q: HUF 5.5 billion, 3Q: HUF 2.6 billion, 4Q: HUF 0.1 billion).

Funding and the liquidity position of OTP Core was influenced by fact that the Hungarian State granted a facility to the Bank to enhance the lending activity to Hungarian corporates. As a result liabilities against the financial institutions and the state grew significantly (2009 year end portfolio was HUF 823 billion, +38% y-o-y). The loan was drawn down in two tranches (EUR 1 billion on 1 April 2009, EUR 400 million on 30 June 2009). As a result, despite the crises, OTP Bank could actively support the Hungarian corporate sector: the Bank approached more than 5 thousands entrepreneurships with relevant loan offers. Throughout 2009, loan facilities in the amount of HUF 248 billion have been originated, thus the FX-adjusted outstanding volume of micro, small, medium and large scale enterprise financing increased by 8% y-o-y. However half of the outstanding debt, EUR 700 million, was prepaid by the Bank on 5 November. It was reasoned by the fact that because of the interest rate level and maturity of the state loan facility the Bank could satisfy the demand of only a limited circle of entrepreneurs, thus in the future OTP Bank is willing to support a wider range of potential client interest at the expense of its own liquidity reserve.

In 3Q 2009 an agreement was concluded between OTP and EBRD according to which the international financial institution granted an EUR 200 million subordinated debt capital facility. As a part of the agreement EBRD provided CHF 500 million CHF/HUF swap-line for OTP Bank. The originally 6 months long commitment period has been extended in December 2009 for another 6 months but the subordinated loan facility has not been drown down until now. If utilized, it could improve further the otherwise stable capital position of the Bank. Regarding the swaps: during the year several transactions have been concluded and by the end of October the facility has been almost fully used providing a continuous CHF liquidity for FX lending purposes.

OTP FUND MANAGEMENT

Changes in assets under management and financial performance of OTP Fund Management:

Main components of the Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	4,988	5,124	3%	468	1,294	1,443	12%	209%
Pre-tax profit	6,232	6,400	3%	608	1,591	1,822	15%	200%
Total income	8,445	8,062	-5%	1,727	1,935	2,562	32%	48%
Fund management fee	10,757	10,025	-7%	2,281	2,308	3,395	47%	49%
Fund management fee (%)	*1.42%*	*1.44%*	*0.0%*	*1.36%*	*1.29%*	*1.67%*	*0.3%*	*0.4%*
Wealth management fee	3,654	3,305	-10%	850	837	933	11%	10%
Wealth management fee (%)	*0.47%*	*0.40%*	*-0.1%*	*0.47%*	*0.38%*	*0.39%*	*-0.1%*	*0.0%*
Other income	128	40		7	105	-210		
Dealer commission	-6,095	-5,309	-13%	-1,410	-1,315	-1,557	18%	10%
Operating expenses	-1,694	-1,519	-10%	-601	-344	-597	74%	-1%
Personnel expenses	-666	-634	-5%	-304	-153	-279	82%	-8%
Operating expenses	-1,001	-863	-14%	-288	-186	-313	69%	9%
Depreciation	-27	-22	-18%	-9	-5	-5	2%	-45%
Value creation (after-tax)	10,196	9,681	-5%	1,677	2,417	2,786	15%	66%
Asset under management In HUF billion	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
OTP Funds	641.1	862.7	35%	641.1	759.3	862.7	14%	35%
money market	235.5	299.2	27%	235.5	264.7	299.2	13%	27%
bond	64.0	105.9	65%	64.0	61.0	105.9	74%	65%
mixed	14.7	14.8	1%	14.7	14.9	14.8	-1%	1%
security	169.9	306.8	81%	169.9	276.8	306.8	11%	81%
guaranteed	140.7	117.6	-16%	140.7	123.6	117.6	-5%	-16%
other	16.3	18.5	14%	16.3	18.4	18.5	1%	14%
Asset under management In HUF billion	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Pension Funds	549.0	758.2	38%	549.0	742.9	758.2	2%	38%
o/w OTP Funds	534.0	737.5	38%	534.0	720.9	737.5	2%	38%
Other pension funds	15.0	20.7	38%	15.0	21.9	20.7	-6%	38%
Other Institutional Investors	184.5	198.1	7%	184.5	195.3	198.1	1%	7%
Assets under management, total	**1,374.5**	**1,819.0**	**32%**	**1,374.5**	**1,697.5**	**1,819.0**	**7%**	**32%**

In 2009 OTP Fund Management realized HUF 5.1 billion after tax profit (+3% y-o-y), while 4Q 2009 after-tax profit exceeded HUF 1.4 billion. The managed volume of securities funds increased by 35% y-o-y reaching HUF 863 billion, while the growth of total assets under management was somewhat lower (+32% y-o-y). In 2009 OTP Fund Management has charged HUF 10 billion management fee, which means 1.44% fee charges on the average portfolio. The wealth management fee amounted to HUF 3.3 billion, representing 10% decrease on a yearly base. It should be emphasized that as a result of strict control operating expenses decreased by 10% y-o-y.

Regarding the domestic fund management market the amount of managed funds increased by 18.7% (+7.9% q-o-q) during the year, reaching HUF 2,998 billion. In 4Q significant capital inflow (+HUF 220 billion) was experienced in all major categories but guaranteed funds as a result of increased activity of retail clients. The amount of managed funds increased mainly due to cash inflows, in 4Q 2009 the performance of money market funds was the most favourable (+HUF 91 billion) one, bond funds increased by HUF 44 billion, while the growth of security fund was HUF 14 billion.

OTP Fund Management attracted 58% of the market's total cash inflow, significant part of the fresh money went into private security, money market, bond and guaranteed funds. Within funds managed by OTP Fund Management the portfolio of OTP Optima grew by HUF 44 billion q-o-q, while the portfolio of OTP Capital Guaranteed Fund by HUF 15 billion respectively.

By the end of December 2009 the net asset value of Pension Funds reached HUF 758 billion with a significant increase (+38% y-o-y), net asset value of other institutional funds expanded by about 7% on a yearly base.

OTP Fund Management kept and even improved its leading market position on the domestic fund management market, at the end of December its market share grew to 32.3% (+176 bps q-o-q). The client base of the Company also increased significantly (4Q 2009: 190.760, +8% y-o-y) in 2009, mainly due to the popularity of open-ended funds.

The 2009 after-tax result of the consolidated foreign fund management operations amounted to HUF 20 million loss.

MERKANTIL GROUP

Performance of Merkantil Bank and Car:

Main components of the Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	3,432	-1,818	-153%	-2,612	-356	-1,827	414%	-30%
One-off items, after-tax	-402	12	-103%	-476	1	0	-100%	-100%
After tax profit w/o dividends, net cash transfers and one-offs	3,834	-1,830	-148%	-2,136	-356	-1,827	413%	-14%
Pre-tax profit	5,181	-1,815	-135%	-2,464	-318	-1,940	509%	-21%
Operating profit	10,687	11,813	11%	2,014	3,040	2,796	-8%	39%
Total income	16,701	16,901	1%	3,609	4,095	4,195	2%	16%
Net interest income	20,169	19,630	-3%	5,033	4,610	4,641	1%	-8%
Net fees and commissions	-4,467	-4,867	9%	-1,252	-1,158	-1,195	3%	-5%
Other net non-interest income	998.20	2,138	114%	-172	643.14	749	17%	-536%
Operating expenses	-6,014	-5,088	-15%	-1,595	-1,055	-1,400	33%	-12%
Provision for possible loan losses	-4,485	-11,504	156%	-3,519	-3,267	-2,862	-12%	-19%
Other provision	-1,020	-2,123	108%	-959	-91	-1,874		95%
Main components of balance sheet closing balances in HUF mn	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
Total assets	354,672	308,706	-13%	354,672	312,549	308,706	-1%	-13%
Gross customer loans	322,870	312,698	-3%	322,870	320,694	312,698	-2%	-3%
Retail loans	204	80	-61%	204	290	80	-73%	-61%
Corporate loans	40,485	37,850	-7%	40,485	40,375	37,850	-6%	-7%
Car financing loans	282,514	274,768	-3%	282,514	280,029	274,768	-2%	-3%
Allowances for possible loan losses	-20,751	-34,393	66%	-20,751	-31,690	-34,393	9%	66%
Car leasing	22,134	-	-	16,421	-	-	-	-
Big ticket leasing	7,350	-	-	7,214	-	-	-	-
Deposits from customers	8,118	5,467	-33%	8,118	4,930	5,467	11%	-33%
Retail deposits	2,245	1,496	-33%	2,245	1,373	1,496	9%	-33%
Corporate deposits	6,194	3,971	-36%	6,194	3,557	3,971	12%	-36%
Liabilities to credit institutions	269,856	235,551	-13%	269,856	237,365	235,551	-1%	-13%
Total shareholders' equity	34,572	31,444	-9%	34,572	33,272	31,444	-5%	-9%

Loan Quality (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
90+ days past due loans/gross customer loans	7.7%	12.3%	4.6%	7.7%	12.8%	12.3%	-0.5%	4.6%
Cost of risk/average gross loans	1.50%	3.62%	2.12%	4.52%	3.97%	3.59%	-0.38%	-0.94%
Total provisions/90+ days past due loans	83.5%	89.4%	5.9%	83.5%	77.2%	89.4%	12.2%	5.9%
Performance Indicators (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
ROA	1.2%	-0.6%	-1.7%	-2.5%	-0.4%	-2.3%	-1.9%	0.2%
ROE	11.2%	-5.5%	-16.7%	-23.7%	-4.2%	-22.4%	-18.2%	1.3%
Total income margin	5.12%	5.10%	-0.02%	4.22%	5.08%	5.36%	0.27%	1.13%
Net interest margin	6.18%	5.92%	-0.26%	5.89%	5.72%	5.93%	0.20%	0.04%
Cost/income ratio	36.0%	30.1%	-5.9%	44.2%	25.8%	33.4%	7.6%	-10.8%

[1] Effective from Q2 2009, Car financing loans comprise Car leasing volume and Corporate loans include Big ticket leasing volume, and the allowances relating to leasing exposures are shown on the Allowances for possible loan losses balance sheet line. The P&L structure is affected as well because provisioning in relation to leasing exposures has been removed from Other provisions to Provision for possible loan losses line in the P&L.

- ***Merkantil Bank and Car posted a HUF 1.8 billion loss in 2009***
- ***Portfolio quality improved in 4Q due to the debtor protection program***
- ***Operating profit grew by 11% y-o-y***
- ***The FX adjusted car financing loan book showed a declining trend***

In 2009 the aggregated after tax result of Merkantil Bank and Car totalled to 1.8 billion loss compared to the profit of HUF 3.8 billion in 2008. The major reason of the loss was the significant increase of the risk costs. After tax result was also negatively influenced by the HUF 1.8 billion provision made for the stake in the loss-making Romanian leasing unit.

Portfolio quality deteriorated significantly y-o-y, the ratio of the DPD90+ loans increased from 7.7% to 12.3%, but it decreased by 0.5%-point in 4Q. The latter is explained by the debtor protection program that continued in 4Q as well (at the end of the year 5% of gross loan portfolio was involved in the program). Another positive development is that in 4Q the volume of loans falling in the DPD30+ category stood at the same level witnessed before the financial crisis. As a result of high provisioning the coverage of DPD90+ loans reached 89.4% (+5.9%-point y-o-y). In 4Q additional risk cost was set aside in the amount of HUF 2 billion due to precautionary reasons.

In 2009 operating income showed an 11% improvement due to curtailed operating costs (-15% y-o-y).

The total income grew by 1% in 2009. The net interest income fell by 3%. On the one hand the margin of newly disbursed loans reflected the growing financing costs from the mother company; on the other hand the deferred interest income declined due to the debtor protection program. The fee income came out at a lower level as a result of the moderate business activity, but the development of fee expenses did not follow this decline because significant part of commission expense occurs independently from business activity. The other net non-interest income more than doubled y-o-y due to the low base in 2008.

The car financing loan book decreased by 3% y-o-y, but it has to be taken into account that effective from 2Q 2009 Car financing loans comprise Car leasing volume, whereas Corporate loans include big ticket leasing volume. The FX-adjusted car financing loan book showed a gradual decrease in 2009 and the new disbursements reached only the quarter of 2008 volumes.

The market share of Merkantil Group decreased significantly until the end of first quarter because of the moderate risk-taking, but by 3Q the Group has already regained its positions. The gain was reached in the niche of the much profitable second-hand car financing.

