

OTP BANK PLC.

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

FOR THE THREE MONTH PERIOD
ENDED 31 MARCH 2011



CONTENTS

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

Unconsolidated Statement of Financial Position as at 31 March 2011 (unaudited)	2
Unconsolidated Condensed Statement of Recognised Income and Statement of Comprehensive Income for the three month period ended 31 March 2011 (unaudited)	3
Unconsolidated Condensed Statement of Cash Flows for the three month period ended 31 March 2011 (unaudited)	4
Unconsolidated Statement of Changes in Shareholders' Equity for the three month period ended 31 March 2011 (unaudited)	5
Selected Explanatory Notes	6-13

	Note	31 March 2011	31 December 2010	31 March 2010
Cash, amounts due from banks and balances with the National Bank of Hungary		191,650	171,677	244,285
Placements with other banks, net of allowance for placement losses		602,774	794,686	833,145
Financial assets at fair value through profit or loss	2.	313,418	248,790	278,287
Securities available-for-sale	3.	1,867,336	1,477,930	1,656,601
Loans, net of allowance for loan losses	4.	2,563,334	2,723,784	2,589,507
Investments in subsidiaries	5.	639,541	637,819	648,690
Securities held-to-maturity	6.	139,621	154,003	173,913
Property and equipment		70,833	70,004	68,409
Intangible assets		33,800	35,145	37,707
Other assets		<u>54,521</u>	<u>44,512</u>	<u>82,619</u>
TOTAL ASSETS		<u>6,476,828</u>	<u>6,358,350</u>	<u>6,613,163</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks		722,126	741,845	722,407
Deposits from customers	7.	3,444,417	3,279,573	3,415,909
Liabilities from issued securities	8.	528,558	512,466	666,482
Financial liabilities at fair value through profit or loss		151,655	257,328	159,375
Other liabilities		284,468	231,288	297,526
Subordinated bonds and loans		<u>288,209</u>	<u>297,638</u>	<u>285,019</u>
TOTAL LIABILITIES		<u>5,419,433</u>	<u>5,320,138</u>	<u>5,546,718</u>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		1,033,046	1,013,941	1,042,224
Treasury shares		<u>(3,651)</u>	<u>(3,729)</u>	<u>(3,779)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,057,395</u>	<u>1,038,212</u>	<u>1,066,445</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>6,476,828</u>	<u>6,358,350</u>	<u>6,613,163</u>



OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF RECOGNISED INCOME AND
COMPREHENSIVE INCOME FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2011
(in HUF mn)

	Note	Three month period ended 31 March 2011	Three month period ended 31 March 2010	Year ended 31 December 2010
Interest Income	10.	<u>146,049</u>	<u>183,941</u>	<u>654,457</u>
Interest Expense	10.	<u>92,093</u>	<u>130,870</u>	<u>411,625</u>
NET INTEREST INCOME	10.	<u>53,956</u>	<u>53,071</u>	<u>242,832</u>
Provision for impairment on possible loan and placement losses	4.	<u>7,390</u>	<u>18,318</u>	<u>97,540</u>
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES		<u>46,566</u>	<u>34,753</u>	<u>145,292</u>
Net profit from fees and commissions		21,908	33,897	125,388
Net operating income		<u>10,887</u>	<u>60,313</u>	<u>54,222</u>
Other administrative expenses		<u>42,911</u>	<u>38,776</u>	<u>190,268</u>
PROFIT BEFORE INCOME TAX		36,450	90,187	134,634
Income tax		<u>666</u>	<u>8,429</u>	<u>9,970</u>
NET PROFIT FOR THE YEAR		<u>35,784</u>	<u>81,758</u>	<u>124,664</u>
Earnings per share (in HUF)				
Basic		<u>126</u>	<u>294</u>	<u>449</u>
Diluted		<u>126</u>	<u>291</u>	<u>444</u>

The comprehensive income items are as follows:

	Three month period ended 31 March 2011	Three month period ended 31 March 2010	Year ended 31 December 2010
NET PROFIT FOR THE YEAR	<u>35,784</u>	<u>81,758</u>	<u>124,664</u>
Fair value adjustment of securities available-for-sale	<u>4,408</u>	<u>32,571</u>	<u>(19,667)</u>
NET COMPREHENSIVE INCOME	<u>40,192</u>	<u>114,329</u>	<u>104,997</u>



OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE
THREE MONTH PERIOD ENDED 31 MARCH 2011
(UNAUDITED) (in HUF mn)

	Three month period ended 31 March 2011	Three month period ended 31 March 2010	Year ended 31 December 2010
Profit before income tax	36,450	90,187	134,634
Income tax paid	(2,029)	(7,404)	(7,404)
Depreciation and amortization	5,954	5,758	24,141
Provisions for impairment	13,372	10,099	99,134
Share-based payment	-	1,572	(11,821)
Unrealised gains on fair value adjustment of securities available-for-sale and held for trading	535	5,642	9,031
Unrealised gains/ (losses) on fair value adjustment of derivative financial instruments	5,377	(650)	1,737
Net changing in assets and liabilities in operating activities	<u>119,165</u>	<u>49,952</u>	<u>(191,974)</u>
Net cash provided by operating activities	<u>178,824</u>	<u>155,156</u>	<u>57,478</u>
Net cash (used in)/ provided by investing activities	<u>(139,829)</u>	<u>289,298</u>	<u>431,111</u>
Net cash used in financing activities	<u>(16,138)</u>	<u>(387,394)</u>	<u>(506,071)</u>
Net increase/ (decrease) in cash and cash equivalents	<u>22,857</u>	<u>57,060</u>	<u>(17,482)</u>
Cash and cash equivalents at the beginning of the year	<u>88,197</u>	<u>105,679</u>	<u>105,679</u>
Cash and cash equivalents at the end of the period	<u>111,054</u>	<u>162,739</u>	<u>88,197</u>
<i>Analysis of cash and cash equivalents:</i>			
Cash, amounts due from banks and balances with the National Bank of Hungary	171,677	178,217	178,217
Compulsory reserve established by the National Bank of Hungary	<u>(83,480)</u>	<u>(72,538)</u>	<u>(72,538)</u>
Cash and cash equivalents at the beginning of the year	<u>88,197</u>	<u>105,679</u>	<u>105,679</u>
Cash, amounts due from banks and balances with the National Bank of Hungary	191,650	244,285	171,677
Compulsory reserve established by the National Bank of Hungary	<u>(80,596)</u>	<u>(81,546)</u>	<u>(83,480)</u>
Cash and cash equivalents at the end of the period	<u>111,054</u>	<u>162,739</u>	<u>88,197</u>



OTP BANK PLC.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH PERIOD
ENDED 31 MARCH 2011 (UNAUDITED) (in HUF mn)

	Share Capital	Capital reserve	Share-based payment	Retained earnings and reserves	Put option reserve	Treasury Shares	Total
Balance as at 1 January 2010	<u>28,000</u>	<u>52</u>	<u>6,830</u>	<u>976,204</u>	<u>(55,468)</u>	<u>(3,774)</u>	<u>951,844</u>
Net comprehensive income for the year	-	-	-	114,329	-	-	114,329
Share-based payment	-	-	1,572	-	-	-	1,572
Payments to ICES holders	-	-	-	(1,294)	-	-	(1,294)
Loss on sale of treasury shares	-	-	-	(1)	-	-	(1)
Acquisition of treasury shares	-	-	-	-	-	(5)	(5)
Balance as at 31 March 2010	<u>28,000</u>	<u>52</u>	<u>8,402</u>	<u>1,089,238</u>	<u>(55,468)</u>	<u>(3,779)</u>	<u>1,066,445</u>
Balance as at 1 January 2011	<u>28,000</u>	<u>52</u>	<u>28</u>	<u>1,069,329</u>	<u>(55,468)</u>	<u>(3,729)</u>	<u>1,038,212</u>
Net comprehensive income for the year	-	-	-	40,192	-	-	39,314
Payments to ICES holders	-	-	-	(911)	-	-	(911)
Sale of treasury shares	-	-	-	-	-	2,477	2,477
Loss on sale of treasury shares	-	-	-	(16)	-	-	(16)
Acquisition of treasury shares	-	-	-	-	-	(2,399)	(2,399)
Dividend payable for 2010	-	-	-	(20,160)	-	-	(20,160)
Balance as at 31 March 2011	<u>28,000</u>	<u>52</u>	<u>28</u>	<u>1,088,434</u>	<u>(55,468)</u>	<u>(3,651)</u>	<u>1,057,395</u>

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General information

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

1.2. Accounting

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

The functional currency of the Bank is the Hungarian Forint (“HUF”).

