



OTP BANK PLC.

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

FOR THE YEAR
ENDED 31 DECEMBER 2008

CONTENTS

Unconsolidated Condensed Financial Statements of the National Savings and Commercial Bank Plc. prepared in accordance with International Financial Reporting Standards adopted by the European Union

Unconsolidated Condensed Financial Statements

Unconsolidated Balance Sheet as at 31 December 2008 (unaudited)	2
Unconsolidated Condensed Statement of Operations for the year ended 31 December 2008 (unaudited)	3
Unconsolidated Condensed Statement of Cash Flows for the year ended 31 December 2008 (unaudited)	4
Unconsolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2008 (unaudited)	5
Selected Explanatory Notes	6-13

OTP BANK PLC.
UNCONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008
(UNAUDITED) (in HUF million)

	Note	2008	2007
Cash, due from banks and balances with the National Bank of Hungary		155,631	229,644
Placements with other banks, net of allowance for placement losses		920,455	725,458
Financial assets at fair value through profit and loss	4.	151,716	123,371
Securities available-for-sale	5.	549,911	320,615
Loans, net of allowance for loan losses	6.	2,714,834	2,188,632
Accrued interest receivable		60,505	46,421
Investments in subsidiaries	7.	656,730	630,703
Securities held-to-maturity	8.	437,422	558,510
Premises, equipment and intangible assets, net		112,478	110,273
Other assets		<u>71,405</u>	<u>177,047</u>
TOTAL ASSETS		<u>5,831,087</u>	<u>5,110,674</u>
Due to banks and deposits from the National Bank of Hungary and other banks		705,565	590,748
Deposits from customers	9.	3,090,762	2,955,035
Liabilities from issued securities		602,253	394,196
Accrued interest payable		34,622	18,411
Other liabilities		264,586	138,111
Subordinated bonds and loans		<u>302,600</u>	<u>298,914</u>
TOTAL LIABILITIES		<u>5,000,388</u>	<u>4,395,415</u>
Share capital		28,000	28,000
Retained earnings and reserves		900,544	741,467
Treasury shares		<u>(97,845)</u>	<u>(54,208)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>830,699</u>	<u>715,259</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>5,831,087</u>	<u>5,110,674</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2008
(UNAUDITED) (in HUF million)

	Note	2008	2007
<i>Interest Income</i>	11.	<u>532,334</u>	<u>395,550</u>
<i>Interest Expense</i>	11.	<u>398,736</u>	<u>208,680</u>
NET INTEREST INCOME	11.	133,598	186,870
Provision for loan and placement losses	6.,7.	<u>29,760</u>	<u>21,453</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND PLACEMENT LOSSES		103,838	165,417
<i>Non-Interest Income</i>		<u>375,573</u>	<u>179,897</u>
<i>Non-Interest Expenses</i>		<u>279,751</u>	<u>183,532</u>
INCOME BEFORE INCOME TAXES		199,660	161,782
Income taxes		<u>6,633</u>	<u>20,101</u>
NET INCOME		<u>193,027</u>	<u>141,681</u>
Earnings per share (in HUF)			
Basic		<u>713</u>	<u>508</u>
Diluted		<u>711</u>	<u>507</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008
(UNAUDITED) (in HUF million)

	2008	2007
Income before income taxes	199,660	161,782
Income tax paid	(14,566)	(24,101)
Depreciation and amortization	21,032	20,035
Provision	108,679	22,372
Share-based payment	28	5,123
Unrealised (gains)/losses on fair value adjustment of securities held-for-trading and available for sale	(556)	688
Unrealised losses/(gains) on fair value adjustment of derivative financial instruments	45,754	(1,620)
Other changes in operating assets and liabilities	<u>162</u>	<u>(62,112)</u>
Net cash provided by operating activities	<u>360,193</u>	<u>122,167</u>
Net cash used in investing activities	<u>(828,727)</u>	<u>(763,646)</u>
Net cash provided by financing activities	<u>472,761</u>	<u>420,339</u>
Net increase / (decrease) in cash and cash equivalents	<u>4,227</u>	<u>(221,140)</u>
Cash and cash equivalents at the beginning of the period	<u>73,441</u>	<u>294,581</u>
Cash and cash equivalents at the end of the period	<u>77,668</u>	<u>73,441</u>
<i>Analysis of cash and cash equivalents opening and closing balance</i>		
Cash, due from banks and balances with the National Bank of Hungary	229,644	429,325
Compulsory reverse established by National Bank of Hungary	<u>(156,203)</u>	<u>(134,744)</u>
Cash and Cash equivalents opening balance	<u>73,441</u>	<u>294,581</u>
Cash, due from banks and balances with the National Bank of Hungary	155,631	229,644
Compulsory reverse established by National Bank of Hungary	<u>(77,963)</u>	<u>(156,203)</u>
Cash and Cash equivalents closing balance	<u>77,668</u>	<u>73,441</u>

