

OTP MORTGAGE BANK LTD.

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

FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2018

OTP MORTGAGE BANK LTD.

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OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018 (UNAUDITED) (in HUF million)

	Note	30 June 2018	31 December 2017	30 June 2017
Cash, amounts due from banks and balances with the National Bank of Hungary		3,236	4,086	1,431
Placements with other banks, net of allowance for placement losses	4.	121,899	75,340	88,996
Financial assets at fair value through other comprehensive income	5.	10,582	11,291	11,244
Loans	6.	1,011,303	985,532	962,629
Investments in subsidiaries, associates and other investments		45	45	45
Property and equipment		84	87	44
Intangible assets		138	158	152
Derivative financial assets designated as fair value hedge		2,821	-	-
Other assets		<u>2,584</u>	<u>2,975</u>	<u>2,648</u>
TOTAL ASSETS		<u>1,152,692</u>	<u>1,079,514</u>	<u>1,067,189</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	7.	619,290	583,453	578,953
Liabilities from issued securities	8.	460,839	406,845	414,097
Deferred tax liabilities		278	557	571
Other liabilities		<u>13,907</u>	<u>13,972</u>	<u>10,302</u>
TOTAL LIABILITIES		<u>1,094,314</u>	<u>1,004,827</u>	<u>1,003,923</u>
Share capital		27,000	27,000	27,000
Retained earnings and reserves		<u>31,378</u>	<u>47,687</u>	<u>36,266</u>
TOTAL SHAREHOLDERS' EQUITY		<u>58,378</u>	<u>74,687</u>	<u>63,266</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,152,692</u>	<u>1,079,514</u>	<u>1,067,189</u>

Budapest, 10 August 2018



OTP JELZÁLOGBANK Zrt.
 2.



Csaba Nagy
Deputy Chief Executive Officer

Petra Szudárovicsné Csonka
Chief Financial Officer

OTP MORTGAGE BANK LTD.
CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS AND
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018
(UNAUDITED) (in HUF million)

	Note	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
Interest Income	11.	26,708	28,606	56,759
Interest Expense	11.	(12,151)	(13,609)	(26,289)
NET INTEREST INCOME	11.	<u>14,557</u>	<u>14,997</u>	<u>30,470</u>
(Release of Provision)/ provision for impairment on loan and placement losses		180	(233)	(195)
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND PLACEMENT LOSSES		14,737	14,764	30,275
Net fees and commissions		<u>(530)</u>	<u>(115)</u>	<u>(538)</u>
Net operating income		<u>(734)</u>	<u>640</u>	<u>(2,604)</u>
Other administrative expenses		<u>(3,679)</u>	<u>(3,643)</u>	<u>(4,234)</u>
PROFIT BEFORE INCOME TAX		9,794	11,646	22,899
Income tax		<u>(912)</u>	<u>(535)</u>	<u>(227)</u>
NET PROFIT FOR THE PERIOD		<u>8,882</u>	<u>11,111</u>	<u>22,672</u>
Earnings per share (in HUF) Basic and diluted		<u>32,896</u>	<u>41,152</u>	<u>83,970</u>

The comprehensive income items are as follows:

	Note	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
NET PROFIT FOR THE PERIOD		<u>8,882</u>	<u>11,111</u>	<u>22,672</u>
Items that may be reclassified subsequently to profit or loss:				
Fair value adjustment of securities fair value through other comprehensive income		(167)	20	(133)
Deferred tax related to securities fair value through other comprehensive income		15	(2)	12
Fair value adjustment of derivative financial instruments		<u>1,141</u>	<u>-</u>	<u>-</u>
Other comprehensive income, net of income tax		<u>989</u>	<u>18</u>	<u>(121)</u>
NET COMPREHENSIVE INCOME		<u>9,871</u>	<u>11,129</u>	<u>22,551</u>

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018
(UNAUDITED) (in HUF million)

