



OTP BANK PLC.

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

***FOR THE YEAR ENDED
DECEMBER 31, 2006***

Budapest, February 14, 2007

OTP BANK PLC.

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OTP BANK PLC.
UNCONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2006 (UNAUDITED)

	Note	2006	2005
Cash, due from banks and balances with the National Bank of Hungary		429,325	379,249
Placements with other banks, net of allowance for possible placement losses		657,939	393,659
Financial assets at fair value through profit and loss	4	61,085	34,054
Securities available-for-sale	5	348,859	371,433
Loans, net of allowance for possible loan losses	6	1,751,678	1,475,508
Accrued interest receivable		44,398	41,276
Investments in subsidiaries	7	583,298	223,881
Securities held-to-maturity	8	504,111	521,797
Premises, equipment and intangible assets, net		100,721	105,569
Other assets		<u>24,996</u>	<u>46,447</u>
TOTAL ASSETS		<u>4,506,410</u>	<u>3,592,873</u>
Due to banks and deposits from the National Bank of Hungary and other banks		557,857	255,211
Deposits from customers	9	2,690,098	2,506,457
Liabilities from issued securities		202,050	202,267
Accrued interest payable		16,124	5,735
Other liabilities		121,810	102,881
Subordinated bonds and loans		<u>247,865</u>	<u>47,023</u>
TOTAL LIABILITIES		<u>3,835,804</u>	<u>3,119,574</u>
Share capital		28,000	28,000
Retained earnings and reserves		644,352	486,051
Treasury shares		<u>(1,746)</u>	<u>(40,752)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>670,606</u>	<u>473,299</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>4,506,410</u>	<u>3,592,873</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)
(in HUF mn)

	Note	2006	2005
<i>Interest Income</i>	11	<u>331,918</u>	<u>281,402</u>
<i>Interest Expense</i>	11	<u>128,703</u>	<u>112,763</u>
NET INTEREST INCOME	11	203,215	168,639
Provision for possible loan and placement losses	6	<u>25,443</u>	<u>16,435</u>
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN AND PLACEMENT LOSSES		177,772	152,204
<i>Non-Interest Income</i>		<u>195,251</u>	<u>158,420</u>
<i>Non-Interest Expenses</i>		<u>185,050</u>	<u>154,822</u>
INCOME BEFORE INCOME TAXES		187,973	155,802
Income taxes		<u>17,433</u>	<u>22,954</u>
NET INCOME AFTER INCOME TAXES		<u>170,540</u>	<u>132,848</u>
Earnings per share (in HUF)			
Basic		<u>636</u>	<u>492</u>
Diluted		<u>630</u>	<u>488</u>

OTP BANK PLC.
UNCONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)
(in HUF mn)

	Note	2006	2005
Income before income taxes		187,973	155,802
<i>Adjustments to reconcile income before income taxes to net cash provided by operating activities:</i>			
Income tax paid		(25,913)	(21,071)
Depreciation and amortization		17,391	15,244
Provision	6, 7	31,143	12,588
Share-based payment		5,927	7,497
Unrealised gains on fair value adjustment of securities held-for-trading and available for sale		1,435	7
Unrealised (gains)/losses on fair value adjustment of derivative financial instruments		(13,676)	1,868
Other changes in operating assets and liabilities		<u>38,211</u>	<u>(23,952)</u>
Net cash provided by operating activities		<u>242,491</u>	<u>147,983</u>
Net cash used in investing activities		<u>(905,710)</u>	<u>(557,313)</u>
Net cash provided by financing activities		<u>696,756</u>	<u>376,689</u>
Net increase/(decrease) in cash and cash equivalents		<u>33,537</u>	<u>(32,641)</u>
Cash and cash equivalents at the beginning of the period		<u>261,044</u>	<u>293,685</u>
Cash and cash equivalents at the end of the period		<u>294,581</u>	<u>261,044</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		379,249	399,401
Compulsory reverse established by National Bank of Hungary		(118,205)	(105,716)
Cash and Cash equivalents opening balance		<u>261,044</u>	<u>293,685</u>
Cash, due from banks and balances with the National Bank of Hungary		429,325	379,249
Compulsory reverse established by National Bank of Hungary		(134,744)	(118,205)
Cash and Cash equivalents closing balance		<u>294,581</u>	<u>261,044</u>

OTP BANK PLC.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)
(in HUF mn)