OTP BANK PLC.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008
(UNAUDITED) (in HUF million)

	Share Capital	Retained Earnings and Reserves	Treasury Shares	Total
Balance as at 1 January 2007	28,000	644,000	(1,746)	670,254
Net income	-	141,681	-	141,681
Fair value adjustment of securities available-for-sale recognised directly through equity	-	(2,018)	-	(2,018)
Fair value adjustment of derivative financial instruments recognised through equity	-	(387)	-	(387)
Share-based compensation	-	5,123	-	5,123
Profit on ICES - exchangeable bond transaction recognised through equity	-	(2,715)	-	(2,715)
Dividend for the year 2006	-	(40,320)	-	(40,320)
Loss on sale of treasury shares	-	(3,897)	-	(3,897)
Change in carrying value of treasury shares	-	-	(52,462)	(52,462)
Balance as at 31 December 2007	<u>28,000</u>	<u>741,467</u>	<u>(54,208)</u>	<u>715,259</u>
Net income	-	193,027	-	193,027
Fair value adjustment of securities available-for-sale recognised directly through equity	-	(17,393)	-	(17,393)
Fair value adjustment of derivative financial instruments recognised through equity	-	387	-	387
Share-based compensation	-	28	-	28
Profit on ICES - exchangeable bond transaction recognised through equity	-	(6,049)	-	(6,049)
Effect of Treasury share transaction	-	(7,499)	-	(7,499)
Loss on sale of treasury shares	-	(3,424)	-	(3,424)
Change in carrying value of treasury shares	-	-	(47,637)	(47,637)
Balance as at 31 December 2008	<u>28,000</u>	<u>900,544</u>	<u>(97,845)</u>	<u>830,699</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General

These interim condensed financial statements had been prepared in accordance with the prescriptions of IAS 34.

1.2. Accounting

The Bank maintains its accounting records and prepares its statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary.

The Bank's functional currency is the Hungarian Forint ("HUF").

Some of the accounting principles prescribed for statutory purposes are different from those generally recognized in international financial markets. Certain adjustments have been made to the Bank's Hungarian unconsolidated statutory accounts in order to present the unconsolidated financial position and results of operations of the Bank in accordance with all standards and interpretations approved by the International Accounting Standards Board (IASB), which are referred to as International Financial Reporting Standards (IFRS). These standards and interpretations were previously called International Accounting Standards (IAS).

Preparing these financial statements the Bank followed the same accounting policies and methods as are applied in the annual financial statements of the year ended 31 December 2007 and were prepared according to the International Financial Reporting Standards.

NOTE 2: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2008, AND POST BALANCE SHEET EVENTS

Subject to the prior approval of the Hungarian Financial Supervisory Authority, upon signing of the contractual documentation that is subject to the receipt of all necessary regulatory and competition approvals and certain other conditions, Groupama S.A. will undertake to buy 100 % of the shares in OTP Garancia Insurance Ltd. as well as to acquire the minority shares held by the local subsidiaries of OTP Bank Plc. in the Romanian, Slovak and Bulgarian subsidiaries of OTP Garancia Insurance Ltd. As a result of the transaction, Groupama S.A. will acquire 100% of both the life and non-life insurance businesses of OTP Bank Plc. in Hungary, Slovakia, Romania and Bulgaria. Furthermore, as part of the transaction and subject to certain conditions, OTP Bank Plc. and Groupama S.A. will enter into co-operation agreements allowing for (in some jurisdictions exclusive) cross-selling of banking and insurance products through the respective parties' branch networks in Hungary, Slovakia, Romania, Bulgaria, Ukraine, Russia, Serbia, Montenegro and Croatia. As part of this strategic co-operation between OTP Bank Plc. and Groupama S.A., subject to certain conditions, Groupama S.A. will undertake to buy up to 8% of the shares in OTP Bank Plc, in two steps. In order to facilitate the transaction, subject to the agreements to be entered into by the relevant parties and the completion of the transaction, Deutsche Bank AG, London Branch will, upon completion of the transaction, deliver approximately 5% of OTP Bank Plc. shares to Groupama S.A. If the above referred conditions (such as the receipt of regulatory approvals) were not satisfied and therefore the transaction would not be completed, Deutsche Bank AG, London Branch would cash-settle the agreement entered into with OTP Bank Plc.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2008, AND POST BALANCE SHEET EVENTS [continued]

The Bank has acquired 100% share-interest in Donskoy Narodny Bank. The transaction closed at 6 May 2008 and the purchase price of USD 40.95 million was transferred to the owners.