	Share capital	Capital reserve	Retained earnings	Other comprehensive income	General reserve	Tied-up reserve	Total
Balance as at 1 January 2017	<u>27,000</u>	<u>476</u>	<u>33,562</u>	<u>397</u>	<u>10,365</u>	<u>960</u>	<u>72,760</u>
Dividend paid	-	-	(20,623)	-	-	-	(20,623)
Net profit for the year	-	-	11,111	-	-	-	11,111
Other comprehensive income	-	-	-	18	-	-	18
Balance as at 30 June 2017	<u>27,000</u>	<u>476</u>	<u>24,050</u>	<u>415</u>	<u>10,365</u>	<u>960</u>	<u>63,266</u>
Balance as at 1 January 2018	<u>27,000</u>	<u>476</u>	<u>33,233</u>	<u>276</u>	<u>12,742</u>	<u>960</u>	<u>74,687</u>
Effect of transition to application of IFRS 9	-	-	(7,944)	14	-	-	(7,930)
Balance as at 1 January 2018 in accordance with IFRS 9	<u>27,000</u>	<u>476</u>	<u>25,289</u>	<u>290</u>	<u>12,742</u>	<u>960</u>	<u>66,757</u>
Dividend paid	-	-	(18,250)	-	-	-	(18,250)
Net profit for the year	-	-	8,882	-	-	-	8,882
Other comprehensive income	-	-	-	989	-	-	989
Balance as at 30 June 2018	<u>27,000</u>	<u>476</u>	<u>15,921</u>	<u>1,279</u>	<u>12,742</u>	<u>960</u>	<u>58,378</u>

The accompanying notes to consolidated condensed financial statements on pages 6 to 14
form an integral part of these consolidated condensed financial statements.

OTP MORTGAGE BANK LTD.
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOW
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018
(UNAUDITED) (in HUF million)

	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
Profit before income tax	9,794	11,646	22,899
Depreciation and amortization	54	59	121
(Release of provision)/provision for impairment on loan and placement losses	(8,768)	233	195
Provision/(Release of provision)/for impairment on other assets	789	(20)	16
Unrealised (losses) on fair value adjustment of securities available-for-sale	-	(641)	-
Unrealised losses on fair value adjustment of derivative financial instruments	(1,680)	-	-
<i>Net changes in assets and liabilities in operating activities:</i>			
(Increase) in loans, net of allowances for loan losses	(25,627)	(518)	(23,383)
Decrease in other assets before provisions for losses	388	3,173	2,009
(Increase)/ decrease in other liabilities	(65)	7,940	9,693
Income tax paid	<u>(1,176)</u>	<u>(2,421)</u>	<u>(491)</u>
Net cash (used in)/ provided by operating activities	<u>(26,291)</u>	<u>19,451</u>	<u>11,059</u>
Interest received	26,514	26,565	54,976
Interest paid	(12,716)	(21,054)	(26,637)
Net cash (used in) investing activities	<u>(46,140)</u>	<u>(85,279)</u>	<u>(72,575)</u>
Net cash provided by financing activities	<u>71,581</u>	<u>66,799</u>	<u>65,142</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(850)</u>	<u>971</u>	<u>3,626</u>
Cash and cash equivalents at the beginning of the period	<u>4,086</u>	<u>460</u>	<u>460</u>
Cash and cash equivalents at the end of the period	<u>3,236</u>	<u>1,431</u>	<u>4,086</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

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.

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

The accounting policies followed by the Bank in the preparation of these financial statements conform with International Financial Reporting Standards ("IFRS"). The Bank followed the same accounting policies and methods of computation in the interim financial statements as compared with the most recent annual financial statements, except changes as a result of applying IFRS 9 "Financial Instruments".

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual reporting periods commencing on or after 1 January 2018. It contains changes to the requirements relating to the recognition and measurement, impairment, derecognition and hedge accounting..

Effect of transition to IFRS 9 on CET1 capital is not significant in case of the separate financial statements.

<i>Amounts in HUF million before tax</i>	Opening balance according to IAS 39 as at 1 January 2018	Remeasurement due to reclassification	Remeasurement due to impairment and provisions	Opening balance according to IFRS 9 as at 1 January 2018
Placements with other banks	75,340	-	(92)	75,248
Loans	985,532	-	(6,824)	978,708
Securities	11,291	-	(14)	11,277
Off- balance sheet items	<u>(118)</u>	<u>-</u>	<u>(1,182)</u>	<u>(1,300)</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(8,112)</u></u>	<u><u>-</u></u>

NOTE 2: SIGNIFICANT EVENTS DURING THE SIX MONTH PERIOD ENDED 30 JUNE 2018

2.1. Relevant transactions related to issued securities

Securities were issued in April in amount of HUF 45 billion for the period.