Some of the accounting principles prescribed for statutory purposes are different from those generally recognized in international financial markets. Due to the fact that the Bank is listed on international and national stock exchanges, the Bank is obliged to present its financial position in accordance with the International Financial Reporting Standards (“IFRS”). Certain adjustments have been made to the Bank’s Hungarian unconsolidated statutory accounts in order to present the unconsolidated financial position and results of operations of the Bank in accordance with all standards and interpretations approved by the International Accounting Standards Board (“IASB”), which are referred to as IFRS.

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

NOTE 2: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31 March 2011	31 December 2010
<i>Held for trading securities:</i>		
Corporate shares	121,221	105,832
Securities issued by the NBH	17,961	19,984
Government bonds	6,052	13,784
Mortgage bonds	7,694	4,201
Hungarian government discounted Treasury Bills	7,587	3,635
Hungarian government interest bearing Treasury Bills	17	26
Other securities	<u>35</u>	<u>153</u>
	<u>160,567</u>	<u>147,615</u>
Accrued interest	<u>359</u>	<u>244</u>
Total	<u>160,926</u>	<u>147,859</u>
<i>Derivative financial instruments designated as held for trading:</i>		
CCIRS and mark-to-market CCIRS swaps designated as held for trading	76,450	42,807
Foreign currency swaps designated as held for trading	36,337	18,084
Interest rate swaps designated as held for trading	34,412	34,414
Other derivative transactions	<u>5,293</u>	<u>5,626</u>
	<u>152,492</u>	<u>100,931</u>
Total	<u>313,418</u>	<u>248,790</u>

NOTE 3: SECURITIES AVAILABLE-FOR-SALE (in HUF mn)

	31 March 2011	31 December 2010
Mortgage bonds	754,181	778,553
Bonds issued by NBH	704,939	300,648
Government bonds	327,657	318,637
Other securities	43,061	40,639
-listed securities	<u>19,199</u>	<u>19,851</u>
<i>in HUF</i>	-	-
<i>in foreign currency</i>	19,199	19,851
-non-listed securities	<u>23,862</u>	<u>20,788</u>
<i>in HUF</i>	19,804	18,398
<i>in foreign currency</i>	<u>4,058</u>	<u>2,390</u>
Total	<u>1,829,838</u>	<u>1,438,477</u>
Accrued interest	<u>37,498</u>	<u>39,453</u>
Securities available-for-sale total	<u>1,867,336</u>	<u>1,477,930</u>

NOTE 3: SECURITIES AVAILABLE-FOR-SALE (in HUF mn) [continued]

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

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

NOTE 4: LOANS, NET OF ALLOWANCE FOR LOAN LOSSES (in HUF mn)

	31 March 2011	31 December 2010
Short-term loans and trade bills (within one year)	645,290	664,197
Long-term loans and trade bills (over one year)	<u>2,028,223</u>	<u>2,177,421</u>
	<u>2,673,513</u>	<u>2,841,618</u>
Accrued interest	<u>15,872</u>	<u>16,787</u>
Provision of impairment on loan losses	<u>(126,051)</u>	<u>(134,621)</u>
Total	<u>2,563,334</u>	<u>2,723,784</u>

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

	31 March 2011		31 December 2010	
Corporate loans	1,820,030	68%	1,944,825	68%
Consumer loans	356,600	13%	365,648	13%
Municipality loans	306,583	11%	322,120	11%
Housing loans	122,641	5%	131,609	5%
Mortgage backed loans	<u>67,659</u>	<u>3%</u>	<u>77,416</u>	<u>3%</u>
Total	<u>2,673,513</u>	<u>100%</u>	<u>2,841,618</u>	<u>100%</u>

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

	31 March 2011	31 December 2010
In HUF	36%	34%
In foreign currency	<u>64%</u>	<u>66%</u>
Total	<u>100%</u>	<u>100%</u>

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

	31 March 2011	31 December 2010
Opening balance	134,621	89,587
Provision for the period	7,907	98,320
Release of provision	<u>(16,477)</u>	<u>(53,286)</u>
Closing balance	<u>126,051</u>	<u>134,621</u>