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the Summary the after tax profit w/o dividends and net cash transfers of subsidiaries are presented. The structural adjustments on the lines of subsidiaries' Statements of recognised income as well as description of calculation methods of performance indices are to be found in supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of the Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	31,021	24,797	-20%	8,485	5,571	7,278	31%	-14%
Pre-tax profit	34,481	27,693	-20%	9,422	6,205	8,225	33%	-13%
Operating profit	45,056	54,199	20%	12,387	13,946	12,344	-11%	0%
Total income	71,207	84,757	19%	20,187	21,056	20,236	-4%	0%
Net interest income	53,064	67,615	27%	15,565	16,733	15,873	-5%	2%
Net fees and commissions	16,983	15,555	-8%	4,368	3,851	3,918	2%	-10%
Other net non-interest income	1,161	1,587	37%	253	472	445	-6%	75%
Operating expenses	-26,151	-30,557	17%	-7,800	-7,110	-7,892	11%	1%
Provision for loan losses	-9,625	-25,855	169%	-2,035	-7,592	-3,642	-52%	79%
Other provision	-951	-651	-31%	-930	-149	-477	219%	-49%
Main components of balance sheet closing balances in HUF mn	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
Total assets	1,171,645	1,207,328	3%	1,171,645	1,198,537	1,207,328	1%	3%
Gross customer loans	1,014,893	1,027,820	1%	1,014,893	1,029,904	1,027,820	0%	1%
Retail loans	816,257	831,729	2%	816,257	835,173	831,729	0%	2%
Corporate loans	198,636	196,091	-1%	198,636	194,731	196,091	1%	-1%
Allowances for loan losses	-39,074	-61,810	58%	-39,074	-61,121	-61,810	1%	58%
Deposits from customers	722,880	801,112	11%	722,880	781,741	801,112	2%	11%
Retail deposits	626,576	688,399	10%	626,576	653,765	688,399	5%	10%
Corporate deposits	96,304	112,713	17%	96,304	127,975	112,713	-12%	17%
Liabilities to credit institutions	175,126	100,462	-43%	175,126	119,970	100,462	-16%	-43%
Subordinated debt	92,680	94,788	2%	92,680	94,624	94,788	0%	2%
Total shareholders' equity	165,045	193,214	17%	165,045	185,013	193,214	4%	17%
Loan Quality (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
90+ days past due loans/gross customer loans	3.0%	7.0%	4.0%	3.0%	7.9%	7.0%	-0.9%	4.0%
Cost of risk/average gross loans	1.08%	2.53%	1.45%	0.84%	2.92%	1.40%	-1.52%	0.56%
Total provisions/90+ days past due loans	127.9%	85.8%	-42.1%	127.9%	75.1%	85.8%	10.7%	-42.1%
Performance Indicators (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
ROA	2.8%	2.1%	-0.7%	3.0%	1.9%	2.4%	0.5%	-0.6%
ROE	21.5%	13.8%	-7.6%	21.8%	12.1%	15.3%	3.2%	-6.6%
Total income margin	6.47%	7.13%	0.66%	7.11%	7.00%	6.67%	-0.33%	-0.43%
Net interest margin	4.82%	5.68%	0.86%	5.48%	5.57%	5.24%	-0.33%	-0.25%
Cost/income ratio	36.7%	36.1%	-0.7%	38.6%	33.8%	39.0%	5.2%	0.4%
Gross loans to deposits	140%	128%	-12%	140%	132%	128%	-3%	-12%

- ***Profit decrease of 20% y-o-y, mainly due to the HUF 16 billion additional risk cost for loan losses***
- ***Strong income growth on a yearly basis (+19% y-o-y), decreasing cost/income ratio***
- ***Deposit growth of 11% y-o-y, stagnating loan book, improving loan-to-deposit ratio (4Q 2009: 128%, -12%-points y-o-y)***
- ***Improving portfolio quality in 4Q (DPD90+ 7.0%), and by 1.5% decreasing risk cost rate (4Q: 1.4% vs. 3Q 2009: 2.9%)***
- ***Coverage of DPD90+ loans improved by 11%-points q-o-q (4Q 2009: 86%)***

DSK Group's 2009 net profit of HUF 24.8 billion represents 20% decline y-o-y. Decreasing profit is mainly the result of the 169% y-o-y growth of risk costs. At the same time operating profit without risk costs expanded by 20% compared to the base period as a combined effect of a strong net interest income (+27% y-o-y), slightly diminishing commissions (-8%) and operating costs growing by 17%. The 4Q net profit (HUF 7.3 billion) was the second highest quarterly profit in 2009, primarily due to relatively stable income and with risk cost decreasing by HUF 4 billion q-o-q. The latter is the consequence of the intensive debtor protection programme since August (the share of rescheduled household loans increased from 1.9% to 6.2% q-o-q).

Provisions for loan losses having the major impact on profit development shaped favourably (-52% q-o-q). Ratio of DPD90+ loans improved (decreased from 7.9% to 7.0% q-o-q). The shrinkage of DPD90+ ratio was evident in all product segments but SME loans: in mortgage loans it shrank from 7.4% to 6.6%, in consumer loans from 8.0% to 7.3%, in corporate loans from 4.0% to 2.3%. Furthermore, in the SME segment one can observe rather a stabilization of the non-performing portfolio compared to the steady deterioration in the previous quarters (DPD90+ ratio grew from 17.9% to 18.2%).

Beside the restructuring, the sale of HUF 3.1 billion DPD90+ loans (BGN 22.3 million) in 4Q also improved the ratio in the consumer loans segment. The financial result of the transaction was minimal, the HUF 0.2 billion profit on sale lowered the risk costs.

The provision coverage of DPD90+ loans improved significantly (+11%-points q-o-q) due to the drop of non-performing portfolio and higher provisioning: the year-end coverage of 86% resembles the 1H 2009 figure (91%).

With respect to profit development of DSK Bank in 2009, the stability of total revenue base was continuously favourable (+19% y-o-y). Net interest income increased by 27% y-o-y: the repricing of the retail loan portfolio at the end of 2008 and the fallback of wholesale funding costs during the year 2009 counterbalanced the negative effect of increasing deposit costs, thus net interest margin increased by 86 bps (2008: 4.82% vs. 2009: 5.68%). The decline of net commission income (-8% y-o-y) reflected the weaker lending activity: in case of the Bulgarian subsidiary the ratio of lending related commission income is relatively significant, representing almost 36% within total net F&C (2009) and showed a decrease of 33% y-o-y. As for the other two dominant commission types, i.e. deposit- and card-related commissions (their proportion is 37% and 16% respectively): 2009 income increased by 15% y-o-y in case of deposit-related income, while card-related income showed a 10% increase on a yearly base. The profit dynamism was mainly influenced by the weaker HUF exchange rate in 2009, because in BGN terms the change was more moderate on a yearly base (+4%, and -1% respectively).

Operating costs were henceforward under stringent control: cost-income ratio was lower than the level realized in 2008 (2009: 36.1%, -0.7%-point y-o-y). The growth of operating costs was much lower in BGN terms only 5% on a yearly base (+16% in HUF respectively): personnel expenses grew by 6%, while other expense and depreciation costs increased (+2% and +12%, respectively).

The main reason behind the quarterly growth of other provisions in 4Q is that the Bank made provisions in the amount of HUF 0.4 billion in 4Q after its available-for-sale securities portfolio (in 4Q 2008 a similar reason was behind the higher other provisions).

The tightening of lending conditions since autumn 2008 and the moderate credit demand resulted in a stagnating loan portfolio in 2009 (in BGN -1% y-o-y). Significant portfolio shrinkage was observed only in the SME segment (-6% q-o-q, -14% y-o-y), where the negative effects of the credit crisis are still heavily influencing the credit demand. Mortgage loans however increased by 1% y-o-y, whereas consumer and corporate loans dropped by 1% and 3% respectively in local currency. The reason for the shrinking market share of the household-loan portfolio (from 31.2% to 29.3% y-o-y) is that competitors tend to repurchase the previously outsourced portfolios in growing scales.

The deposit base of the Bank has been gradually expanding since 2Q 2009 after the slight erosions in 4Q 2008 and 1Q 2009 (q-o-q +2%, y-o-y +8% growth in BGN). The favourable trend is on one hand due to pricing steps, on the other hand to continuous product development and sales incentive programs. Thus the decrease of loan-to-deposit ratio has been going on since 1Q 2009 (2009: 128%, -3%-points q-o-q, -12%-points y-o-y). Notwithstanding the fact that the retail deposit market showed signs of normalisation during 2H

2009 (the banking sector average of interest paid on retail deposits started sinking after 2Q 2009) the pace of DSK's household deposit base growth was even higher in 2H 2009: after an 1% consecutive growth in the first two quarters the portfolio grew by 2% in 3Q and 6% in 4Q resulting in a remarkable 9% growth y-o-y. Corporate deposits performed well in the first three quarters of 2009, mainly due to pension funds deposit making and the portfolio increased by 30% in that period. In 4Q however municipals withdrew deposits, so the portfolio dropped by 12%.

As a result of these efforts and despite of the fierce competition, the Bank managed to keep its market share in the retail deposit segment, whereas in the corporate segment even managed to improve it.

On the liability side there was no major capital market transaction in 2009: the volume of subordinated loan capital in BGN remained flat y-o-y, the inter-bank funding however decreased significantly, mainly as a consequence of cutback of the intra-group funding (-16% q-o-q, -43% y-o-y).

OTP BANK RUSSIA[6]

Performance of OTP Bank Russia:

Main components of the Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	8,916	3,086	-65%	3,942	1,136	1,732	53%	-56%
Pre-tax profit	11,688	4,400	-62%	4,757	1,495	2,619	75%	-45%
Operating profit	30,538	26,057	-15%	9,329	6,831	7,045	3%	-24%
Total income	75,412	67,777	-10%	22,451	16,402	18,203	11%	-19%
Net interest income	62,151	60,283	-3%	17,675	14,848	16,043	8%	-9%
Net fees and commissions	10,165	4,701	-54%	2,229	969	1,198	24%	-46%
Other net non-interest income	3,097	2,793	-10%	2,547	585	962	64%	-62%
Operating expenses	-44,874	-41,721	-7%	-13,123	-9,571	-11,158	17%	-15%
Provision for loan losses	-18,998	-21,040	11%	-4,719	-4,982	-4,413	-11%	-6%
Other provision	147	-617	-518%	147	-354	-13	-96%	-109%
Main components of balance sheet closing balances in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Total assets	529,019	579,941	10%	529,019	498,795	579,941	16%	10%
Gross customer loans	383,118	369,877	-3%	383,118	340,454	369,877	9%	-3%
Retail loans	247,927	250,463	1%	247,927	223,823	250,463	12%	1%
Corporate loans	113,378	103,719	-9%	113,378	99,744	103,719	4%	-9%
Car financing loans	21,813	15,695	-28%	21,813	16,887	15,695	-7%	-28%
Allowances for loan losses	-30,389	-38,493	27%	-30,389	-38,709	-38,493	-1%	27%
Deposits from customers	224,152	306,646	37%	224,152	246,030	306,646	25%	37%
Retail deposits	137,252	196,744	43%	137,252	170,366	196,744	15%	43%
Corporate deposits	86,901	109,902	26%	86,901	75,664	109,902	45%	26%
Liabilities to credit institutions	214,001	162,565	-24%	214,001	152,823	162,565	6%	-24%
Issued securities	8,189	15,589	90%	8,189	6,841	15,589	128%	90%
Subordinated debt	13,657	13,499	-1%	13,657	13,376	13,499	1%	-1%
Total shareholders' equity	60,665	71,459	18%	60,665	69,020	71,459	4%	18%
Loan Quality (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
90+ days past due loans/gross customer loans	8.4%	12.4%	4.0%	8.4%	13.8%	12.4%	-1.3%	4.0%
Cost of risk/average gross loans	5.53%	5.59%	0.06%	4.81%	5.74%	4.93%	-0.81%	0.12%
Total provisions/90+ days past due loans	94.0%	83.6%	-10.4%	94.0%	82.5%	83.6%	1.1%	-10.4%
Performance Indicators (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
ROA	1.9%	0.6%	-1.3%	3.1%	0.9%	1.3%	0.4%	-1.8%
ROE	17.4%	4.7%	-12.8%	25.7%	6.8%	9.8%	3.0%	-15.9%
Total income margin	15.69%	12.22%	-3.47%	17.74%	13.35%	13.39%	0.04%	-4.35%
Net interest margin	12.93%	10.87%	-2.06%	13.97%	12.08%	11.80%	-0.28%	-2.17%
Cost/income ratio	59.5%	61.6%	2.1%	58.4%	58.4%	61.3%	2.9%	2.8%
Gross loans to deposits	171%	121%	-50%	171%	138%	121%	-18%	-50%

[6] From 2Q 2008, figures are based on the aggregated financial statements of OAO OTP Bank and the newly acquired Donskoy Narodny Bank.

- ***Record level of POS loan disbursement, successful credit card campaign in 4Q 2009***
- ***Due to the increasing loan activity, improving net interest margin and profitability in 2H 2009***
- ***Steady improvement of liquidity position supported by successful deposit campaigns – loan-to-deposit ratio at 121% (-18%-points q-o-q, -50%-points y-o-y)***
- ***Decreasing DPD90+ ratio, favourable risk cost- and provision-coverage development q-o-q***

Profit after tax of OTP Bank Russia in 2009 totalled to HUF 3.1 billion. The drop in net profits of HUF 5.8 billion is a result of the yearly 54% drop (-HUF 5.5 billion) in commission income due to the moderating transaction activity, and the yearly 11% increase (HUF -2.0 billion) in risk costs. However the risk cost rate remained stable despite the crises (2009: 5.59% vs. 2008: 5.53%). At the same time it is very positive that net interest income increased by 6% y-o-y in LCY (the 3% decrease in HUF terms is due to the strengthening of the HUF) and operating costs were declining by 7% in HUF, while being stable in local currency (+1% y-o-y in RUB).

The financial crisis divided the year into two parts regarding profitability. In 1H 2009 the stagnating POS-lending resulted in the shrinkage of total income and net interest margins, and in parallel with the increase of provisioning had negative effect on the Bank's profitability (1H 2009 ROE: 0.1%). However, the second half of the year 2009 showed extremely positive developments as for net profit dynamics: two factors affected very positively both net interest and total income margins of OTP Bank Russia, furthermore risk cost development was also favourable.

The first positive factor was the pick up in POS-lending and credit card loans. The success of credit card products was mainly due to the fine-tuned product-line launched in August and the marketing activity that was intensified in 4Q 2009. The number of newly activated cards of the fine-tuned product has exceeded the level realised in case of former campaigns. In case of POS-lending, following the decline in the winter/spring period, volumes started growing during the summer period as a result of renewed customer demand. In parallel, the Bank took measures to catch up with those developments through hiring agents and signing contracts with nationwide distribution chains. As a consequence, POS loan disbursement grew by 58% in 3Q 2009 and by 43% in 4Q 2009 q-o-q, respectively, thus resulting in a virtually unchanged level of the total yearly origination (+0% y-o-y). In 4Q 2009, POS disbursement was higher by 3% than the all time high level realised in 4Q 2007. In case of POS business, market share in new disbursements increased continuously over the year (2Q 2009: 15%, 3Q: 23%, 4Q: 24%), and OTP Russia became the second largest player in the market.