	Share Capital	Retained Earnings and Reserves	Treasury Shares	Total
Balance as at January 1, 2005 (Restated)	28,000	374,860	(13,808)	389,052
Net income after income taxes	-	132,848	-	132,848
Fair value adjustment of securities available- for-sale recognised directly through equity	-	4,626	-	4,626
Share-based compensation	-	7,497	-	7,497
Dividend for the year 2004	-	(41,206)	-	(41,206)
Profit on sale of treasury shares	-	7,426	-	7,426
Change in carrying value of treasury shares	-	-	(26,944)	(26,944)
Balance as at December 31, 2005	<u>28,000</u>	<u>486,051</u>	<u>(40,752)</u>	<u>473,299</u>
Net income after income taxes	-	170,540	-	170,540
Fair value adjustment of securities available- for-sale recognised directly through equity	-	(5,502)	-	(5,502)
Share-based compensation	-	5,927	-	5,927
Profit on ICES - exchangeable bond transaction recognised through equity	-	39,364	-	39,364
Dividend for the year 2005	-	(55,160)	-	(55,160)
Profit on sale of treasury shares	-	3,132	-	3,132
Change in carrying value of treasury shares	-	-	39,006	39,006
Balance as at December 31, 2006	<u>28,000</u>	<u>644,352</u>	<u>(1,746)</u>	<u>670,606</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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 December 31, 2005 and were prepared according to the International Financial Reporting Standards.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2: **SIGNIFICANT EVENTS IN YEAR ENDED 2006, AND POST BALANCE SHEET EVENTS**

Based on the authorization of the Annual General Meeting of 2005, the Bank repurchased 1,000,000 pieces of own shares between January 1 and 25, 2006 at an average price of HUF 7,405.

On October 24, 2005 the Bank made a binding bid for purchasing the 89,39% of the shares of Niska Banka a.d. registered in Serbia. The purchase agreement was signed on December 23, 2005 at the price of EUR 14,21 million. The transaction was closed on March 7, 2006.

On March 31, 2006 the Bank made a contract on buying the 75.1% of the shares of the privately owned Zepter banka a.d. Beograd registered in Serbia. The Bank transferred the purchase price of HUF 41,305 million on October 13, 2006, in possession of the necessary approvals.

On June 1, 2006 the Bank signed the sale and purchase agreement for the acquisition of a 100% stake in Raiffeisenbank Ukraine (RBUA), the 100% subsidiary of raiffeisen International Bank-Holding AG.. OTP transferred the purchase price of EUR 650 million on November 20, 2006, in possession of the necessary permissions.

On July 3, 2006 the Bank signed the sale and purchase agreement for the acquisition of a 96.4 percent share package of the Investerbank Group in Moscow, the capital of the Russian Federation. OTP Bank transferred the 90 percent of the USD 477 million (EUR 373 million) purchase price in possession of the required Russian and Hungarian regulatory approvals on October 30, 2006, while 10 percent was deposited on an escrow account for a term of one year to cover any guarantee claims.

On July 7, 2006 the Bank signed the sale and purchase agreement on acquiring a majority interest in Kulska banka a.d. Novi sad (Kulska banka). The Bank transferred a purchase price of EUR 118.6 million for the 67% share package, on December 28, 2006, in possession of the necessary approvals.

On August 29, 2006 the Bank signed the sale and purchase agreement on acquiring the 100% stake in Crnogorska komercijalna banka AD (CKB) registered in Montenegro. The purchase price of EUR 118.6 million was transferred on December 18, in possession of the necessary approvals.

On August 30, 2006 the Bank updated it's EMTN Program (European Medium Term Note Program) and increased the Program amount from EUR 1 billion to EUR 3 billion.

Under the EMNT Program on September 12, 2006 the Bank issued fixed rated subordinated bonds in a total nominal value of EUR 300 million to finance the current acquisitions of the Bank. The EUR 300 million nominal value bonds were issued at 100.00% of the face value with September 19 as payment date, and September 19, 2016 as maturity date. The bonds bears a coupon of 5.27%, with annual interest payments.

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 2: **SIGNIFICANT EVENTS IN YEAR ENDED 2006, AND POST BALANCE SHEET EVENTS [continued]**

Under the EMNT Program on September 12, 2006 the Bank issued fixed rated subordinated bonds in a total nominal value of EUR 300 million to finance the current acquisitions of the Bank. The EUR 300 million nominal value bonds were issued at 100.00% of the face value with September 19 as payment date, and September 19, 2016 as maturity date. The bonds bears a coupon of 5.27%, with annual interest payments.