NOTE 3: POST BALANCE SHEET EVENTS

There was no significant post balance sheet event.

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 4: PLACEMENTS WITH OTHER BANKS, NET OF ALLOWANCE FOR PLACEMENT LOSSES (in HUF million)

	30 June 2018	31 December 2017
Within one year in HUF	70,000	25,912
Over one year in HUF	51,941	49,415
Subtotal	<u>121,941</u>	<u>75,327</u>
Accrued interest	14	13
Impairment	<u>(56)</u>	<u>-</u>
Total	<u>121,899</u>	<u>75,340</u>
From this: amounts due from OTP Bank	70,000	22,000
	30 June 2018	31 December 2017
Interest conditions on placements with other banks		
Within one year in HUF	0.09% - 0.9%	0.00% - 0.90%
Over one year in HUF	1.13% -1.66%	1.03%-1.53%
	30 June 2018	31 December 2017
Average interest of placements with other banks		
in HUF	0.09%	0.25%

NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF million)

	30 June 2018	31 December 2017
Hungarian Government bonds	10,566	10,947
Accrued interest	<u>16</u>	<u>344</u>
Total	<u>10,582</u>	<u>11,291</u>

The whole portfolio was denominated in HUF as at 30 June 2018 and 31 December 2017.

Interest conditions and the remaining maturity of financial assets at fair value through other comprehensive income can be analysed as follows:

	30 June 2018	31 December 2017
Over one year, fixed interest	<u>10,566</u>	<u>10,947</u>
Interest condition on interest-bearing financial assets at fair value	6.5%	6.5%

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF million) [continued]

The valuation of the financial assets at fair value through other comprehensive income was as follows as at 30 June 2018:

	30 June 2018	
	Cost	Fair value
Hungarian government bonds	<u>10,431</u>	<u>10,566</u>
Total	<u>10,431</u>	<u>10,566</u>

The valuation of the financial assets at fair value through other comprehensive income was as follows as at 31 December 2017:

	31 December 2017	
	Cost	Fair value
Hungarian government bonds	<u>10,644</u>	<u>10,947</u>
Total	<u>10,644</u>	<u>10,947</u>

NOTE 6: LOANS (in HUF million)

	30 June 2018	31 December 2017
Short-term loans (within one year)		
in HUF	85,868	82,501
in CHF	3	2
in EUR	11	13
in JPY	<u>33</u>	<u>36</u>
Total in foreign currency	<u>47</u>	<u>51</u>
Subtotal	<u>85,915</u>	<u>82,552</u>
Long-term loans (over one year)		
in HUF	936,348	907,723
in CHF	13	14
in EUR	109	111
in JPY	<u>401</u>	<u>389</u>
Total in foreign currency	<u>523</u>	<u>514</u>
Subtotal	<u>936,871</u>	<u>908,237</u>
Loans Gross Total	<u>1,022,786</u>	<u>990,789</u>
Provision for impairment	(14,988)	(8,888)
Accrued interest	3,505	3,631
Total	<u>1,011,303</u>	<u>985,532</u>

A significant part of the loans above are mortgage loans for housing. The loans have collateral notified in the public property register in favour of OTP Mortgage Bank. Such loans and their collateral are included in the Bank's register and mortgage bonds can be issued up to this registered amount. The remaining parts of the loans are real estate development loans given to individual farmers that work in the agro-industry. Real estate and arable land can be accepted as collateral of these loans.

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 6: LOANS (in HUF million) [continued]

Interest conditions on loans, net of allowance for loan losses:

	30 June 2018	31 December 2017
Loans denominated in HUF with the maturity over one year	0.03%-16.84%	0.03%-16.84%
Average interest of mortgage loans denominated in foreign currency for housing purposes		
CHF	6.45%	6.74%
EUR	7.54%	7.54%
JPY	4.65%	4.69%
Average interest of mortgage loans denominated in foreign currency for free purposes		
CHF	6.99%	6.99%
EUR	7.93%	7.98%
JPY	4.78%	4.83%
Average interest of real estate development loans		
HUF	6.4%	6.63%
EUR	6.18%	6.17%

OTP Mortgage Bank Ltd. only provides loans with the original maturity over one year.