NOTE 5: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	31 March 2011	31 December 2010
Investments in subsidiaries:		
Controlling interest	792,816	784,041
Other	<u>1,006</u>	<u>1,006</u>
	<u>793,822</u>	<u>785,047</u>
 Provision for impairment	 (154,281)	 (147,228)
 Total	 <u>639,541</u>	 <u>637,819</u>

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

	31 March 2011	31 December 2010
Opening balance	147,228	126,545
Provision for the period	<u>7,053</u>	<u>20,683</u>
Closing balance	<u>154,281</u>	<u>147,228</u>

NOTE 6: SECURITIES HELD-TO-MATURITY (in HUF mn)

	31 March 2011	31 December 2010
Government bonds	73,061	87,878
Mortgage bonds	60,078	60,140
Hungarian government discounted Treasury bills	<u>731</u>	<u>395</u>
	<u>133,870</u>	<u>148,413</u>
 Accrued interest	 <u>5,751</u>	 <u>5,590</u>
 Total	 <u>139,621</u>	 <u>154,003</u>

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

	31 March 2011	31 December 2010
Opening balance	-	4,164
Provision for the period	-	(1,566)
Release of provision	=	<u>(2,598)</u>
Closing balance	=	<u>=</u>

NOTE 7: DEPOSITS FROM CUSTOMERS (in HUF mn)

	31 March 2011	31 December 2010
Within one year:		
In HUF	2,791,889	2,595,048
In foreign currency	<u>611,557</u>	<u>646,053</u>
	<u>3,403,446</u>	<u>3,241,101</u>
Over one year:		
In HUF	22,569	26,185
In foreign currency	<u>2,362</u>	<u>2,421</u>
	<u>24,931</u>	<u>28,606</u>
	<u>3,428,377</u>	<u>3,269,707</u>
Accrued interest	<u>16,040</u>	<u>9,866</u>
Deposits from customers total	<u>3,444,417</u>	<u>3,279,573</u>

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

	31 March 2011		31 December 2010	
Retail deposits	2,010,516	59%	2,043,644	63%
Corporate deposits	1,163,542	34%	1,056,183	32%
Municipality deposits	<u>254,319</u>	<u>7%</u>	<u>169,880</u>	<u>5%</u>
Total	<u>3,428,377</u>	<u>100%</u>	<u>3,269,707</u>	<u>100%</u>

NOTE 8: ISSUED SECURITIES (in HUF mn)

	31 March 2011	31 December 2010
Within one year:		
In HUF	293,720	282,049
In foreign currency	<u>137,891</u>	<u>140,094</u>
	<u>431,611</u>	<u>422,143</u>
Over one year:		
In HUF	53,969	45,964
In foreign currency	<u>34,669</u>	<u>36,196</u>
	<u>88,638</u>	<u>82,160</u>
Total	<u>520,249</u>	<u>504,303</u>
Accrued interest	<u>8,309</u>	<u>8,163</u>
Issued securities total	<u>528,558</u>	<u>512,466</u>

NOTE 9: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS
(in HUF mn)*(a) Contingent liabilities and commitments*

	31 March 2011	31 December 2010
Legal disputes	8,602,086	9,595,780
Commitments to extend credit	700,441	699,332
Guarantees arising from banking activities	650,308	693,526
Contingent liabilities related to OTP Mortgage Bank Ltd.	3,080	2,532
Confirmed letters of credit	549	1,640
Other	<u>2,687</u>	<u>2,689</u>
Total	<u>9,959,151</u>	<u>10,995,499</u>

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

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

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation.

Provision due to legal disputes were HUF 474 million and HUF 1,476 million as at 31 March 2011 and 31 December 2010 respectively.

NOTE 9: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS
(in HUF mn) [continued]