Taking into consideration the low customer demand characterizing the whole market within other retail product categories, good performance of POS and credit card loans contributed to the fact that OTP Russia's retail loan portfolio was the third fastest growing one in the Russian market in October and November 2009. Consequently the volume of POS loans (which have the highest net interest margin content across OTP Group) and credit card loans increased dynamically (POS-loans: +32% q-o-q, +23% y-o-y, credit card loans +5% q-o-q, +8% y-o-y). Furthermore the growth rate was influenced by significant write-offs during the year (in the amount of app. HUF 13.6 billion or RUB 2.2 billion). Adjusting the portfolio growth with write-offs, it would be +31% q-o-q and +33% y-o-y in case of POS-loans, and +16% q-o-q and +18% y-o-y in case of card related loans, respectively.

The other important factor influencing NIM was that due to the successful deposit collection efforts and after some regulatory changes, about USD 460 million excess liquidity collected during 2009 was invested into higher yielding securities and interbank loans in 2H.

These two factors improved significantly OTP Russia's total income and net interest margins: the former grew to around 13.4% from 12.6% and 12.2% realised in the first two quarters, NIM increased to around 12% from 11% realised in the first half of the year. On a yearly base both margins are showing a significant decrease (total income margin: -3.47%-points, interest margin: -2.06%-point), mainly as a consequence of above mentioned factors (stagnating POS-lending in 1H, excess liquidity, and the negative impact of HUF appreciation during the year), while deposit campaigns had also a negative impact on funding costs.

Another positive development was the decline of risk costs in the second half of the year (3Q: -13% q-o-q, 4Q: -11% q-o-q), mainly reasoned by the diminishing risk costs related to credit cards and POS loans. The Bank's risk cost rate remained stable, virtually stagnated over the year (2009: 5.59% vs. 2008: 5.53%). The volume of provisions for possible loan losses on the balance sheet has not changed on a quarterly base, because there have been significant write-offs in case of POS and credit card loans, resulting in provision release. The ratio of DPD90+ loans has changed positively in 4Q 2009 (DPD90+ ratio: 12.4%, -1.3%-points q-o-q), mainly because of the previously mentioned write-offs. DPD90+ coverage ratio improved nicely (4Q 2009: 83.6%, +1.1%-points q-o-q).

The 54% y-o-y change in net fee and commission income is reasoned by the negative effect of the financial crisis, but in 4Q 2009 it showed an increase of 24% q-o-q due to the improving deposit and card related commissions (deposit related commissions: +24% q-o-q, card related commissions: +98% q-o-q).

Operating costs were henceforward under stringent control after the cut-back of the headcount by 600 in the last quarter of 2008 and the cut-down on marketing spending and administrative expenses (full year costs decreased by 7% y-o-y, which is virtually a stagnation in RUB terms (+1%)). After the stagnation in 1Q, the headcount grew in 2009 due to the measures taken to increase sales volumes (number of employees at the end of 4Q 2009 stood at 10,295, of which 4.550 were POS–loan agents, +60 people in 2Q, +503 people in 3Q, and +1,270 people in 4Q). Number of contractual agents increased to 6,127 person (+884 person) over the year, therefore the headcount of the total agent network (including agents employed by the Bank as well) amounted to 10,677, representing a y-o-y growth of 2,385 people.

The increase in other provisions in 2009 (HUF -0.6 billion) is caused by provisions made for losses in the securities portfolio.

The liquidity position of the Bank continuously improved during 2009. On the lending side, despite the positive tendencies in POS-lending and credit card loans, other retail and corporate segments still suffered from poor sales performance. The corporate loan portfolio was shrinking during the year, however in 4Q 2009 it showed signs of stabilisation (+4% q-o-q). The deposit base, on the contrary was continuously expanding: retail deposits grew by 43% y-o-y, and by 15% q-o-q due to the successful campaigns and product developments. Corporate deposits increased for the first time in the second half of the year (+15% q-o-q, +31% y-o-y). The practise of RUB/USD conversion, that characterised the deposit side in the last quarter of 2008 and the first quarter of 2009 has stopped: proportion of FX deposits shrank in 2H 2009 (3Q 2008: 12%, 3Q 2009: 33%, 4Q 2009: 30%).

As a result of the above mentioned developments, loan-to-deposit ratio of OTP Bank Russia dropped to 121% (-18%-point q-o-q, and -50%-point y-o-y). Parallel to the improvement in the liquidity position, in June 2009 the Bank paid back in full the deposit of National Bank of Russia placed at the end of last year in order to enhance the Bank's liquidity.

OTP BANK JSC (UKRAINE)[7]

Performance of OTP Bank JSC:

Main components of Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	16,414	-43,650	-366%	5,369	-19,161	-14,423	-25%	-369%
Pre-tax profit	23,077	-44,646	-293%	7,898	-19,156	-15,509	-19%	-296%
Operating profit	49,987	51,033	2%	28,790	14,856	11,617	-22%	-60%
Total income	77,052	74,948	-3%	37,443	20,263	17,726	-13%	-53%
Net interest income	49,110	62,759	28%	15,454	14,344	15,904	11%	3%
Net fees and commissions	5,736	7,442	30%	2,041	2,688	1,488	-45%	-27%
Other net non-interest income	22,206	4,747	-79%	19,948	3,230	334	-90%	-98%
Operating expenses	-27,065	-23,916	-12%	-8,653	-5,407	-6,109	13%	-29%
Provision for loan losses	-26,433	-94,974	259%	-20,803	-34,021	-26,634	-22%	28%
Other provision	-477	-704	48%	-89	9	-491		453%
Main components of Balance sheet closing balances in HUF mn	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
Total assets	847,008	711,155	-16%	847,008	686,349	711,155	4%	-16%
Gross customer loans	763,758	670,758	-12%	763,758	673,281	670,758	0%	-12%
Retail loans	351,838	311,158	-12%	351,838	311,862	311,158	0%	-12%
Corporate loans	331,880	299,915	-10%	331,880	299,400	299,915	0%	-10%
Car financing loans	80,040	58,806	-27%	80,040	62,019	58,806	-5%	-27%
Allowances for loan losses	-22,882	-110,583	383%	-22,882	-81,129	-110,583	36%	383%
Deposits from customers	169,888	165,764	-2%	169,888	149,504	165,764	11%	-2%
Retail deposits	77,745	98,164	26%	77,745	82,863	98,164	18%	26%
Corporate deposits	89,486	67,600	-24%	89,486	66,641	67,600	1%	-24%

[7] From 4Q 2008 figures are based on the aggregated financial statements of OTP Bank JSC and LLC OTP Leasing Ukraine, while from 4Q 2009 the result of LLC OTP Faktoring Ukraine was also aggregated.

Main components of Balance sheet closing balances in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Liabilities to credit institutions	551,030	403,803	-27%	551,030	424,879	403,803	-5%	-27%
Subordinated debt	26,900	40,331	50%	26,900	34,169	40,331	18%	50%
Total shareholders' equity	80,098	90,711	13%	80,098	65,460	90,711	39%	13%
Loan Quality (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
90+ days past due loans/gross customer loans	4.7%	22.3%	17.6%	4.7%	19.4%	22.3%	3.0%	17.6%
Cost of risk/average gross loans	4.08%	13.37%	9.28%	11.09%	19.30%	15.88%	-3.42%	4.79%
Total provisions/90+ days past due loans	63.2%	73.8%	10.7%	63.2%	62.2%	73.8%	11.6%	10.7%
Performance Indicators (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
ROA	2.2%	-5.6%	-7.8%	2.5%	-10.4%	-8.2%	2.2%	-10.7%
ROE	22.5%	-51.1%	-73.6%	23.3%	-95.7%	-73.3%	22.4%	-96.6%
Total income margin	10.47%	9.62%	-0.85%	17.70%	11.03%	10.06%	-0.97%	-7.63%
Net interest margin	6.67%	8.06%	1.38%	7.31%	7.81%	9.03%	1.22%	1.72%
Cost/income ratio	35.1%	31.9%	-3.2%	23.1%	26.7%	34.5%	7.8%	11.4%
Gross loans to deposits	450%	405%	-45%	450%	450%	405%	-46%	-45%

- ***The performance of 2009 was mainly influenced by stable total income and high risk cost level***
- ***Portfolio-deterioration slowed down in 4Q 2009 (DPD90+ ratio: 22.3%) with significant coverage improvement (4Q 2009: 73.8%)***
- ***Efficient cost management, cost-to-income ratio reached 32%***
- ***Improvement of liquidity due to successful deposit campaigns, loan-to-deposit ratio dropped by almost 50 bps y-o-y***
- ***Capital adequacy ratio reached 17.8% as at the end of December 2009***

In 2009 OTP Bank JSC made HUF 44.0 billion loss, out of which 4Q loss totalled to HUF 14.4 billion (+25% q-o-q). The main reason for the loss is the higher provisioning for the non-performing loans in order to boost coverage ratio. The favourable income dynamics could only partly offset this effect. However, when analysing the HUF denominated income statement items, one should note that the average exchange rate of UAH vs. HUF appreciated almost 24% compared to YE2008, while for balance sheet items, the 4Q closing rate of UAH shows strengthening both against EUR as well as USD (+1.8% and +0.03% respectively).

The operating result without provisions equals the previous year's level: the income from core activities shaped well with stringent control on the cost side. The income dynamics was determined by the 28% growth of net interest income (+68% in UAH) and the 30% growth of net fees and commissions income (+71% in UAH). The significant yearly decrease of non-interest income is due to basis-effect (the previous year was determined by FX-related revaluation of provisions due to UAH/USD weakening and by the significant profit realized on foreign exchange transactions).

NII shaped well both on yearly as well as quarterly basis (+11% q-o-q and +28% y-o-y). The accounting of interest income related to overdue debt payment still played a role in the growth of NII. The 4Q NII was driven by two factors: according to IFRS unaccounted interest income related to overdue loans have been booked in December in the amount of HUF 2.2 billion (UAH 97.4 million), at the same time provisions were made for the same amount. On the other hand the accounting of HUF 643 million (UAH 28.4 million) has been stopped as the underlying portfolio was reclassified into non-performing loans. The share of accrued but not paid interest within gross interest income on loans amounted to 14% at the end of December. The growth of income cost on deposits (in LCY +32% y-o-y) was significantly lower than the growth of interest income on loans (in LCY +49% y-o-y), although from 3Q the deposit collection recovered due to more favourable interest rates. The cost of Tier2 funding doubled on a yearly basis.

Net F&C income topped far beyond the base level (+71% y-o-y), primarily because fee income from the exchange of FX (EUR, USD) instalments of corporate customers (stemming from the difference between the official exchange rates of the National Bank of Ukraine and the interbank rates) increased. Within net commission income, the greatest proportion thereof, deposit and transaction related commission income jumped by 42% in LCY, while card related commissions grew by 18%; these elements offset the sluggish commissions on loans.

Profitability of the Bank was driven in the previous year mainly by the significant growth of provisions. The remarkable deterioration of loan portfolio in 3Q moderated in 4Q, but in order to improve the coverage of non-performing loans a significant provisioning was set aside (HUF 26.6 billion). The coverage of DPD90+ overdue loans increased significantly on a yearly base reaching 74% (2008: 63%).

2009 was characterised by moderate lending activity: on one hand as a consequence of the measures taken by the National Bank of Ukraine the FX-lending practically stopped. On the other hand lending conditions were tightened by the Bank to protect the portfolio quality. In the retail segment due to moderate demand the portfolio in LCY was below of the YE2008 level. Within the debtor protection program the Bank provided an opportunity to change the previously taken USD denominated mortgage and car loans into UAH which supported the decrease of portfolio dynamics of non-performing loans. Corporate loans showed decline in the last quarter q-o-q which is explained by the lack of renewal and shrinking portfolio of large corporate overdraft and working capital loans and also by the UAH appreciation (ratio of FX-loans within the large corporate portfolio was 76%).

Ratio of DPD90+ loans was 22.3% at the end of December (+0.3%-point q-o-q), at the same time the ratio of DPD60+ loans stagnated (+0.8%-points q-o-q). The experienced portfolio deterioration is caused mainly by the deterioration of portfolio quality in the SME sector (DPD90+ rate: 29.1%, +3.7%-points). In the last quarter the portfolio quality deterioration of retail loans moderated, emphasizing the effectiveness of the debtor protection scheme of the Bank. By the end of December the ratio of restructured retail loan portfolio reached 38.5%.

On the deposit side due to the deposit collection campaign launched in the previous quarter a moderate increase of the book was experienced. The retail deposit campaign in autumn offered favourable interest rate for term deposits resulting an almost HUF 10 billion (UAH 422 million) increase and brought in about 1,280 new customers. Deposit campaigns continued even in the last quarter.

As a result of the deposit collection program the market share also started to grow (at the end of December 2009: 1.80%, +18%-points q-o-q and +0.55%-points y-o-y). Loan-to-deposit ratio decreased by 46%-points q-o-q. Taking into consideration that the coverage of total loan portfolio reached 16.5% at the end of December, net loan-to-deposit ratio is significantly lower (4Q 2009: 338%).

Deposits of large corporate clients remained flat on the quarterly bases, but showing a decrease of 24% on a quarterly base. Corporate clients continuously prefer short term (less than 30 days) savings, nevertheless majority of their access capital is held in cash.

Due to the effective cost management of the Bank the operating expenses in LCY showed a 10% increase y-o-y. As a result of firing 600 employees in the first half of the year personnel expenses were higher by 6% y-o-y, material expenses were under strict control.

At the end of December CAR of the Bank stood at 17.8% (the mandatory level is 10%). USD 30 million subordinated debt capital granted in 3Q was registered in October 2009 by the Ukrainian Company Registry. In 2009 the Ukrainian unit in total received USD 100 million capital injection and USD 80 million subordinated capital.