OTP Bank Plc. has launched a bond issue program of HUF 300,000 million (three hundred thousand million).

The Committee for Product Development, Marketing and Pricing of OTP Bank Plc. adopted the resolution no. 456/2008 about the bond issue program on 31 July 2008. The Information Memorandum related to the program and this announcement were approved by the Hungarian Financial Supervisory Authority. OTP Bank Plc. is not intend to introduce the bonds on the market.

As part of the pre-set closing procedure of the Garancia-transaction OTP Holding Limited and Merkantil Bank Zrt., which are the subsidiaries of OTP Bank Plc, transferred shares representing 100% of the registered capital of OTP Garancia Insurance Ltd. to Groupama International. The Hungarian part of the Garancia-transaction was closed on 17 September 2008.

NOTE 3: DIVIDENDS PAID (in HUF mn)

Dividends paid on common shares during the year of 2008 and 2007, respectively:

	2008	2007
Dividends paid on common shares	<u>57</u>	<u>40 151</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

**NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENTS
OF OPERATIONS (in HUF mn)**

	2008	2007
Securities held for trading		
Hungarian Government discounted Treasury bills	1,373	2,147
Hungarian Government interest bearing Treasury bills	2,068	2,406
Government bonds	43,031	47,964
Mortgage bonds	5,057	3,549
Other securities	<u>2,750</u>	<u>4,318</u>
	<u>54,819</u>	<u>60,384</u>
Derivative financial instruments designated as held for trading	<u>96,897</u>	<u>62,987</u>
Total	<u>151,716</u>	<u>123,371</u>

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

	2008	2007
Government bonds	126,177	41,773
Mortgage bonds	290,820	161,545
Other securities	<u>135,683</u>	<u>117,297</u>
	<u>552,680</u>	<u>320,615</u>
Allowance for securities available for sale	<u>(2,769)</u>	<u>-</u>
	<u>549,911</u>	<u>320,615</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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

	2008	2007
Short-term loans and trade bills (within one year)	537,555	563,007
Long-term loans and trade bills (over one year)	<u>2,223,147</u>	<u>1,654,445</u>
	<u>2,760,702</u>	<u>2,217,452</u>
Allowance for loan losses	<u>(45,868)</u>	<u>(28,820)</u>
	<u>2,714,834</u>	<u>2,188,632</u>

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

	2008		2007	
Commercial loans	1,862,963,	67%	1,446,354	64%
Municipality loans	180,671	7%	214,428	10%
Housing loans	235,375	9%	211,504	10%
Consumer loans	361,148	13%	280,925	13%
Mortgage loans	<u>120,545</u>	<u>4%</u>	<u>64,241</u>	<u>3%</u>
	<u>2,760,702</u>	<u>100%</u>	<u>2,217,452</u>	<u>100%</u>

An analysis of the allowance for loan losses is as follows:

	2008	2007
Balance as at 1 January	28,820	31,021
Allowance for loan losses	29,398	21,453
Write-offs	<u>(12,350)</u>	<u>(23,654)</u>
Closing balance	<u>45,868</u>	<u>28,820</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 7: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	2008	2007
Equity investments:		
Controlling interest	721,180	630,805
Significant interest	72	75
Other	<u>987</u>	<u>938</u>
	<u>722,239</u>	<u>631,818</u>
Allowance for permanent diminution in value	<u>(65,509)</u>	<u>(1,115)</u>
	<u>656,730</u>	<u>630,703</u>

An analysis of the change in the allowance for permanent diminution in value is as follows:

	2008	2007
Balance as at 1 January	1,115	1,059
Allowance for permanent diminution in value	<u>64,394</u>	<u>56</u>
Closing balance	<u>65,509</u>	<u>1,115</u>

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

	2008	2007
Government securities	150,460	172,125
Hungarian Government discounted Treasury bills	4,290	341
Bonds issued by National Bank of Hungary	109,684	97,085
Mortgage bonds	<u>172,988</u>	<u>288,959</u>
	<u>437,422</u>	<u>558,510</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	2008	2007
Within one year:		
In HUF	2,508,385	2,462,04
In foreign currency	<u>556,332</u>	<u>483,208</u>
	<u>3,064,717</u>	<u>2,945,25</u>
Over one year:		
In HUF	24,721	9,780
In foreign currency	<u>1,324</u>	<u>-</u>
	<u>26,045</u>	<u>9,780</u>
 Total	 <u>3,090,762</u>	 <u>2,955,03</u>