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

	30 June 2018		31 December 2017	
Mortgage loans	1,017,805	99.51%	986,210	99.54%
Corporate loans	<u>4,981</u>	<u>0.49%</u>	<u>4,579</u>	<u>0.46%</u>
Total	<u>1,022,786</u>	<u>100.00%</u>	<u>990,789</u>	<u>100.00%</u>

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

	30 June 2018	31 December 2017
Opening balance	8,888	14,235
Effect of transition to application of IFRS 9	7,388	-
Provision for the period	5,698	195
Provision released for the period	(6,986)	(5,552)
Reclassification	<u>-</u>	<u>10</u>
Closing balance	<u>14,988</u>	<u>8,888</u>

The Bank sells non-performing loans without recourse at estimated fair value to an OTP Group member, OTP Factoring Ltd.

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 7: AMOUNTS DUE TO OTP BANKS AND HUNGARIAN GOVERNMENT, DEPOSITS FROM THE NATIONAL BANK OF HUNGARY AND OTHER BANKS
(in HUF million)

	30 June 2018	31 December 2017
Within one year		
In HUF	3,478	571,012
In JPY	420	425
In EUR	87	93
In CHF	<u>17</u>	<u>16</u>
Total in foreign currency	<u>524</u>	<u>534</u>
Subtotal	<u>4,002</u>	<u>571,546</u>
Over one year		
in HUF	<u>615,212</u>	<u>11,759</u>
Subtotal	<u>615,212</u>	<u>11,759</u>
Accrued interest	76	148
Total	<u>619,290</u>	<u>583,453</u>
From this: amounts due to OTP Bank	617,287	583,453
Interest conditions on amounts due to OTP Bank Plc. and other banks		
	30 June 2018	31 December 2017
Within one year		
In HUF	(0.07%) - 2.04%	0.03%
In foreign currency	(0.73%)- (0.1%)	(0.75%)-0.01%
Over one year		
In HUF	0.03% - 0.55%	0.03%-2.04%

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 8: LIABILITIES FROM ISSUED SECURITIES (in HUF million)

	30 June 2018	31 December 2017
Within one year:		
In EUR	39,302	-
	<u>39,302</u>	<u>-</u>
Over one year		
In HUF	402,968	396,427
	<u>402,968</u>	<u>396,427</u>
Subtotal	442,270	396,427
Accrued interest	<u>18,569</u>	<u>10,418</u>
Total	<u>460,839</u>	<u>406,845</u>
Issued mortgage bonds during the period (nominal value)	45,000	192,100
Mortgage bonds became due (nominal value)	-	155,500
Interest conditions on issued securities		
	30 June 2018	31 December 2017
In HUF	0.73%-11.00%	0.63%-11.00%
In foreign currency (EUR)		-
A reconciliation of the face value and the amortized cost is as follows:		
	30 June 2018	31 December 2017
Nominal value of the issued securities	436,350	391,350
Unamortized premiums	5,920	5,077
Fair value hedge adjustment	-	-
Amortized cost	<u>442,270</u>	<u>396,427</u>

OTP Mortgage Bank can issue mortgage bonds up to the total amount of collateral in the form of property notified in the public property register in favour of OTP Mortgage Bank. A coverage register of the mortgage property constituting the ultimate coverage for the mortgage bonds and the value of the collateral is recorded. An independent coverage supervisor is appointed for monitoring and certifying the existence and valuation of eligible collateral and the registration of such collateral in the coverage register.

NOTE 9: OFF-BALANCE SHEET ITEMS (in HUF million)

Off balance sheet items

	30 June 2018	31 December 2017
Current litigations	2,055	1,574
Loan facilities	<u>40,555</u>	<u>28,339</u>
Contingent and future liabilities total	<u>42,610</u>	<u>29,913</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 10: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF million)

Fair value of derivative instruments

	Fair value		Notional value, net	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
MIRS designated as cash-flow hedge				
Positive fair value of MIRS designated as cash-flow hedge	2,821	-	22,453	-
Negative fair value of MIRS designated as cash-flow hedge	-	-	-	-
Derivative financial assets total	<u>2,821</u>	<u>-</u>	<u>22,453</u>	<u>-</u>
Derivative financial liabilities total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Derivative financial instruments total	<u>2,821</u>	<u>-</u>	<u>22,453</u>	<u>-</u>

NOTE 11: NET INTEREST INCOME (in HUF million)