The significant increase of shareholders' equity (+39% q-o-q) was resulted by guarantees of OTP Bank covering non-performing exposures of the Ukrainian unit. According to IFRS standards these guarantees should be accounted as capital injection. The volume of provisions (tax-burden effect in case of OTP Core) covering the above mentioned guarantees, however were made in the books of the Ukrainian unit.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs[1]	241	1,136	372%	437	191	384	101%	-12%
Pre-tax profit	392	1,489	280%	409	178	422	137%	3%
Operating profit	3,609	6,947	92%	2,465	1,893	2,107	11%	-15%
Total income	16,810	20,237	20%	5,588	4,831	5,518	14%	-1%
Net interest income	7,137	15,876	122%	1,553	4,017	4,226	5%	172%
Net fees and commissions	3,937	2,013	-49%	1,952	467	539	15%	-72%
Other net non-interest income	5,736	2,348	-59%	2,083	346	753	117%	-64%
Operating expenses	-13,201	-13,290	1%	-3,122	-2,938	-3,411	16%	9%
Provision for loan losses	-3,021	-5,332	76%	-2,065	-1,720	-1,627	-5%	-21%
Other provision	-195	-125	-36%	9	5	-58		-713%
Main components of Balance sheet [2] closing balances in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Total assets	367,521	365,743	0%	367,521	369,601	365,743	-1%	0%
Gross customer loans	316,809	293,116	-7%	316,809	295,421	293,116	-1%	-7%
Retail loans	207,933	200,738	-3%	207,933	199,356	200,738	1%	-3%
Corporate loans	108,876	92,379	-15%	108,876	96,065	92,379	-4%	-15%

Main components of Balance sheet [2] closing balances in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Allowances for loan losses	-4,365	-8,725	100%	-4,365	-7,141	-8,725	22%	100%
Deposits from customers	72,206	96,364	33%	72,206	90,617	96,364	6%	33%
Retail deposits	52,582	78,510	49%	52,582	72,404	78,510	8%	49%
Corporate deposits	19,624	17,854	-9%	19,624	18,213	17,854	-2%	-9%
Liabilities to credit institutions	107,504	227,298	111%	107,504	238,700	227,298	-5%	111%
Total shareholders' equity	23,245	25,513	10%	23,245	23,548	25,513	8%	10%
Loan Quality (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
90+ days past due loans/gross customer loans	1.3%	3.4%	2.1%	1.3%	2.3%	3.4%	1.1%	2.1%
Cost of risk/average gross loans	1.15%	1.75%	0.60%	2.73%	2.28%	2.19%	-0.09%	-0.54%
Total provisions/90+ days past due loans	103.6%	87.8%	-15.9%	103.6%	104.0%	87.8%	-16.3%	-15.9%
Indicators (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
ROA	0.1%	0.3%	0.2%	0.5%	0.2%	0.4%	0.2%	-0.1%
ROE	1.0%	4.7%	3.7%	7.6%	3.2%	6.2%	3.0%	-1.4%
Total income margin	5.05%	5.52%	0.47%	6.12%	5.14%	5.95%	0.82%	-0.17%
Net interest margin	2.15%	4.33%	2.18%	1.70%	4.27%	4.56%	0.29%	2.86%
Cost/income ratio	78.5%	65.7%	-12.9%	55.9%	60.8%	61.8%	1.0%	5.9%
Gross loans to deposits	439%	304%	-135%	439%	326%	304%	-22%	-135%

[1] From 2Q 2008 adjusted with result of swap transactions executed with OTP Bank in relation with interbank financing.

[2] Total assets and gross customer loans include both corporate and retail loans that have been transferred. Liabilities to credit institutions and total shareholders' equity reflect balance sheet numbers after loan transfers until 4Q 2008, but from 1Q 2009 balance sheet figures before loan transfers are displayed.

- ***Outstanding operating profit and significantly growing risk cost were the main drivers of the HUF 1.1 billion after tax profit in 2009***
- ***The quality of the portfolio deteriorated somewhat during the crisis, but the DPD90+ ratio is the lowest among Group members and the coverage ratio is above average***
- ***Debtor protection program continued in 4Q; the quality of the restructured mortgage portfolio remained stable***
- ***In 4Q the expansion of deposit base was fuelled by successful retail campaign, the loan to deposit ratio improved further***

In 2009 OBR posted an after tax profit of HUF 1.1 billion, thus the Bank closed its second consecutive profitable fiscal year. The improving results showed that systematic business development coupled with efficient operation and excellent management could make a greenfield investment a great success.

The Bank posted an outstanding performance: the operating profit nearly doubled in 2009 y-o-y supported by the strong total income growth (+20% y-o-y). Core banking revenues (net interest income plus net fee and commission income) showed an outstanding performance (+60% y-o-y). The time series of net interest income and NF&C income are not comparable to the 2008 numbers due to the methodological change effective from 2009 and described in 1Q 2009 interim management report. The other net non-interest income contracted by 59%, mainly as a consequence of lower FX result. Operating expenses practically did not change in a yearly comparison (+1% y-o-y) reflecting efficient cost control.

In the fourth quarter the operating result improved by 11% q-o-q, thanks to the strong dynamics of total income (+14% q-o-q). The quarterly increase in net non-interest income line was underpinned by gain on securities (in the amount of RON 4.7 million) and increasing net FX result. Both net fee and commission income (+15%) and net interest income (+5%) performed nicely q-o-q, the latter was supported by the further repricing of the corporate loan book and declining interest expenses on customer deposits (though the deposit base continued to grow). Net interest margin jumped by 29 bps q-o-q. Operating expenses grew by 16% q-o-q driven by higher other expenses (marketing costs and contractor charges).

Provision for possible loan losses grew by HUF 2.3 billion in 2009 (+76% y-o-y) having a negative impact on profitability. Provision for possible loan losses totalled to HUF 5.3 billion in 2009, out of which HUF 1.6 billion was set aside in 4Q (-5% q-o-q).

The loan quality deteriorated somewhat in 2009 as a consequence of the crisis, but the DPD90+ ratio (3.4% at end-2009) is the lowest across the Group. The coverage ratio reached 88% in 4Q, and remained above average as well.

In 2Q 2009 OBR launched a successful retail debtor protection program that focused primarily on mortgage loans. On 30 September 9% of the household loan portfolio was involved in the program, this ratio decreased to 8% in 4Q. At end-2009 around 20% of the restructured mortgage loan portfolio was at least one day overdue, the ratio is practically the same as in the previous quarter.

Loan portfolio decreased by 7% in HUF y-o-y (-4% in LCY), and on a quarterly basis it shrank by 1% (stagnated in lei). The loan demand remained benign, but in 4Q some measures have been taken to boost lending activity in case of SME loans and mortgage loans. The mortgage loan portfolio, which makes more than half of the total loan book remained flat on a quarterly and yearly basis as well. The corporate loan book which accounts for a third of total loans dropped by 16% y-o-y and 4% q-o-q.

There was a remarkable 38% deposit growth in 2009 in LCY (+33% in HUF terms). The success of the household's deposit collection efforts is evident by the improving market share and a 58% growth in lei (deposits of the households grew in LCY by 15% in 1Q, 18% in 2Q, 7% in 3Q and by 9% in 4Q respectively). In LCY, the SME deposits increased by 47% y-o-y, but corporate deposits decreased by 6%. Besides of the households, the SME sector was the other engine of deposit growth (+10% q-o-q). The LTD ratio decreased by 22%-points on a quarterly basis and by 135%-points on a yearly basis.

The central bank lowered the mandatory reserve requirement by 5%-point to 25% in case of foreign currency liabilities (effective from December). In 3Q the mandatory reserve requirement in case of foreign currency liabilities was cut from 40% to 30%, while commercial banks had to deposit 15% of lei liabilities instead of the previously prescribed 18%.

In December 2009 OBR received a capital increase in the amount of RON 30 million from the mother company. The capital increase was registered on 21 January 2010.

The headcount of the Bank decreased by 2 persons to 1,094 in 2009, whereas the branch network expanded by 1 unit reaching 106.

OTP BANKA HRVATSKA

Performance of OTP banka Hrvatska:

Main components of Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends, net cash transfers and one-offs	5,041	3,245	-36%	1,329	632	693	10%	-48%
Pre-tax profit	6,350	4,068	-36%	1,688	796	884	11%	-48%
Operating profit	7,051	6,511	-8%	2,107	1,806	1,453	-20%	-31%
Total income	19,026	19,983	5%	5,232	5,032	4,707	-6%	-10%
Net interest income	13,772	13,682	-1%	3,766	3,328	3,133	-6%	-17%
Net fees and commissions	3,587	3,935	10%	1,006	1,029	1,013	-2%	1%
Other net non-interest income	1,667	2,366	42%	459	674	562	-17%	22%
Operating expenses	-11,975	-13,472	13%	-3,125	-3,225	-3,254	1%	4%
Provision for loan losses	-851	-1,947	129%	-307	-817	-384	-53%	25%
Other provision	150	-495	-430%	-112	-193	-185	-4%	65%
Main components of Balance sheet closing balances in HUF mn	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
Total assets	462,576	469,304	1%	462,576	473,293	469,304	-1%	1%
Gross customer loans	309,564	318,477	3%	309,564	316,043	318,477	1%	3%
Retail loans	191,496	194,021	1%	191,496	192,806	194,021	1%	1%
Corporate loans	115,474	122,183	6%	115,474	120,844	122,183	1%	6%
Car financing loans	2,598	2,273	-12%	2,598	2,394	2,273	-5%	-12%
Allowances for loan losses	-6,045	-9,195	52%	-6,045	-8,459	-9,195	9%	52%
Deposits from customers	315,253	337,935	7%	315,253	338,020	337,935	0%	7%
Retail deposits	268,837	294,348	9%	268,837	288,441	294,348	2%	9%
Corporate deposits	46,416	43,588	-6%	46,416	49,579	43,588	-12%	-6%
Liabilities to credit institutions	81,098	60,250	-26%	81,098	65,245	60,250	-8%	-26%
Total shareholders' equity	55,095	60,626	10%	55,095	59,845	60,626	1%	10%
Loan Quality (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
90+ days past due loans/gross customer loans	6.2%	8.9%	2.7%	6.2%	8.1%	8.9%	0.8%	2.7%
Cost of risk/average gross loans	0.30%	0.62%	0.32%	0.41%	1.01%	0.48%	-0.53%	0.07%
Total provisions/90+ days past due loans	31.3%	32.4%	1.1%	31.3%	32.9%	32.4%	-0.6%	1.1%
Performance Indicators (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
ROA	1.1%	0.7%	-0.4%	1.2%	0.5%	0.6%	0.1%	-0.6%
ROE	10.6%	5.6%	-5.0%	9.9%	4.2%	4.6%	0.4%	-5.3%
Total income margin	4.30%	4.29%	-0.01%	4.56%	4.24%	3.96%	-0.28%	-0.60%
Net interest margin	3.11%	2.94%	-0.18%	3.29%	2.80%	2.64%	-0.17%	-0.65%
Cost/income ratio	62.9%	67.4%	4.5%	59.7%	64.1%	69.1%	5.0%	9.4%
Gross loans to deposits	98%	94%	-4%	98%	93%	94%	1%	-4%

- ***2009 after-tax profit was HUF 3.2 billion, while loan loss provisioning doubled on a yearly base***
- ***Shrinking net interest income was partially offset by the increase of fee and other income***
- ***Successful deposit collection, growing retail deposit volumes (+6% y-o-y in LCY), improving market positions***
- ***Stable capital and favourable liquidity position, loan-to-deposit ratio stood at 94%***
- ***DPD90+ ratio was 8.9%, as a result of the significant provisioning coverage ratio improved on a yearly basis (2009: 32.4%)***

The after-tax profit result of OTP banka Hrvatska totalled to HUF 3.2 billion, down by 36% from the same period a year earlier. The reason for the declining profitability was the y-o-y doubling of provisions due to deteriorating portfolio quality in the first half. Operating profit was slightly below the level of the last year, the negative effect of declining net interest income (-9% in LCY) was only partially offset by the favourable commission income dynamics and the stable level (+3% y-o-y in LCY) of operating expenses. The result of 4Q 2009 was influenced by three major factors: shrinking net interest margin (-17 bps q-o-q) due to the tightened lending activity and increasing retail deposit base till November 2009; commission income moderated as the tourist season ended (-2% q-o-q); the operating expenses were stable on a quarterly base (+1% q-o-q).

2009 was characterized by modest lending activity and deposit campaigns focusing on retaining market positions. It resulted in a slight erosion of net interest margin. Loan book shrank below end of 2008 levels in LCY terms. It should be noted that CNB cancelled the restrictions on credit growth (12% per a year) of banks in November 2009. In order to channel liquidity into the economy mandatory reserve rate was also lowered to 13% in February 2010.

The primary target group of the deposit campaigns was the retail segment, in connection with the tourist season appealing interest rates were offered for new deposits. The Bank also cared to keep customer confidence with fair conditions on existing deposits. As a result of the campaign launched since June 2009, deposit base grew by 7% (over end-June level), and the structure change of retail deposit base was also favourable in maturity aspect, thus the share of term deposit increased significantly (reaching 79% at the end of December). Furthermore the market share of the Bank was not just maintained, but even improved in case of the retail segment (reaching 5.29% +14%-points over end-June 2009). As a consequence, the loan-to-deposit ratio of the Bank remained under the balanced level (94%).

On the whole, liquidity of the Bank improved and the volume of exposures to credit institutions were decreased (-28% y-o-y), while the intra-group financing received from OTP Bank amounting to CHF 15 million was also repaid.

Beside the increase of term deposit base significant foreign currency funds arrived on the Croatian market and were converted into kuna increasing the local currency supply. As a result, short-term interest rates dropped, whereas the reprising of client deposits took place with a slight delay, diminishing the interest margin. To mute the negative effect of it, the Bank took re-pricing actions in the retail segment in 4Q.

The stagnation of the loan book was the result of the insufficient market demand. The volume of retail loans stagnated y-o-y: housing and mortgage loans remained at same levels in LCY (-2% y-o-y), in the last quarter the portfolio decline moderated. However within consumer loans the volume of personal loans dropped significantly (-8% in LCY). In 4Q 2009 euro consumer loans and credit card products became popular, showing a moderated increase on a quarterly base. In 2009 both the SME and large corporate loan portfolios shrank, but that was in line with market trends.