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

	2008		2007	
Commercial deposits	836,781	27%	906,160	31%
Municipality deposits	226,624	7%	204,545	7%
Consumer deposits	<u>2,027,357</u>	<u>66%</u>	<u>1,844,330</u>	<u>62%</u>
	<u>3,090,762</u>	<u>100%</u>	<u>2,955,035</u>	<u>100%</u>

NOTE 10: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS

(a) *Contingent liabilities and commitments*

	2008	2007
Commitments to extend credit	603,652	749,015
Guarantees arising from banking activities	221,892	255,406
Confirmed letters of credit	9,267	5,892
Legal disputes	6,332	5,708
Contingent liabilities related to OTP Mortgage Bank Company Plc.	68,336	38,702
Other	<u>669</u>	<u>5,178</u>
	<u>910,148</u>	<u>1,059,901</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 10: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS [continued]

(b) Derivatives

	2008	2007
Foreign currency contracts designated as held for trading		
Assets	150,461	97,699
Liabilities	<u>153,867</u>	<u>99,161</u>
Net	<u>(3,406)</u>	<u>(1,462)</u>
Net fair value	<u>(2,158)</u>	<u>(649)</u>
Foreign exchange swaps and interest rate swaps designated as held for trading		
Assets	3,701,675	2,063,109
Liabilities	<u>3,541,619</u>	<u>1,980,414</u>
Net	<u>160,056</u>	<u>82,695</u>
Net fair value	<u>(28,091)</u>	<u>15,413</u>
Interest rate swaps designated in hedge accounting relationships		
Assets	35,077	20,041
Liabilities	<u>29,441</u>	<u>17,320</u>
Net	<u>5,636</u>	<u>2,721</u>
Net fair value	<u>7,424</u>	<u>1,478</u>
Option contracts		
Assets	10,927	123,467
Liabilities	<u>10,792</u>	123,520
Net	<u>135</u>	<u>(53)</u>
Net fair value	<u>180</u>	<u>25,900</u>
Forward security agreements designated as held for trading		
Assets	2,101	175
Liabilities	<u>2,101</u>	<u>175</u>
Net	<u>-</u>	<u>-</u>
Net fair value	<u>52</u>	<u>(1)</u>
FRA agreements designated as held for trading		
Assets	37	-
Liabilities	<u>-</u>	<u>-</u>
Net	<u>37</u>	<u>-</u>
Net fair value	<u>33</u>	<u>-</u>

As at 31 December 2008, the Bank has derivative instruments with positive fair values of HUF 105,768 million and negative fair values of HUF 128,328 million. Corresponding figures as at 31 December 2007 are HUF 65,296 million and HUF 23,155 million.

Positive fair values of derivative instruments designated as hedge accounting relationships are included in other assets, while positive fair values of derivative instruments designated as held for trading are included in financial assets at fair value through statements of operations. Negative fair values of derivative instruments are included in other liabilities.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 11: NET INTEREST INCOME (in HUF mn)

	2008	2007
Interest income		
Loans	243,170	199,770
Placements with other banks	203,352	104,968
Due from banks and balances with		
National Bank of Hungary	14,147	11,754
Securities held-for-trading	4,979	2,808
Securities available-for-sale	24,104	24,952
Debt securities held-to-maturity	<u>42,582</u>	<u>51,298</u>
<i>Total Interest Income</i>	<u>532,334</u>	<u>395,550</u>
Interest expense		
Due to banks and deposits from the National		
Bank of Hungary and other banks	206,208	65,939
Deposits from customers	150,729	110,504
Liabilities from issued securities	25,335	16,151
Subordinated bonds and loans	<u>16,444</u>	<u>16,086</u>
<i>Total Interest Expense</i>	<u>398,736</u>	<u>208,680</u>
NET INTEREST INCOME	133,598	186,870

NOTE 12: RELATED PARTY TRANSACTIONS

The Bank enters into transactions for services with a number of subsidiaries. Such transactions are conducted at rates which approximate market conditions.

The Bank sells non-performing loans to a work-out subsidiary. Such loans are transferred at amounts which approximate the net carrying value of such loans.

The Bank under a syndication agreement administrated mortgage loans with recourse to OTP Mortgage Bank Company Ltd. of HUF 57,418 million and HUF 269,300 million during the years ended 31 December 2008 and 2007 (including interest). The book value of these receivables were HUF 57,347 million and 269,205 million.

During the year ended 31 December 2008 the Bank received HUF 38,715 million fees and commission from OTP Mortgage Bank Company Ltd. For the year ended 31 December 2007 such fees and commissions were HUF 50,493 million. Such fees and commissions are related to loans originated by the Bank and sold to OTP Mortgage Bank Company Ltd.