On October 19, 2006 the Bank sold 14.5 million shares owned by OTP Group through an issue of Invome Certificates Exchangeable for Shares („ICES”). Within the transaction 10 million shares owned by OTP Bank, and 4.5 million shares owned by OTP Fund Management Ltd. were sold during the underwriting period of ICES on the weighted average market price (HUF 7,080) of the Budapest Stock Exchange. The shares have been purchased by Opus Securities S.A., which issued exchangeabled bond with a total face value of EUR 514,274,000 backed by those shares. The exchangeabled bonds have been sold at 32% premium over the selling price of the shares. The EUR denominated exchangeable bonds are without final maturity and the investors can exercise the conversion right between the 6th and 10th year. The bonds are carrying fix cupon of 3.95% during the first 10 years thereafter the Issuer has the right to buy back the bonds at face value. Following the 10th year the bonds are carrying a cupon of 3 month Euribor +3%.

On October 31, 2006 the Bank issued perpetual subordinated (UT2) bonds to finance the current acquisitions of the Bank. The 500 EUR million nominal value bonds were issued at 99.375 per cent of the face value with November 7 as payment date. The re-offer spread is 200 bp over 10 year mid-swap. The bonds are perpetual, callable after the 10th year. The bonds bear a coupon of fix 5.875 per cent, wirth annual interest payments in the first 10 years, and a floater coupon of 3 months EURIBOR + 300 bp per annum, quaterly thereafter. The bonds will be introduced to the Luxembourg Stock Exchange.

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NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 3: DIVIDENDS PAID

Dividends paid on common shares in the nine month period of 2006 and 2005, respectively:

	2006	2005
Dividends paid on common shares	<u>55,119</u>	<u>41,240</u>

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

	2006	2005
Securities held for trading		
Hungarian Government discounted Treasury bills	1,562	160
Hungarian Government interest bearing Treasury bills	5,710	1,485
Government bonds	25,744	19,743
Mortgage bonds	2,741	2,356
Other securities	<u>318</u>	<u>199</u>
	<u>36,075</u>	<u>10,111</u>
Derivative financial instruments designated as held for trading	<u>25,010</u>	<u>10,111</u>
Total	<u>61,085</u>	<u>34,054</u>

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

	2006	2005
Government bonds	17,317	67,567
Hungarian Government discounted Treasury bills	-	7,858
Mortgage bonds	212,419	253,365
Other securities	<u>119,123</u>	<u>42,643</u>
	<u>348,859</u>	<u>371,433</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 6: LOANS AND ALLOWANCE FOR LOAN LOSSES (in HUF mn)

	2006	2005
Short-term loans and trade bills (within one year)	601,913	605,390
Long-term loans and trade bills (over one year)	<u>1,180,786</u>	<u>892,280</u>
	<u>1,782,699</u>	<u>1,497,670</u>
Allowance for possible loan losses	<u>(31,021)</u>	<u>(22,162)</u>
	<u>1,751,678</u>	<u>1,475,508</u>

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

	2006		2005	
Commercial loans	1,004,605	56%	902,696	60%
Municipality loans	210,159	12%	131,107	9%
Housing loans	273,623	15%	210,150	14%
Consumer loans	246,590	14%	226,153	15%
Mortgage loans	<u>47,722</u>	<u>3%</u>	<u>27,564</u>	<u>2%</u>
	<u>1,782,699</u>	<u>100%</u>	<u>1,497,670</u>	<u>100%</u>

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

	2006	2005
Balance as at January 1	22,162	19,810
Provision for possible loan losses	25,443	16,436
Write-offs	<u>(16,584)</u>	<u>(14,084)</u>
Balance as at December 31	<u>31,021</u>	<u>22,162</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7: INVESTMENTS IN SUBSIDIARIES (in HUF mn)

	2006	2005
Equity investments:		
Controlling interest	583,496	226,453
Significant interest	75	75
Other	<u>786</u>	<u>861</u>
	<u>584,357</u>	<u>227,389</u>
Allowance for permanent diminution in value	<u>(1,059)</u>	<u>(3,508)</u>
	<u>583,298</u>	<u>223,881</u>

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

	2006	2005
Balance as at January 1	3,508	5,417
Write-offs	10	(1,909)
Credit for permanent diminution in value	<u>(2,459)</u>	<u>-</u>
Balance as at December 31	<u>1,059</u>	<u>3,508</u>