While 2Q 2009 witnessed a significant growth of DPD90+ loans, the tendency seemed to moderate in 4Q (2009 DPD90+: 8.9%, +2.7%-points y-o-y, +0.8%-points q-o-q). Retail loans, especially housing and mortgage loans played an important role in portfolio quality deterioration. The Bank intensified soft-collection activities and also introduced a debtor protection scheme to diminish the portfolio weakening. So far no significant volumes have been restructured (altogether 277 case with a value of HUF 286 million (HRK 7.7 million) or 0.16% of the total retail portfolio).

The coverage ratio improved by 1.1% on a yearly base as a result of significant loan loss provisioning during the year. Provisioning was affected by HRK 27 million additional provisioning made in August at the request of the National Bank of Croatia for unsecured retail loans. It is to be noted that due to the collection efforts and results, the amount of these additional provisions decreased to HRK 3.1 million by the end of December. As a result the coverage ratio of DPD90+ loans stood at 32.4% in December.

The net F&C income for the period was mainly driven by the lower commission income due to the sluggish lending activity (-14% y-o-y in LCY terms), which was compensated by the favourable periodical commission income related to deposits and cards (on a yearly basis +5% and +12% respectively, in LCY).

Operating expenses were in line with management expectations due to the cost saving projects: all supplier and rental contracts were revised and renegotiated, 2 branches were closed in the frame of branch-network rationalization program, while the number of ATMs increased significantly (from 163 to 195) in areas without sufficient branch network. In 4Q 2009 personnel expenses were higher by 9% in LCY because of year-end bonus payments. The headcount of the Bank has not changed significantly, at the end of December the number of employees was 1,014 (-33 persons).

The liquidity position of the Bank is stable, complies with the provisions of the national bank, its CAR stood at 12.60% at end of December 2009 (above the regulatory minimum of 10%).

OTP BANKA SLOVENSKO

Performance OTP Banka Slovensko:

Main components of Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,431	-6,673	-566%	-489	-488	-5,654		
One-off items, after-tax[1]	-108	-244	126%	-108	7	-1	-112%	-99%
After tax profit w/o dividends, net cash transfers and one-offs	1,538	-6,429	-518%	-382	-495	-5,653		
Pre-tax profit	1,762	-6,633	-476%	-405	-543	-5,705	950%	
Operating profit	4,017	3,289	-18%	911	943	1,001	6%	10%
Total income	14,496	13,731	-5%	3,926	3,302	3,796	15%	-3%
Net interest income	10,119	10,485	4%	2,780	2,625	2,939	12%	6%
Net fees and commissions	3,027	2,705	-11%	878	598	646	8%	-26%
Other net non-interest income	1,350	541	-60%	267	79	211	165%	-21%
Operating expenses	-10,480	-10,442	0%	-3,015	-2,359	-2,795	18%	-7%
Provision for loan losses	-2,304	-9,029	292%	-1,368	-1,393	-5,925	325%	333%
Other provision	50	-894		52	-93	-782	736%	
Main components of Balance sheet closing balances in HUF mn	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
Total assets	429,122	375,208	-13%	429,122	373,679	375,208	0%	-13%
Gross customer loans	314,422	273,269	-13%	314,422	281,886	273,269	-3%	-13%
Retail loans	158,234	163,779	4%	158,234	164,084	163,779	0%	4%
Corporate loans	156,187	109,490	-30%	156,187	117,801	109,490	-7%	-30%
Allowances for loan losses	-5,186	-13,633	163%	-5,186	-8,267	-13,633	65%	163%
Deposits from customers	262,787	253,462	-4%	262,787	253,576	253,462	0%	-4%
Retail deposits	212,412	219,597	3%	212,412	212,916	219,597	3%	3%
Corporate deposits	50,375	33,865	-33%	50,375	40,660	33,865	-17%	-33%
Liabilities to credit institutions	45,411	28,651	-37%	45,411	13,816	28,651	107%	-37%
Issued securities	75,137	54,904	-27%	75,137	61,605	54,904	-11%	-27%
Subordinated debt	7,679	7,854	2%	7,679	7,840	7,854	0%	2%
Total shareholders' equity	30,595	24,767	-19%	30,595	30,404	24,767	-19%	-19%
Loan Quality (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
90+ days past due loans/gross customer loans	3.6%	8.9%	5.3%	3.6%	7.4%	8.9%	1.5%	5.3%
Cost of risk/average gross loans	0.84%	3.07%	2.23%	1.76%	1.93%	8.47%	6.54%	6.70%
Total provisions/90+ days past due loans	46.3%	56.1%	9.8%	46.3%	39.9%	56.1%	16.3%	9.8%
Performance Indicators (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
ROA	0.4%	-1.6%	-2.0%	-0.4%	-0.5%	-6.0%	-5.5%	-5.6%
ROE	5.7%	-23.2%	-28.9%	-5.2%	-6.4%	-81.3%	-74.9%	-76.1%
Total income margin	3.64%	3.41%	-0.22%	3.73%	3.45%	4.02%	0.57%	0.29%
Net interest margin	2.54%	2.61%	0.07%	2.64%	2.74%	3.11%	0.37%	0.47%
Cost/income ratio	72.3%	76.0%	3.8%	76.8%	71.4%	73.6%	2.2%	-3.2%
Gross loans to deposits	120%	108%	-12%	120%	111%	108%	-3%	-12%

[1] In 2Q 2009 one-off loss booked in relation to loan transfers; in 3Q and 4Q 2009 exchange rate correction in relation to the loan transfers.

- ***The loss realised in 2009 was primarily caused by the increasing risk costs***
- ***The loan quality deteriorated in 2009, but the coverage ratio improved***
- ***The decline in total income is attributable to the drop of currency exchange gain; core banking revenues remained stable***
- ***Loans and deposits decreased, mainly driven by lower corporate volumes; deposits of the households expanded both q-o-q and y-o-y, the LTD ratio improved***

In 2009 the Bank posted an after tax loss of HUF 6.4 billion without one-off items, in contrast to HUF 1.5 billion profit of the base period. The results were influenced to a great extent by the provisioning for loan losses that increased to HUF 9 billion. The other key driver of the results was the 18% decrease of operating result.

2009 full-year cost of risk increased by HUF 6.7 billion (+292%). In 4Q a jump in risk costs for loan losses can be seen, mainly because the Bank intentionally improved the coverage ratio, and on the other hand, the loan quality kept on deteriorating. Risk cost more than quadrupled q-o-q to HUF 5.9 billion. In 4Q other provisions have been set aside in the amount of HUF 0.8 billion.

DPD90+ ratio increased to 8.9% (+1.5%-point q-o-q and +5.3%-points y-o-y). The deterioration was led mainly by the corporate and SME segments, while the ratio of DPD90+ mortgage loans remained stable q-o-q. By the end of 2009 only 1.4% of the total household's loan portfolio was restructured. Loan loss coverage of 90+ days past due loans jumped to 56.1%, which indicates a 16.3%-points coverage improvement compared to September 2009, and an increase of 9.8%-points on a yearly base.

In 2009 the total income decreased by 5% y-o-y in HUF and by 20% in LCY (when analysing the P&L items it should be taken into consideration that the average exchange rate of HUF versus EUR weakened by 12% in 2009). Net interest income expanded by 4% in HUF, while NIM improved by 7 bps to 2.61%, but in EUR terms a setback can be observed. In the course of 2009 both the net interest margin and net interest income improved steadily, partly as a consequence of the corporate loan repricing process, and partly due to the fact that term deposits with higher promotional interest rates have gradually matured. The y-o-y 11% drop of net fee and commission income is primarily explained by the weak lending activity, but even deposit and money-transfer fee income materialised at a lower level. At the same time other net non-interest income fell back sharply (-60% in 2009 y-o-y), which is explained by the 70% decline of net FX result because of the introduction of the EUR.

In 2009 the operating expenses remained stable in HUF (but dropped by 10% in EUR). Both personnel and other expenses shrank even in HUF, which was counterbalanced by increasing amortization costs.

In 4Q 2009 net loss totalled to HUF 5.7 billion. Operating income improved by 6% q-o-q, supported by the gain on covered bonds' buybacks (in the amount of approximately EUR 0.5 million) and strong net interest income (interest income on hold-to-maturity securities grew significantly in line with the increase of the volumes, and on the other hand, the interest expenses paid on customer deposits showed a decrease). Operating costs went up by 18% compared to the previous low-base quarter (cost increment was primarily related to marketing costs and contractor charges).

Loan portfolio declined both in yearly and quarterly comparison: in EUR the loan book shrank by 15% y-o-y, within that corporate loans dropped by 33% and mortgage loans for housing purposes by 12% respectively. On a quarterly base the loan portfolio declined by 3% in EUR, since corporate loan volume decreased by 8%. The sales efforts from 2H 2009 were focused on the consumer loans with mortgage collateral, so the stock of home equity loans expanded by 34% y-o-y and 14% q-o-q.

Total deposit base decreased by 6% y-o-y in EUR. The deposits of the households grew by 3% in EUR compared to end-2008, while the sight deposits remained stable. Corporate deposits eroded by 54% y-o-y in EUR. Deposit volume did not change q-o-q in EUR, because the corporate deposit withdrawals were offset by the increasing retail and municipality deposits.

In the course of 2009 the Bank has undergone significant organisational changes: the number of employees decreased by 132 persons (-18%), the number of branches changed to 77 since 12 selling points were closed in 1Q.

OTP BANKA SRBIJA

Performance of OTP banka Srbija:

Main components of Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	1,670	-8,990	-638%	-474	-946	-7,920	737%	
One-off items, after-tax	1,408	0	-100%	-420	0	0		-100%
After tax profit w/o dividends, net cash transfers and one-offs	262	-8,990		-54	-946	-7,920	737%	
Pre-tax profit	519	-9,024		200	-946	-7,954	740%	
Operating profit	1,796	-2,278	-227%	1,001	-68	-2,502		-350%
Total income	12,316	8,010	-35%	3,924	2,060	871	-58%	-78%
Net interest income	6,756	4,051	-40%	1,945	1,225	-450	-137%	-123%
Net fees and commissions	2,329	1,954	-16%	449	473	471	-1%	5%
Other net non-interest income	3,230	2,004	-38%	1,530	362	850	135%	-44%
Operating expenses	-10,520	-10,287	-2%	-2,923	-2,128	-3,373	59%	15%
Provision for loan losses	-1,743	-6,277	260%	-760	-767	-5,116	567%	573%
Other provision	465	-470	-201%	-40	-111	-336	201%	737%
Main components of Balance sheet closing balances in HUF mn	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
Total assets	142,647	127,025	-11%	142,647	134,409	127,025	-5%	-11%
Gross customer loans	94,721	89,878	-5%	94,721	90,021	89,878	0%	-5%
Retail loans	34,336	33,607	-2%	34,336	32,841	33,607	2%	-2%
Corporate loans	60,408	56,271	-7%	60,408	57,179	56,271	-2%	-7%
Allowances for loan losses	-5,989	-12,189	104%	-5,989	-7,261	-12,189	68%	104%
Deposits from customers	33,906	32,395	-4%	33,906	33,637	32,395	-4%	-4%
Retail deposits	24,032	23,546	-2%	24,032	24,328	23,546	-3%	-2%
Corporate deposits	9,882	8,848	-10%	9,882	9,310	8,848	-5%	-10%
Liabilities to credit institutions	30,466	25,952	-15%	30,466	23,764	25,952	9%	-15%
Subordinated debt	37,323	38,766	4%	37,323	38,433	38,766	1%	4%
Total shareholders' equity	38,090	27,690	-27%	38,090	36,400	27,690	-24%	-27%
Loan Quality (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
90+ days past due loans/gross customer loans	10.8%	33.7%	23.0%	10.8%	19.6%	33.7%	14.1%	23.0%
Cost of risk/average gross loans	2.21%	6.80%	4.59%	3.21%	3.35%	22.57%	19.22%	19.36%
Total provisions/90+ days past due loans	58.7%	40.2%	-18.5%	58.7%	41.1%	40.2%	-0.9%	-18.5%
Performance Indicators (%)	**2008**	**2009**	**Y-o-Y**	**4Q 2008**	**3Q 2009**	**4Q 2009**	**Q-o-Q**	**Y-o-Y**
ROA	0.2%	-6.7%	-6.9%	-0.1%	-2.8%	-24.0%	-21.2%	-23.9%
ROE	0.7%	-27.3%	-28.0%	-0.5%	-10.2%	-98.1%	-87.9%	-97.5%
Total income margin	9.66%	5.94%	-3.72%	10.64%	6.10%	2.64%	-3.45%	-7.99%
Net interest margin	5.30%	3.00%	-2.30%	5.27%	3.62%	-1.36%	-4.99%	-6.64%
Cost/income ratio	85.4%	128.4%	43.0%	74.5%	103.3%	387.4%	284.1%	312.9%
Gross loans to deposits	279%	277%	-2%	279%	268%	277%	10%	-2%

- ***Due to soaring risk costs in 4Q, the Bank posted a loss of HUF 9 billion in 2009***
- ***In 4Q 2009 the DPD90+ ratio went up significantly, having a negative effect on net interest income as well***
- ***In 2009 remarkable rationalization measures have been pushed through (headcount decreased by 34% and the branch number by 45 units)***
- ***Gross loans expanded by 2% in 4Q in LCY; lending activity revived in some segments***

In 2009 HUF 9 billion loss was realized while the profit without one-off items totalled to HUF 262 million in the base period. Loss was mainly caused by the increasing provision for possible loan losses and other provision and on the other hand by the lower total income compared to the base period.

The setback of total income was 35% y-o-y in 2009. Compared to the base period, the net interest income decreased by 40%, mainly because the loan quality worsened materially in 2H 2009, and parallel with this, the adverse changes in the client's classification led to lower interest income (since no interest income is booked in case of loans classified in bad categories).