	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
Interest income			
Loans	19,176	19,518	39,262
Placements with other banks, net of allowance for placement losses	357	275	599
Amount due from banks and balances with the National Bank of Hungary	12	-	4
Interest subsidy on housing loans financed by mortgage bonds	7,054	8,669	16,548
Securities fair value through other comprehensive income	<u>109</u>	<u>144</u>	<u>346</u>
Total Interest Income	<u>26,708</u>	<u>28,606</u>	<u>56,759</u>
Interest expense			
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	(273)	(2,006)	(2,571)
Liabilities from issued securities	(11,878)	(11,592)	(23,707)
Subordinated bonds and loans	<u>-</u>	<u>(11)</u>	<u>(11)</u>
Total Interest Expense	<u>(12,151)</u>	<u>(13,609)</u>	<u>(26,289)</u>
NET INTEREST INCOME	<u>14,557</u>	<u>14,997</u>	<u>30,470</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 12: RELATED PARTY TRANSACTIONS (in HUF million)

12.1. Outstanding balances/Transactions due from or due to OTP Bank

12.1.1. Outstanding balances in the consolidated Statement of Financial Position related to OTP Bank

The Bank had the following assets and liabilities due from or due to the OTP Bank:

Assets	30 June 2018	31 December 2017
Cash, amounts due from OTP Bank	226	777
Placements with OTP Bank	70,000	22,000
Accrued receivables	88	60
Liabilities	30 June 2018	31 December 2017
Amounts due to OTP Bank and other banks	(617,287)	(583,453)
Face value of issued mortgage bonds held by OTP Bank	(381,395)	(391,350)
Accrued interest expense due to OTP Bank	(17,628)	(10,418)
Other liabilities due to OTP Bank	(4,522)	(544)

12.1.2. Transactions in the consolidated Statement of Profit or Loss related to OTP Bank

	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
Interest income	4,423	6,478	10,653
Interest expense	(223)	(12,897)	(2,582)
Account handling fees paid to OTP Bank	4,424	5,861	10,741
Other fees and commissions relating to lending received from OTP Bank	270	237	483
Other fees and commissions relating to lending paid to OTP Bank	(32)	(98)	(175)
Revenue from the value appraisal activity from OTP Bank	264	233	474

12.1.3. Transactions of the Mortgage Bank's loan portfolio related to OTP Bank

	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
Performing loans purchased from OTP Bank	355	179	399
Book value of performing loans purchased from OTP Bank	358	162	447

12.2. Outstanding balances related to key management personnel

The management, the members of the Board of Directors and the Supervisory Board and their close relatives have loans of HUF 1,039 million as at 30 June 2018. These loans were covered by mortgages in amount of HUF 2,112 million.

12.3. Outstanding balances/Transactions related to other related parties

12.3.1. Outstanding balances related to OTP Building Society Ltd.

	30 June 2018	31 December 2017
Face value of issued mortgage bonds held by OTP Building Society Ltd.	44,282	44,282
Accrued nominal interest payable related to mortgage bonds held by OTP Building Society Ltd.	(4,182)	(1,995)

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

NOTE 12: RELATED PARTY TRANSACTIONS (in HUF million) [continued]

10.3.2. Transactions of the Mortgage Bank's loan portfolio related to OTP Factoring Ltd.

	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
Book value of non-performing loans sold to OTP Factoring Ltd.	1,515	7,631	7,271
Selling price of the non-performing loans related to OTP Factoring Ltd.	1,327	4,220	6,302
Accrued receivables due from OTP Factoring Ltd.	-	23	-

12.3.3. Further Outstanding balances/Transactions related to Merkantil Bank Ltd.

	30 June 2018	31 December 2017
Face value of issued mortgage bonds held by Merkantil Bank Ltd.	45,000	45,000
Accrued interest expense due from Merkantil Bank Ltd.	(4,530)	(2,075)

12.3.4. Further Transactions related to other related party

Further Transactions related to other related party	Six month period ended 30 June 2018	Six month period ended 30 June 2017	Year ended 31 December 2017
Other liabilities due to other related party	3	-	-
Other operating income from other related party	-	-	5
Revenue from the value appraisal activity from OTP Factoring Ltd. and from other related party	106	114	964

In the normal course of the business the Bank enters into other transactions with the entities within the OTP Group, the amounts and volumes of which are not significant to these financial statements taken as a whole. Only relevant transactions were highlighted.