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

	2006	2005
Government securities	185,088	201,380
Hungarian Government discounted Treasury bills	28,095	29,962
Mortgage bonds	289,328	289,755
Other debt securities	<u>1,600</u>	<u>700</u>
	<u>504,111</u>	<u>521,797</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	2006	2005
Within one year:		
In HUF	2,280,802	2,190,095
In foreign currency	<u>397,523</u>	<u>298,767</u>
	<u>2,678,325</u>	<u>2,488,862</u>
Over one year:		
In HUF	<u>11,773</u>	<u>17,595</u>
	<u>11,773</u>	<u>17,595</u>
Total	<u>2,690,098</u>	<u>2,506,457</u>

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

	2006		2005	
Commercial deposits	708,758	26%	474,052	19%
Municipality deposits	168,376	6%	161,993	6%
Consumer deposits	<u>1,812,964</u>	<u>68%</u>	<u>1,870,412</u>	<u>75%</u>
	<u>2,690,098</u>	<u>100%</u>	<u>2,506,457</u>	<u>100%</u>

NOTE 10: OFF BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS

(a) *Contingent liabilities and commitments*

	2006	2005
Commitments to extend credit	689,963	566,647
Guarantees arising from banking activities	188,441	132,369
Confirmed letters of credit	16,559	10,540
Legal disputes	5,698	3,410
Contingent liabilities related to OTP Mortgage Bank Company Plc.	30,363	49,452
Other	<u>3,242</u>	<u>164</u>
	<u>934,266</u>	<u>762,582</u>

OTP BANK PLC.
NOTES TO UNAUDITED, UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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

(b) Derivatives

	2006	2005
Foreign currency contracts designated as held for trading		
Assets	37,826	39,329
Liabilities	<u>38,653</u>	<u>40,570</u>
Net	<u>(827)</u>	<u>(1,241)</u>
Net fair value	<u>(482)</u>	<u>(856)</u>
Foreign exchange swaps and interest rate swaps designated as held for trading		
Assets	951,365	612,543
Liabilities	<u>921,045</u>	<u>601,539</u>
Net	<u>30,320</u>	<u>11,004</u>
Net fair value	<u>13,871</u>	<u>2,210</u>
Interest rate swaps designated in hedge accounting relationships		
Assets	19,611	12,031
Liabilities	18,286	14,023
Net	<u>1,325</u>	<u>(1,992)</u>
Net fair value	<u>1,072</u>	<u>(687)</u>
Option contracts		
Assets	9,436	-
Liabilities	10,477	-
Net	<u>(1,041)</u>	-
Net fair value	<u>423</u>	-
Forward security agreements designated as held for trading		
Assets	149	-
Liabilities	149	-
Net	<u>-</u>	<u>-</u>
Net fair value	<u>3</u>	<u>-</u>

As at December 31, 2006, the Bank has derivative instruments with positive fair values of HUF 26,977 million and negative fair values of HUF 12,090 million. Corresponding figures as at December 31, 2005 are HUF 10,146 million and HUF 9,479 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 DECEMBER 31, 2006

NOTE 11: NET INTEREST INCOME (in HUF mn)

	2006	2005
Interest income		
Loans	167,058	147,368
Placements with other banks	73,005	36,961
Due from banks and balances with National Bank of Hungary	24,053	27,957
Securities held-for-trading	2,189	2,108
Securities available-for-sale	25,485	27,742
Debt securities held-to-maturity	<u>40,128</u>	<u>39,266</u>
<i>Total Interest Income</i>	<u>331,918</u>	<u>281,402</u>
Interest expense		
Due to banks and deposits from the National Bank of Hungary and other banks	36,492	27,989
Deposits from customers	81,167	81,504
Liabilities from issued securities	6,672	1,677
Subordinated bonds and loans	<u>4,372</u>	<u>1,593</u>
<i>Total Interest Expense</i>	<u>128,703</u>	<u>112,763</u>
NET INTEREST INCOME	203,215	168,639

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 157,617 million and HUF 146,323 million the year ended December 31, 2006 and 2005 (including interest). The book value of these receivables were HUF 157,504 million and HUF 146,118 million.

During the year ended December 31, 2006 the Bank received HUF 50,493 million fees and commission from OTP Mortgage Bank Company Ltd. For the year ended December 31, 2005 such fees and commissions were HUF 51,697 million. Such fees and commissions are related to loans originated by the Bank and sold to OTP Mortgage Bank Company Ltd.

The Bank sold HUF 10,153 million book value real estates to OTP Property Investment Fund on September 29, 2006. The fund is managed by OTP Property Investment Management Fund Ltd, in which the Bank has 51% ownership. The selling price of the real estates was HUF 14,196 million which was the fair value of such properties. Majority of the sold real estates are and will be rented by the Bank. The Bank has a call option for the sold properties with a strike price which will be the fair value of the property at the time of the possible exercise.