In the addition to this, the sinking reference rates and declining penalty rates exerted a negative effect on interest income in 2009. Parallel with this, as a consequence of attractive deposit rates offered in the first three quarters in 2009, interest expenses on client's deposits grew by nearly one-third in 2009 y-o-y, despite of the shrinking deposit volume and falling reference rates. However, in 4Q 2009 the interest expenses on deposits dropped by nearly one-third q-o-q.

The main driver of HUF 7.9 billion loss in 4Q 2009 – beside of growing risk cost – is definitely the drop in net interest income and the increase in other costs. The reason for the negative net interest income in 4Q was that in the course of 2009 the interest income booked (but not collected) on significant amount of loans classified into bad categories in 4Q has been released (this item had a HUF 1.6 billion negative effect on interest income in 4Q 2009). The interest income booked earlier than 2009 in relation to clients whose classification changed adversely in 4Q has been released not through the reduction of interest income, but through the increase of other costs (the one-off increment of other cost amounted to nearly HUF 550 million in 4Q).

In 2009 the net fee and commission income decreased by 16% y-o-y (-13% in LCY). Within that, the loan related net F&C income dropped by 37% y-o-y, while net F&C income relating to deposits and money transfers, representing the biggest part of net F&C income (54% in 2009), showed a setback of only 8%. These two factors were partly offset by the improvement of card business: net card fees grew by 25% y-o-y reflecting the increasing number and value of card transactions during 2009, and the results of successful credit card campaign started in 4Q. In 4Q 2009 the net card fee income increased by 9% in LCY q-o-q.

In 2009 the other net non-interest income declined by 38% y-o-y, primarily due to the decreasing net FX result.

In 2009 operating costs diminished by 2% compared to 2008. Personnel expenses grew by 7%, partly because of the one-off effect of the significant layoffs partly because some cost elements has been moved from other costs to personnel expenses in 2009. Strict cost control was in force in case of other expenses (-13% y-o-y). The latter also was influenced by a one-off effect explained earlier, which added nearly HUF 550 million to other costs. This, together with the effect of further layoffs, caused the 59% quarterly growth of operating costs in 4Q.

Lending activity which was strongly curtailed in the previous quarters showed some pick up since 3Q, but it is still very moderate. In 4Q one could see a quarterly volume growth in LCY in case of the following loan products: housing loans, credit card loans (due to the campaign started in 4Q), working capital loans of SMEs and investment loans of corporates.

Yearly decline of gross loans was 5% in HUF (-1% in RSD), while the portfolio stagnated q-o-q (in LCY it expanded by 2%). The volume drop was driven by corporate and consumer loans, contrarily SME loans grew by 5% q-o-q and by 41% y-o-y.

Customer deposits declined by 4% in HUF terms both y-o-y and q-o-q (and a minimal drop can be seen in RSD both in quarterly and yearly comparison). The biggest yearly drop is registered in case of corporate deposits (-10% y-o-y). Regarding the developments in 4Q it is definitely favourable that the SME deposits went on growing (+5% q-o-q in LCY) and the internal structure of household's deposits changed in favour of sight deposits.

The ratio of DPD90+ loans increased by 14.1%-points q-o-q to 33.7% in 4Q, as a result of the conservative portfolio classification and portfolio clean up in the last quarter.

Provision for loan losses amounted to HUF 6.3 billion in 2009, which translates into a 260% y-o-y increase. In 4Q provision for loan losses reached HUF 5.1 billion.

In 2009 within the course of branch network rationalization 45 branches were closed: the number of branches was 95 in December 2008, whereas at end-2009 it was 50 (-47%). The headcount decreased by 399 persons to 784 (-34%) compared to YE 2008 figures; in 4Q the headcount was reduced by 134 employees. Parallel with the significant organizational changes other measures have been taken to improve efficiency.

CRNOGORSKA KOMERCIJALNA BANKA

Performance of CKB:

Main components of Statement of recognised income in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
After tax profit w/o dividends and net cash transfer	2,949	428	-85%	445	1,053	-809	-177%	-282%
Pre-tax profit	3,116	430	-86%	503	1,057	-837	-179%	-266%
Operating profit	5,774	7,740	34%	1,722	2,149	2,026	-6%	18%
Total income	11,407	13,912	22%	3,380	3,702	3,488	-6%	3%
Net interest income	6,396	10,648	66%	1,961	2,884	2,723	-6%	39%
Net fees and commissions	4,749	2,946	-38%	1,383	767	662	-14%	-52%
Other net non-interest income	262	318	21%	36	51	103	100%	185%
Operating expenses	-5,634	-6,173	10%	-1,658	-1,553	-1,462	-6%	-12%
Provision for loan losses	-2,495	-6,730	170%	-1,123	-951	-2,465	159%	120%
Other provision	-162	-580	257%	-96	-142	-398	181%	313%

Main components of Balance sheet closing balances in HUF mn	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
Total assets	308,140	234,804	-24%	308,140	254,871	234,804	-8%	-24%
Gross customer loans	255,021	181,137	-29%	255,021	219,505	181,137	-17%	-29%
Retail loans	155,430	112,606	-28%	155,430	118,898	112,606	-5%	-28%
Corporate loans	93,904	68,531	-27%	93,904	100,608	68,531	-32%	-27%
Allowances for loan losses	-4,350	-10,362	138%	-4,350	-8,821	-10,362	17%	138%
Deposits from customers	205,410	164,317	-20%	205,410	156,869	164,317	5%	-20%
Retail deposits	92,783	90,943	-2%	92,783	81,010	90,943	12%	-2%
Corporate deposits	110,735	73,374	-34%	110,735	75,858	73,374	-3%	-34%
Liabilities to credit institutions	70,173	30,618	-56%	70,173	56,403	30,618	-46%	-56%
Total shareholders' equity	18,171	23,049	27%	18,171	23,816	23,049	-3%	27%
Loan Quality (%)	2008	2009	Y-o-Y	4Q 2008	3Q 2009	4Q 2009	Q-o-Q	Y-o-Y
90+ days past due loans/gross customer loans	1.1%	10.9%	9.8%	1.1%	6.3%	10.9%	4.6%	9.8%
Cost of risk/average gross loans	1.14%	3.09%	1.95%	1.85%	1.68%	4.88%	3.20%	3.03%
Total provisions/90+ days past due loans	158.1%	52.7%	-105.4%	158.1%	63.9%	52.7%	-11.2%	-105.4%
Performance Indicators (%)	2008	2009	Y-o-Y	2008 4Q	2009 3Q	2009 4Q	Q-o-Q	Y-o-Y
ROA	1.0%	0.2%	-0.9%	0.6%	1.5%	-1.3%	-2.9%	-1.9%
ROE	20.5%	2.1%	-18.4%	10.3%	19.6%	-13.7%	-33.3%	-24.0%
Total income margin	4.01%	5.12%	1.11%	4.44%	5.44%	5.65%	0.21%	1.21%
Net interest margin	2.25%	3.92%	1.67%	2.58%	4.24%	4.41%	0.17%	1.84%
Cost/income ratio	49.4%	44.4%	-5.0%	49.0%	41.9%	41.9%	0.0%	-7.1%
Gross loans to deposits	124%	110%	-14%	124%	140%	110%	-30%	-14%

- ***2009 PAT dropped to HUF 428 million as a result of portfolio deterioration, increasing risk costs and significant decline in F&C***
- ***NII rallied by 66% y-o-y due to the positive repricing effect of SME loans and declining interest expenses of deposits***
- ***Outstanding loan and deposit volumes decreased y-o-y and the loan-to-deposit ratio improved substantially (2009 4Q: 110%, -14%-points y-o-y)***

2009 after tax result of CKB was HUF 428 million, which is 15% of the last years result. The main reasons of this weak performance were the deteriorating portfolio quality, the increasing risk cost (+170% y-o-y) and the decreasing fee income (-38% y-o-y). The HUF 809 million loss in 2009 4Q is the result of the significantly increased risk cost (HUF 2.5 billion forint, +159% q-o-q, 4Q 2009 risk cost rate: 4.9%, +3.2%-points q/q).

The decline in net fee income is related to the drop of deposit volumes, transaction frequency of card business and lower fee charges. The customer deposits decreased by 20% y-o-y, herein the corporate deposits showed a significant (34% y-o-y) drop. After the fallback in 1H2009 retail deposits volume reached almost the levels at the beginning of the year (-2% y-o-y) due to successful campaigns. Deposit withdrawal characterized the whole banking sector, but CKB's market positions somewhat weakened. The market share erosion was more the case for corporate deposits (32.2% in October, -13.4% ytd), whereas retail deposit share remained almost unchanged (39.4% in October, -1.5%-points ytd).

As for net interest income CKB had a strong performance again (+66% y-o-y). The key drivers were the repricing of SME loans and the significant decrease in deposits' interest costs (-14% y-o-y). The repricing effect had a positive impact on the net interest margin, too which reached 3.9% after continuous gains all over the year (+1.67%-points y-o-y).

Other non interest income was stronger than in 2008 by 21%: while in 2Q and 4Q there were few one off items like gains on investments and securities or tax refund, in 1Q and 2Q no such elements supported that income line.

The sharp increase in risk cost was mainly related to the worsening quality of the corporate portfolio. Both the SME and big corporate portfolio witnessed a significant increase in risk costs (+293% y-o-y, +89% q-o-q and +246% y-o-y, -12% q-o-q respectively) As a result the overall risk cost rate also grew sharply (from 1,1% to 3,0%; in the SME segment from 1,1% to 5,0% y/y).

Loan portfolio quality further deteriorated as a result of the continued growth of the ratio of overdue loans. The DPD90+ ratio increased from 1.1% to 10.9% y-o-y and +4.6%-points q-o-q. All major segments showed deterioration. The ratio of overdue loans increased in the retail mortgages by 7.2%-points y-o-y and 2.1%-points q-o-q, in the consumer loans (+6.2%-points y-o-y, +0.8% q-o-q and in the SME loans (13.5%-points y-o-y, +7.8%-points q-o-q). The corporate portfolio deteriorated too (+9.3% y-o-y, +3.8% q-o-q),

Despite the significant 4Q provisioning, the coverage of NPLs still dropped from 63.9% to 52.7% q-o-q.

Operating expenses grew by 10% y-o-y, however the FX-adjusted figures would show a decrease of 2%. Personal expenses remained almost unchanged (+2% y-o-y), but depreciation grew by 23% respectively. Other expenses dropped by 12% y-o-y (-19% q-o-q) as a result of lower rental fees and expenses on materials. The overall cost/income ratio improved given that the growth in total revenues exceeded that of expenses. The ratio came down from 49.4% to 44.4%.

The loan book shrank by 29% y-o-y explained by two major reasons. On the one hand new disbursement was practically stopped after the crisis due to the scarcity of liquidity; outstanding retail and corporate exposures declined throughout the whole year (-14% y-o-y and -40% y-o-y respectively). The other factor is more of a technical nature, OTP Bank purchased a HUF 26 billion loan portfolio from CKB. result, The loan-to-deposit ratio decreased significantly from 124% to 110%. Without the portfolio transfer the ratio would show 126%.

As a result of the portfolio transfer, CKB's interbank exposure dropped significantly (-56% y-o-y and 46% q-o-q respectively); parallel with the transfer, CKB's interbank exposure towards OTP was decreased with the same amount it received for the loans.

STAFF LEVEL AND OTHER INFORMATION

The closing staff number of OTP Group was 31,337 as at 31 December 2009 (+453 people y-o-y). The most significant lay-off was carried through at the Ukrainian and the Serbian subsidiary (559 people, and 399 people respectively), mainly as a consequence of the moderated lending activity, but the headcount of OTP core also decreased significantly (477 person). As for the closing headcount of the Russian subsidiary it was increased by 2,000 people (POS-selling agents) in order to boost new loan origination.

The Group's branch network included 1,496 branches at the end of December 2009 (-77 branches y-o-y). The most sizeable decline was realized in Serbia (45 branches) within the course of the rationalization of the branch network, but branches were closed in Ukraine (23) and even in Slovakia (12) in the last quarter.

	31/12/2008	30/09/2009	31/12/2009	Q-o-Q	Y-o-Y
OTP BANK					
Closing staff (persons)	8,297	7,946	7,820	-1.6%	-5.7%
Average staff (persons)	8,333	8,103	7,977	-1.6%	-4.3%
Per capita total assets (HUF mn)	695.7	803.5	864.0	7.5%	24.2%
Per capita profit after tax quarterly (HUF mn)	16.1	14.4	19.8	37.9%	23.3%
GROUP					
Closing staff (persons)	30,884	30,102	31,337	4.1%	1.5%
Average staff (persons)	30,710	30,039	31,051	3.4%	1.1%
Per capita consolidated total assets (HUF mn)	303.7	322.2	311.9	-3.2%	2.7%
Per capita consolidated profit after tax quarterly (HUF mn)	7.8	4.3	4.8	11.9%	-38.3%

	31 December 2009						Change YTD					
	Bank branches	ATMs	POSs	Bank cards (th)	Number of banking clients (th)	Staff (closing)	Bank branches	ATMs	POSs	Bank cards	Number of clients	Staff (closing)
OTP Bank	**405**	**1,995**	**34,270**	**3,812**	**4,625**	**7,820**	***2***	***-20***	***467***	***-155***	***-135***	***-477***
DSK Bank	386	870	4,545	1,204	2,975	4,337	*7*	*20*	*1,064*	*-399*	*36*	*59*
OTP Banka Slovensko	77	116	644	118	188	607	*-12*	*-3*	*42*	*-2*	*0*	*-132*
OTP banka Hrvatska	105	200	1,181	322	546	1,014	*0*	*37*	*9*	*-35*	*98*	*-33*
OTP Bank Romania	106	136	1,076	186	206	1,094	*1*	*4*	*395*	*70*	*27*	*-2*
OTP Bank JSC (Ukraine)	206	215	403	80	282	3,833	*-23*	*7*	*41*	*-21*	*44*	*-559*
OAO OTP Bank (Russia)	121	251	2,257	3,466	2,838	10,295	*-7*	*59*	*88*	*430*	*19*	*1,846*
OTP banka Srbija	50	195	3,595	125	356	784	*-45*	*-9*	*239*	*30*	*n.a.*	*-399*
CKB	40	105	3,535	201	320	507	*0*	*-90*	*512*	*11*	*17*	*24*
Subsidiaries total	**1,091**	**2,088**	**17,236**	**5,701**	**7,710**	**22,471**	***-79***	***25***	***2,390***	***85***	***241***	***804***
Group total (aggregated)	**1,496**	**4,083**	**51,506**	**9,514**	**12,335**	**30,102**	***-77***	***95***	***3,749***	***-70***	***463***	***-782***

PERSONAL AND ORGANIZATIONAL CHANGES

There was neither change in the composition of the Supervisory Board and Board of Directors, nor in the Auditor of OTP Bank.