(b) *Fair value of derivative instruments*

	Fair value		Notional value, net	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Interest rate swaps designated as held for trading				
Positive fair value of interest rate swaps designated as held for trading	34,412	34,414	40,038	44,613
Negative fair value of interest rate swaps designated as held for trading	(42,344)	(40,064)	(57,987)	(59,736)
Foreign exchange swaps designated as held for trading				
Positive fair value of foreign exchange swaps designated as held for trading	36,337	18,084	40,267	22,973
Negative fair value of foreign exchange swaps designated as held for trading	(17,983)	(5,426)	(19,197)	(5,100)
Interest rate swaps designated as hedge accounting relationship				
Positive fair value of interest rate swaps designated in fair value hedge accounting relationships	8,247	8,477	14,051	13,412
Negative fair value of interest rate swaps designated in fair value hedge accounting relationships	(4,479)	(7,143)	(12,118)	(11,479)
CCIRS designated as held for trading				
Positive fair value of CCIRS designated as held for trading	39,723	35,408	37,206	21,434
Negative fair value of CCIRS designated as held for trading	(83,067)	(197,450)	(65,183)	(177,976)
Mark-to-market CCIRS designated as held for trading				
Positive fair value of mark-to-market CCIRS designated as held for trading	36,727	7,399	88,773	40,124
Negative fair value of mark-to-market CCIRS designated as held for trading	(1)	(9,437)	-	1,852
Other derivative contracts designated as held for trading				
Positive fair value of other derivative contracts designated as held for trading	5,293	5,626	3,144	2,161
Negative fair value of other derivative contracts designated as held for trading	(8,260)	(4,951)	(5,828)	(1,700)
Derivative financial assets total	<u>160,739</u>	<u>109,408</u>	<u>223,479</u>	<u>144,717</u>
Derivative financial liabilities total	<u>(156,134)</u>	<u>(264,471)</u>	<u>(160,313)</u>	<u>(254,139)</u>
Derivative financial instruments total	<u>4,605</u>	<u>(155,063)</u>	<u>63,166</u>	<u>(109,422)</u>

As at 31 March 2011 the Bank has derivative instruments with positive fair values of HUF 160,739 million and negative fair values of HUF 156,134 million. Corresponding figures as at 31 December 2010 are HUF 109,408 million and HUF 264,471 million.

Positive fair values of derivative instruments designated as hedge accounting relationships are included in other assets, while positive fair values of derivative instruments designated as held for trading are included in financial assets at fair value through profit or loss. Negative fair values of hedging derivative instruments are included in other liabilities, negative fair values of derivatives held for trading are included in the negative fair value of derivative financial instruments designated as held for trading line.

NOTE 10: NET INTEREST INCOME (in HUF mn)

	Three month period ended 31 March 2011	Three month period ended 31 March 2010	Year ended 31 December 2010
<i>Interest Income:</i>			
Loans	54,880	57,074	228,847
Placements with other banks, net of allowance for placement losses	60,560	94,892	297,539
Securities available-for-sale	26,248	25,645	107,113
Securities held-to-maturity	2,527	4,052	13,752
Amounts due from banks and balances with National Bank of Hungary	1,360	1,306	4,807
Securities held for trading	474	972	2,399
Total Interest Income	<u>146,049</u>	<u>183,941</u>	<u>654,457</u>
<i>Interest Expense:</i>			
Amounts due to banks and deposits from the National Bank of Hungary, other banks and the Hungarian Government	46,587	81,961	232,605
Deposits from customers	33,653	35,942	128,885
Liabilities from issued securities	7,875	8,953	33,892
Subordinated bonds and loans	3,978	4,014	16,243
Total Interest Expense	<u>92,093</u>	<u>130,870</u>	<u>411,625</u>
NET INTEREST INCOME	<u>53,956</u>	<u>53,071</u>	<u>242,832</u>

NOTE 11: RELATED PARTY TRANSACTIONS (in HUF mn)

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

Related party transactions can be detailed as follows:

Transactions with OTP Mortgage Bank Ltd.:

	Three month period ended 31 March 2011	Three month period ended 31 March 2010
Loans sold to OTP Mortgage Bank Ltd. with recourse (including interest)	1,111	4,346
The gross book value of the loans sold	1,110	4,343
Fees and commissions received from OTP Mortgage Bank Ltd. relating to the loans	950	12,553
Provision for the purchase guarantee of the non-performing loans	-	2,846
Provision for the repurchase obligation of non-performing loans originated by OTP Mortgage Bank Ltd.	181	4,599

Transactions related to OTP Factoring Ltd.:

	Three month period ended 31 March 2011	Three month period ended 31 March 2010
Loans sold to OTP Factoring Ltd. without recourse (including interest)	5,081	6,455
The gross book value of the loans	14,378	15,195
Provision for loan losses on the loans sold	5,383	7,594
Loss of these transaction (recorded in the unconsolidated financial statements as loan and placement loss)	3,914	1,146

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