Budapest, 1 March 2010

FINANCIAL DATA

UNCONSOLIDATED AND CONSOLIDATED IFRS BALANCE SHEET

in HUF million	OTP Bank			Consolidated		
	31/12/2009	31/12/2008	change	31/12/2009	31/12/2008	change
Cash, due from banks and balances with the National Bank of Hungary	177,813	157,437	13%	316,253	348,849	-9%
Placements with other banks, net of allowance for possible placement losses	960,529	920,455	4%	629,541	593,542	6%
Financial assets at fair value through profit and loss	272,289	151,716	79%	254,934	129,332	97%
Securities held-for-trading	179,053	54,819	227%	177,390	56,673	213%
Fair value adjustment of derivative financial instruments	93,236	96,897	-4%	77,544	72,659	7%
Securities available-for-sale	1,614,172	549,911	194%	1,338,372	481,257	178%
Loans, net of allowance for loan losses	2,600,834	2,715,382	-4%	6,348,696	6,730,170	-6%
Accrued interest receivable	78,941	60,360	31%	104,726	87,793	19%
Investments in subsidiaries	643,907	596,244	8%	18,834	10,467	80%
Securities held-to-maturity	208,141	437,535	-52%	185,274	321,733	-42%
Premises, equipment and intangible assets, net	69,654	112,383	-38%	476,177	469,701	1%
Other assets	91,659	70,892	29%	101,750	206,592	-51%
TOTAL ASSETS	**6,756,848**	**5,772,315**	**17%**	**9,774,557**	**9,379,436**	**4%**
Due to banks and deposits from the National Bank of Hungary and other banks	1,149,460	705,565	63%	800,723	842,867	-5%
Deposits from customers	3,345,891	3,090,762	8%	5,645,894	5,219,226	8%
Liabilities from issued securities	607,253	601,791	1%	1,361,528	1,526,639	-11%
Accrued interest payable	47,144	36,428	29%	95,864	99,141	-3%
Other liabilities	252,040	263,345	-4%	391,959	326,444	20%
Subordinated bonds and loans	283,863	301,951	-6%	287,093	316,148	-9%
TOTAL LIABILITIES	**5,805,004**	**4,999,842**	**16%**	**8,583,061**	**8,330,465**	**3%**
SHARE CAPITAL	28,000	28,000	0%	28,000	28,000	0%
RETAINED EARNINGS AND RESERVES	983,086	842,318	17%	1,265,490	1,160,935	9%
Retained earnings and reserves without earnings	824,948	708,363	16%	1,114,318	920,463	21%
Reserves	802,374	703,613	14%	992,516	790,826	26%
Fair value adjustment of securities available-for-sale and of derivative financial instruments recognised directly through equity	15,745	-14,431	-209%	1,119	-14,028	-108%
Fair value adjustment of share based payments	6,829	19,181	-64%	6,829	19,181	-64%
Fair value adjustment of cash-flow hedging transactions recognized in profit and loss account				-2,631		
Hedging transactions of net investments				-1,589		
Additional reserve (issued capital element)				118,074	124,484	-5%
Retained earnings	158,138	133,955	18%	151,172	240,472	-37%
TREASURY SHARES	-59,242	-97,845	-39%	-108,146	-146,749	-26%
MINORITY INTEREST				6,152	6,785	-9%
TOTAL SHAREHOLDERS' EQUITY	**951,844**	**772,473**	**23%**	**1,191,496**	**1,048,971**	**14%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,756,848**	**5,772,315**	**17%**	**9,774,557**	**9,379,436**	**4%**

Balance sheet and Statement of recognized income was modified according to IFRS standards in 2009. In the unconsolidated financial statements of OTP Bank, published simultaneously with current Summary, the modified structure was presented in accordance with audit requirements. In order to ease analysis current Summary contains statements in the former structure.

UNCONSOLIDATED AND CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	OTP Bank			Consolidated		
	2009	2008	change	2009	2008	change
Loans	253,822	243,170	4%	791,397	720,650	10%
Interest income without swap	240,408	233,389	3%	777,983	710,869	9%
Results of swaps	13,414	9,781	37%	13,414	9,781	37%
Placements with other banks	353,911	203,352	74%	350,673	172,586	103%
Interest income without swap	27,925	43,621	-36%	10,242	21,837	-53%
Results of swaps	325,986	159,731	104%	340,431	150,749	126%
Due from banks and balances with the National Bank of Hungary	7,026	14,147	-50%	7,514	16,161	-54%
Securities held-for-trading	5,297	4,979	6%	5,556	7,029	-21%
Securities available-for-sale	54,087	23,959	126%	31,578	32,402	-3%
Securities held-to-maturity	52,934	42,695	24%	45,804	26,624	72%
Total Interest Income	727,077	532,302	37%	1,232,522	975,452	26%
Due to banks and deposits from the National Bank of Hungary and other banks	265,205	206,208	29%	244,508	226,809	8%
Interest expenses without swap	31,448	35,802	-12%	36,300	44,957	-19%
Losses of swaps	233,757	170,406	37%	208,208	181,852	14%
Deposits from customers	197,585	150,729	31%	290,314	221,543	31%
Interest expenses without swap	183,802	145,014	27%	276,416	215,817	28%
Losses of swaps	13,783	5,715	141%	13,898	5,726	143%
Liabilities from issued securities	32,474	25,079	29%	79,770	72,750	10%
Subordinated bonds and loans	17,446	16,444	6%	16,340	17,009	-4%
Other entrepreneurs				202	64	216%
Total Interest Expense	512,710	398,460	29%	631,134	538,175	17%
NET INTEREST INCOME	**214,367**	**133,842**	**60%**	**601,388**	**437,277**	**38%**
Provision for possible loan losses	76,862	28,849	166%	244,828	110,933	121%
Provision for possible placement losses	1,600	362	342%	4,819	516	834%
Provision for possible loan and placement losses	78,462	29,211	169%	249,647	111,449	124%
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES	135,905	104,631	30%	351,741	325,828	8%
Fees and commissions	160,881	157,575	2%	170,399	181,765	-6%
Foreign exchange gains and losses, net	-18,487	58,228	-132%	-8,253	130,527	-106%
Gains and losses on securities, net	-1,085	118		7,459	-1,096	-781%
Gains and losses on real estate transactions, net	-8	-27	-70%	931	1,807	-48%
Dividend income and gains and losses of associated companies	32,986	138,264	-76%	895	2,466	-64%
Insurance premiums				0	60,432	-100%
Other	41,358	21,524	92%	66,285	26,752	148%
Sale of insurance business line				0	122,235	
Total Non-Interest Income	*215,645*	*375,682*	*-43%*	*237,716*	*524,888*	*-55%*
Fees and commissions	22,080	24,535	-10%	37,422	46,534	-20%
Personnel expenses	77,677	77,354	0%	155,517	167,461	-7%
Depreciation and amortization	22,262	21,032	6%	45,026	132,201	-66%
Insurance expenses				0	47,178	-100%
Other	68,162	215,850	-68%	181,075	182,975	-1%
Total Non-Interest Expense	*190,181*	*338,771*	*-44%*	*419,040*	*576,349*	*-27%*
INCOME BEFORE INCOME TAXES	**161,369**	**141,542**	**14%**	**170,417**	**274,367**	**-38%**
Income taxes	3,231	7,587	-57%	20,083	33,299	-40%
INCOME AFTER INCOME TAXES	**158,138**	**133,955**	**18%**	**150,334**	**241,068**	**-38%**
Non-controlling interest				839	-596	-241%
NET INCOME	**158,138**	**133,955**	**18%**	**151,173**	**240,472**	**-37%**

UNCONSOLIDATED AND CONSOLIDATED IFRS CASH-FLOW STATEMENT

in HUF million	OTP Bank			Consolidated		
	2009	2008	change	2009	2008	change
OPERATING ACTIVITIES						
Income before income taxes	**161,369**	**141,542**	**14%**	**170,416**	**274,367**	**-38%**
Adjustments to reconcile income before income taxes to net cash provided by operating activities						
Income tax paid	-13,278	-14,566	-9%	-34,273	-35,475	-3%
Depreciation and amortization	0	0		0	93,592	
Goodwill impairment	22,262	21,032	6%	45,026	38,609	17%
Provision for loan and placement losses	77,522	170,141	-54%	278,985	127,933	118%
Share-based compensation	6,802	28		6,802	28	
Unrealised losses on fair value adjustment of securities held of trading	1,634	-7,673	-121%	4,579	-5,010	-191%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	34,568	-8,676	-498%	13,614	78,937	-83%
Changes in operating assets and liabilities	-30,379	2,531		21,907	-104,771	-121%
Net cash provided by operating activities	**260,500**	**304,359**	**-14%**	**507,056**	**468,210**	**8%**
INVESTING ACTIVITIES						
Net cash used in investing activities	**-914,944**	**-783,963**	**17%**	**-704,426**	**-1,208,320**	**-42%**
FINANCING ACTIVITIES						
Net cash provided by financing activities	**666,472**	**498,797**	**34%**	**161,883**	**823,573**	**-80%**
Net (decrease) / increase in cash and cash equivalents	**12,028**	**19,193**	**-37%**	**-35,487**	**83,463**	**-143%**
Cash and cash equivalents at the beginning of the period	93,651	74,458	26%	278,323	194,860	43%
Cash and cash equivalents at the end of the period	**105,679**	**93,651**	**13%**	**242,836**	**278,323**	**-13%**
DETAILS OF CASH AND CASH EQUIVALENTS						
Cash, due from banks and balances with the National Bank of Hungary	158,022	230,661	-31%	348,849	353,243	-1%
Mandatory reserve established by the National Bank of Hungary	-64,371	-156,203	-59%	-70,526	-158,383	-55%
Cash and equivalents at the beginning of the period	**93,651**	**74,458**	**26%**	**278,323**	**194,860**	**43%**
Cash, due from banks and balances with the National Bank of Hungary	178,217	158,022	13%	316,253	348,849	-9%
Compulsory reserve established by the National Bank of Hungary	-72,538	-64,371	13%	-73,417	-70,526	4%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**105,679**	**93,651**	**13%**	**242,836**	**278,323**	**-13%**

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2009			31 December 2009		
	%[1]	%[2]	Qty	%[1]	%[2]	Qty
Domestic institution/company	5.7%	6.1%	15,917,385	15.3%	15.5%	42,830,149
Foreign institution/company	75.4%	81.1%	211,211,327	70.2%	71.3%	196,510,128
Domestic individual	7.9%	8.5%	22,232,810	7.3%	7.4%	20,345,597
Foreign individual	0.1%	0.1%	193,787	1.3%	1.3%	3,526,188
Employees, senior officers	2.1%	2.3%	5,881,388	1.9%	2.0%	5,381,732
Treasury shares	7.0%	0.0%	19,509,673	1.5%	0.0%	4,284,020
Government held owner[3]	0.3%	0.3%	853,640	0.5%	0.5%	1,336,637
International Development Institutions[4]	1.5%	1.6%	4,200,000	2.1%	2.1%	5,785,559
Other	0.0%	0.0%	0	0.0%	0.0%	0
TOTAL	100.0%	100.0%	280,000,010	100.0%	100.0%	280,000,010

[1] Voting rights
[2] Beneficial ownership
[3] E.g.: State Privatization Holding Co. Ltd., Social Security, Municipality, 100% state-owned companies etc.
[4] E.g.: EBRD, EIB, etc.

Number of treasury shares held in the year under review

	1 January	31 March	30 June	30 September	31 December
Company	17,411,113	27,771,701	3,772,792	2,186,088	2,185,460
Subsidiaries	2,098,560	2,098,560	2,098,560	2,098,560	2,098,560
TOTAL	19,509,673	29,870,261	5,871,352	4,284,648	4,284,020

Shareholders with over/around 5% stake

Name	Number of shares	Voting rights	Beneficial ownership
Groupama Group	25,657,160	9.16%	9.31%
Megdet, Timur and Ruszlan Rahimkulov	24,459,744	8.74%	8.87%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.70%

Changes in the headcount (number of persons) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank	8,297	8,297	7,820
Consolidated	30,884	30,884	31,337

Senior officers, strategic employees and their shareholding of OTP shares

Type[1]	Name	Position	No. of shares held
IT	Dr. Sándor Csányi [2]	Chairman and CEO	200,000
IT	Mihály Baumstark	member	0
IT	Dr. Tibor Bíró	member	40,681
IT	Péter Braun	member	527,905
IT	Dr. István Kocsis	member	72,700
IT	Dr. Sándor Pintér	member	101,350
IT	Dr. Antal Pongrácz	Deputy Chairman, Deputy CEO	200,000
IT	Dr. György Szapáry	member	0
IT	Dr. László Utassy	member	250,000
IT	Dr. József Vörös	member	117,200
FB	Tibor Tolnay	Chairman	0
FB	Dr. Gábor Horváth	member	10,000
FB	Antal Kovács	member, Deputy CEO	23,000
FB	Jean-Francois Lemoux	member	0
FB	András Michnai	member	15,600
SP	László Bencsik	CFO, Deputy CEO	0
SP	Dr. István Gresa	Deputy CEO	63,758
SP	Ákos Takáts	Deputy CEO	153,347
SP	László Wolf	Deputy CEO	677,640
TOTAL No. of shares held by management:			**2,453,181**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Mr. Csányi directly or indirectly: 2,700,000

SUPPLEMENTARY DATA

FOOTNOTES OF THE TABLE 'CONSOLIDATED AFTER TAX PROFIT BREAKDOWN BY SUBSIDIARIES (IFRS)

General note: regarding OTP Core and other subsidiaries, profit after tax is calculated without received dividends and net cash transfers. Regarding dividends and net cash transfers received from non-group member companies, it is shown on a separate line in one sum in the table, regardless to the particular receiver or payer group member company.

(1) Revaluation result of the strategic open FX position. Size and denomination of the short position developed as follows:

01.01.2007-10.01.2008: EUR 570 million short position

21.01.2008: EUR 525 million short position plus USD 65 million short position

22.01.2008-07.09.2008: EUR 515 million short position plus USD 80 million short position

08.09.2008: EUR 495 million short position plus USD 108 million short position

09.09.2008-10.09.2008: EUR 485 million short position plus USD 122 million short position

11.09.2008-12.09.2008: EUR 465 million short position plus USD 150 million short position

13.09.2008-28.12.2008: EUR 315 million short position plus USD 150 million short position

29.12.2008-05.01.2009: EUR 300 million short position plus USD 75 million short position

06.01.2009- : EUR 310 million short position plus USD 61.5 million short position

Since the beginning of 2007, OTP Group has been holding a strategic open FX position in order to hedge its net profit's exposure to the exchange rate movements of the Hungarian forint, stemming from the translation of the foreign subsidiaries' P&L's from local currencies to HUF. Since 1Q 2009, in accordance with the Auditor the Bank re-qualified the strategic open FX-position as a hedge transaction. Consequently, going forward, the exchange rate effect of EUR 310 million short position (83% of the whole strategic position) equal to 2009 and 2010 yearly result of 4 subsidiary (DSK, CKB, OTP banka Hrvatska and OTP Banka Slovensko) will be booked against equity. Accordingly in 1Q out of the total HUF 16.2 billion pre-tax revaluation loss generated on the whole strategic open position HUF 13.8 billion was booked against equity and only HUF 2.4 billion debited pre tax profit.

(2) Goodwill impairment charges booked in relation to OTP banka Srbija (Serbia) and OTP Bank JSC (Ukraine) in 4Q 2008.

(3) OTP Core, Corporate Centre and foreign banks aggregated, excluding one-timers.

(4) After tax profit of OTP Core (consolidated result of OTP Bank Plc., OTP Mortgage Bank, OTP Building Society and OTP Faktoring) without the after tax result of strategic open FX position, dividend, net cash transfers, subsidiary financing and interest expense of Tier2 Capital. From 1Q 2008, adjusted after tax profit of OTP Core also excludes the net interest income result of swap transactions realised by OTP Bank Romania in relation to subsidiary financing.

(5) Corporate Centre: Interest expense of Tier2 Capital plus net interest and non-interest income of foreign subsidiary financing realised by OTP Bank and OTP Financing Cyprus, plus net interest income of swap transactions made in relation to subsidiary financing.

(6) Net interest and non interest income of subsidiary financing realised by OTP Bank and OTP Financing Cyprus, plus net interest income of swap transactions made in relation to subsidiary financing.

(7) From 1Q 2008, adjusted after tax profit excludes the fair value adjustment result of swap transactions executed with OTP Bank in relation to interbank financing.

(8) One-off gains realised on the sale of investments in 1H 2008.

(9) One-off other provisioning, other non interest income and other non-interest expense booked in relation to the sale of OTP Leasing a.s. in 4Q 2008.

(10) Aggregated after tax profit of Merkantil Bank and Merkantil Car without dividends and net cash transfer.

(11) One-off other provisioning, other non interest income and other non-interest expense booked in relation to the sale of OTP Leasing a.s. in 4Q 2008.

(12) Until 4Q 2008: OTP Leasing a.s. (Slovakia), since 4Q 2009: OTP Leasing Romania IFN S.A. (Romania), Z plus d.o.o.(Croatia), OTP Leasing d.d. (Croatia), DSK Leasing AD (Bulgaria).

(13) After-tax result of provisioning on losses of foreign insurance subsidiaries.

(14) OTP Garancia poistovna, a.s. (Slovakia), OTP Garancia zivotna poistovna (Slovakia), a.s., DSK Garancia Insurance AD (Bulgaria), DSK Garancia Insurance Life AD (Bulgaria), Asigurarea CECCAR-ROMAS SA (Romania) aggregated

(15) After-tax result of OTP Asset Management without fees and commissions paid to OTP Bank

(16) LLC AMC OTP Capitol (Ukraine) and OTP Asset Management SAI S.A. (Romania)

(17) HIF Ltd. (United Kingdom), OTP Faktoring Slovensko (Slovakia), OTP Holding Limited (Cyprus)

(18) Total Hungarian subsidiaries: sum of after tax results of Hungarian group members including (Corporate Centre) and related eliminations.

(19) Total Foreign subsidiaries: sum of profit after tax (without dividends and net cash transfers) of foreign subsidiaries.

CALCULATION OF ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS PRESENTED IN THE REPORT

In order to present Group level trends in a comprehensive way in the Interim Management Report, the presented consolidated and unconsolidated profit and loss statements of the Report were adjusted in the following way, and the adjusted P&Ls are shown and analysed in the Report. Consolidated accounting figures together with unconsolidated accounting figures of OTP Bank are still disclosed in the Financial Data section of the Report.

- Received dividends, received and paid cash transfers, together with the after tax profit of strategic open FX position is shown separately and after-tax on the adjusted P&L.
- Out of net Foreign exchange results, fair value adjustment (FVA) of the spot leg of FX swaps has been added to Net Interest Income.
- Any earnings within net gain/loss on securities related to FX swaps have been added to Net Interest Income.
- Insurance premiums and insurance expenses are netted and shown as part of other net non-interest income.
- Other non-interest income elements stemming from provisioning release in connection with loans originated before the acquisitions have been reclassified to and deducted from the volume of provisions for possible loan losses in the income statement.
- Other non-interest income is shown together with gains/losses on real estate transactions, but without the above mentioned income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates net other non-interest income from non-financial activities.
- Out of other expenses, other provisions are deducted and shown separately as other risk costs on the adjusted P&L. Other provisions contain provisioning on off-balance sheet liabilities and on legal contests, provisioning on securities, shares and other investments as well as provisioning on other assets. Paid cash transfers – excluding movie subsidies, which are quasi marketing expenses but kept as paid cash transfer on the P&L – are also deducted from other expenses, together with the above mentioned other non-interest expenses stemming from non-financial activities.
- Provisioning accruals of NPLs' interest income at OAO OTP Bank (Russia) is reclassified from other risk costs to net interest income from 4Q 2007. The reclassification is carried out on both consolidated and non-consolidated level.
- In 1Q 2008, parallel cash transfer and provision release (having net 0 P&L effect) stemming from the closing of a legal case were netted both on OTP Group consolidated and OTP Core consolidated level.
- Cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios are calculated on the basis of the adjusted profit and loss statement, excluding one timers such as received dividends and net cash transfers, the after tax result of strategic open FX position, the net profit of the sale of OTP Garancia and the after tax effect of the goodwill write-downs. Cost/income ratio is calculated from operating costs, excluding other risk costs.
- Regarding consolidated ROA and ROE indicators, until the end of 2008 they are calculated from the adjusted profit after tax of the Group, therefore they are excluding the effect of one-off items. However since the beginning of 2009, they are calculated from the accounting (unadjusted) net profit figures, because in 2009 the profit was not affected significantly by one-off items.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 08	2Q 08	3Q 08	4Q 08 Audited	2008 Audited	1Q 09	2Q 09	3Q 09	4Q 09	2009
Net interest income	**114,608**	**169,408**	**42,356**	**110,905**	**437,277**	**156,385**	**147,479**	**140,577**	**156,946**	**601,388**
(+) Foreign exchange result of swap transactions	4,728	-43,998	88,916	42,387	92,033	3,841	-3,841	0	0	0
(+) Gain on securities due to swap transactions	0	0	0	0	0	0	0	0	0	0
(+) Other provisioning accruals (other risk costs) after NPLs' interest income (OTP Russia)	-1,848	-1,953	-2,065	-2,105	-7,971	-2,100	-2,518	-2,823	-3,117	-10,558
(-) Net interest accruals of agent fees (OTP Mortgage Bank)				5,393	5,393	0	0	0	0	0
Net interest income (adj)	**117,488**	**123,456**	**129,207**	**145,795**	**515,946**	**158,126**	**141,120**	**137,754**	**153,829**	**590,830**
Net fees and commissions	**34,202**	**34,562**	**34,851**	**31,615**	**135,230**	**31,877**	**33,458**	**33,123**	**34,519**	**132,977**
(+) Net interest accruals of agent fees (OTP Mortgage Bank)	0	0	0	5,393	5,393	0	0	0	0	0
Net fees and commissions (adj.)	**34,202**	**34,562**	**34,851**	**37,008**	**140,623**	**31,877**	**33,458**	**33,123**	**34,519**	**132,977**
Foreign exchange result on Consolidated IFRS P&L	**10,056**	**-23,615**	**89,862**	**54,224**	**130,527**	**-11,806**	**-4,780**	**4,548**	**3,785**	**-8,253**
(-) Foreign exchange result of swap transactions	4,728	-43,998	88,916	42,387	92,033	3,841	-3,841	0	0	0
(-) Result of strategic open FX position	-2,232	12,625	-4,472	-11,821	-5,899	-2,390	0	0	0	-2,390
Foreign exchange result (adj.)	**7,560**	**7,758**	**5,418**	**23,658**	**44,393**	**-13,257**	**-939**	**4,548**	**3,785**	**-5,863**
Gains and losses on real estate transactions	**172**	**588**	**779**	**267**	**1,806**	**269**	**226**	**395**	**40**	**931**
(+) Other non-interest income	**5,446**	**5,983**	**8,276**	**8,096**	**27,801**	**30,273**	**15,267**	**8,298**	**12,447**	**66,285**
(-) Received cash transfers	1	-8	28	12	32	4	5	7	-12	4
(-) Non-interest income from the release of pre-acquisition provisions	547	1,023	610	1,224	3,405	646	623	616	459	2,344
(+) Other non-interest expenses	-432	-338	-3,758	-2,180	-6,709	-1,194	-1,070	998	-1,774	-3,041
Net other non-interest result (adj)	**4,638**	**5,218**	**4,659**	**4,947**	**19,462**	**28,698**	**13,795**	**9,068**	**10,267**	**61,828**
Provision for loan and placement losses	**-12,826**	**-16,859**	**-17,857**	**-63,906**	**-111,448**	**-46,047**	**-56,116**	**-67,251**	**-80,233**	**-249,647**
(+) Non-interest income from the release of pre-acquisition provisions	547	1,023	610	1,224	3,405	646	623	616	459	2,344
Provision for loan and placement losses (adj)	**-12,279**	**-15,836**	**-17,247**	**-62,682**	**-108,043**	**-45,401**	**-55,493**	**-66,635**	**-79,774**	**-247,303**
Other expenses	**-40,032**	**-41,929**	**-45,720**	**-55,295**	**-182,976**	**-45,384**	**-48,336**	**-38,530**	**-48,824**	**-181,075**
(-) Other provisions	750	-2,270	-4,094	-10,871	-16,484	-8,293	-9,152	-5,228	-6,666	-29,339
(-) Paid cash transfers	-2,202	-598	-255	-226	-3,281	-95	-88	-301	-793	-1,277
(+) Film subsidies paid as cash transfer	-129	-595	-213	-155	-1,092	-65	-93	-298	-715	-1,170
(-) Other non-interest expenses	-432	-338	-3,758	-2,180	-6,709	-1,194	-1,070	998	-1,774	-3,041
Other expenses (adj)	**-38,278**	**-39,318**	**-37,826**	**-42,173**	**-157,594**	**-35,867**	**-38,119**	**-34,297**	**-40,306**	**-148,589**
Other risk costs	**750**	**-2,270**	**-4,094**	**-10,871**	**-16,484**	**-8,293**	**-9,152**	**-5,228**	**-6,666**	**-29,339**
(-) Other provisioning accruals (other risk costs) after interest income (OTP Russia)	-1,848	-1,953	-2,065	-2,105	-7,971	-2,100	-2,518	-2,823	-3,117	-10,558
(-) Other provisioning release of Bagat transaction	2,070	0	0	0	2,070	0	0	0	0	0
Other risk costs (adj)	**528**	**-317**	**-2,029**	**-8,766**	**-10,584**	**-6,193**	**-6,633**	**-2,405**	**-3,549**	**-18,781**
After tax dividends and net cash transfers	**-1,402**	**-345**	**480**	**484**	**-783**	**315**	**393**	**-269**	**-817**	**-378**
(-) Paid cash transfer due to Bagat transaction	-2,070	0	0	0	-2,070	0	0	0	0	0
(-) Film subsidies paid as cash transfer	-129	-595	-213	-155	-1,092	-65	-93	-298	-715	-1,170
After tax dividends and net cash transfers	**798**	**250**	**693**	**638**	**2,380**	**380**	**486**	**29**	**-102**	**792**
Depreciation	**-9,406**	**-10,244**	**-10,760**	**-101,790**	**-132,200**	**-10,291**	**-10,483**	**-10,694**	**-13,557**	**-45,026**
(-) Goodwill impairment charges (OTP banka Srbija (Serbia), OTP Bank JSC (Ukraine)) (before tax)	0	0	0	-93,592	-93,592	0	0	0	0	0
Depreciation (adj)	**-9,406**	**-10,244**	**-10,760**	**-8,198**	**-38,609**	**-10,291**	**-10,483**	**-10,694**	**-13,557**	**-45,026**

TABLE OF CONTENTS

OTP Bank Plc.

Postal address: P.O.Box: 501 Budapest H-1876 Hungary

Phone: +36 1 473 5460

Fax: +36 1 473 5951

E-mail: investor.relations@otpbank.hu

Internet: www.otpbank.hu