

ANNUAL REPORT

2016

Thanks to

SGB
Cooperative
Banks





PASSION
AND TALENT

FRUITFUL
COOPERATION

ENTREPRENEURSHIP
AND INGENUITY

BEST
SOLUTIONS

Thanks to
SGB
Cooperative
Banks

EMPLOYEES

EFFECTIVE
COOPERATIONS

RESPONSIBLE
DECISIONS

DEDICATION
AND EFFORTS

LOCAL
ACTION

EFFICIENT
INFORMATION
FLOW

SOCIAL
INVOLVEMENT

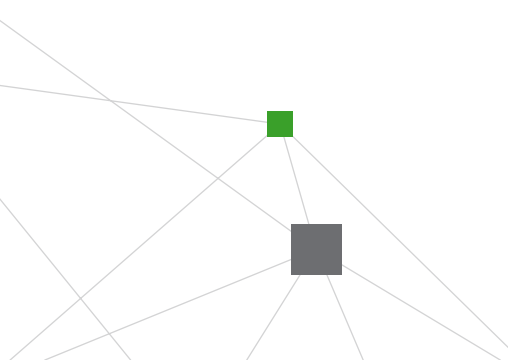


Thanks to

Effective
operations



Basic information about the Bank



Name, registered office, KRS, REGON, NIP

SGB-Bank Spółka Akcyjna operates as a joint-stock company, pursuant to the Act on the Operation of Cooperative Banks, Their Associations and Associating Banks, Banking Law and Code of Commercial Partnerships and Companies. The scope of the Bank's business specified in the Articles of Association is to serve as the associating bank for cooperative banks which signed an association agreement with the Bank, provide comprehensive banking services for consumers, corporate entities and non-corporate entities, including business entities and local government bodies, and pursue other forms of cooperation with cooperative banks – shareholders, as well as undertake initiatives for the development of cooperative banking. The table below presents the basic identification data of SGB-Bank S.A.

Table 1. Registration data

Company's name	SGB-Bank Spółka Akcyjna
Registered office	Poznań
Address	ul. Szarych Szeregów nr 23a city: Poznań, postal code: 60-462 post office: Poznań, country: Polska
KRS	0000058205
REGON	004848247
NIP	7770005362

Composition of the Management Board and Supervisory Board

Management Board

In the period from 1 January 2016 to 31 December 2016 the composition of the Management Board of SGB-Bank S.A. did not change and as of 31 December 2016 it was composed of:

- Ryszard Lorek, President of the Management Board,
- Karolina Jankowiak, Vice-President of the Management Board,

- Ziemowit Stempin, Vice-President of the Management Board.

The Bank's Management Board held 95 meetings, adopted 741 resolutions and passed 551 opinions. The Management Board adopted resolutions on issues including:

- credit approvals, including credit approvals for associated Cooperative Banks,
- organisational changes,
- introducing new internal regulations,
- adapting the existing regulations to changes in applicable law,
- specific conditions of private offering of SGB-Bank S.A. shares,
- recommendation of candidates from SGB-Bank S.A. to its subsidiaries' authorities.

The Management Board also made decisions on expanding operating territories and activities referred to in Banking Law that require the consent of the associating bank and expressed opinions on candidates for the President of the Management Board of the Cooperative Bank.

Moreover, at the meetings the Management Board:

- handled the project of the SGB-Bank's and SGB Association's Strategy for the years 2016 - 2020,
- discussed issued concerning the computerization of the Association and made decisions concerning the implementation process of Integrated Association Solution,
- made decisions on improvement of the process of granting credit consortiums with Cooperative Banks,
- handled the Model of Certification Process concerning trainings for Associated Bank and Cooperative Banks,
- analysed managerial information concerning treasury, credits granted, classification of credit exposures and financial result,
- analysed detailed information on credit exposures and analysed warning signs identified in the monitoring of entities with the highest involvement of the Bank,

- received information on economic and financial situation of the Bank and the Association and the scoring results of the associated Cooperative Banks,
- assessed the level of the banking, credit and operational risk
- implemented changes in the branches' model of the SGB-Bank S.A. and made decisions concerning sale of retail business from selected branches to Cooperative Banks,
- made decisions on changing the internal organizational structures of organizational units and their employee structure,
- received reports on the activities of committees and teams,
- received information on the status of the projects in the Bank's Projects Portfolio, information on the use of the Bank's equity investment limits, reports on the non-compliance risk, report on the status of the internal audit plan, information on the implementation of the post-audit recommendations and information on the status of the implementation of the credit process centralization,

- received information and passed decisions on matters of substance that required current or directorial decisions of the Management Board.

As of 16 February 2017, President of the Management Board Mr. Ryszard Lorek resigned from his position. Supervisory Board accepted his resignation and temporarily appointed Mr. Sebastian Nietyksza - Member of the Supervisory Board - for the position of the Member of the Management Board. As of 8 March 2017 Supervisory Board appointed Mr. Paweł Pyzik for the position of Vice-President of the Management Board, acting President of the Management Board. Thus, dating from 8 March 2017 the Management Board of SGB-Bank S.A. comprises the following members:

- Paweł Pyzik, Vice-President of the Management Board, acting President of the Management Board
- Karolina Jankowiak, Vice-President of the Management Board,
- Ziemowit Stempin, Vice-President of the Management Board.

Supervisory Board

In the period from 1 January 2016 to 31 December 2016 the composition of the Supervisory Board of SGB-Bank S.A. changed due to the expiry of the term of office.

The composition of the Supervisory Board of SGB-Bank S.A. in the period from 1 January 2016 to 31 May 2016 is presented in the table below.

Table 2. Composition of the Supervisory Board of the 9th term of office

Supervisory Board Chairman	Władysław Dymek	
Vice-Chairs	Marek Byzdra	Ryszard Żuraw
Supervisory Board Secretary	Marek Banaszak	
Supervisory Board Members	Aleksander Brzeźniakiewicz Roman Dawidowski Zdzisław Inglot Cezary Maciejewski Stanisław Murawski	Grażyna Palczewska Oleśław Wałowski Stefan Wanke Waldemar Zieliński

As of 1 June 2016 Shareholders Meeting appointed members of the Supervisory Board of SGB-Bank S.A. for the 10th term of office for the years 2016-2019.

The composition of the Supervisory Board of SGB-Bank S.A. in the period from 1 June 2016 to 31 December 2016 is presented in the table below.

Table 3. Composition of the Supervisory Board of the 10th term of office

Supervisory Board Chairman	Sławomir Flissikowski		
Vice-Chair	Leokadia Danuta Tołwińska		
Supervisory Board Secretary	Sebastian Nietyksza		
Supervisory Board Members	Jerzy Bibro	Zofia Kałek-Bazyluk	
	Krzysztof Sadurski	Katarzyna Zimniak	
	Waldemar Zieliński	Ryszard Żuraw	

In 2016, the Supervisory Board held 11 meetings and 2 meetings with the Association Board of SGB-Bank S.A., adopting 86 resolutions and passing 163 decisions.



Thanks to

Dedication
and efforts

 Financial statements



Opinion of the Independent Auditor

**Opinion of the Independent Auditor**To the Shareholders of **SGB-Bank Spółka Akcyjna****Opinion on the Financial Statements**

We have audited the accompanying financial statements of SGB-Bank Spółka Akcyjna (Bank), with its registered office in Poznań, ul. Szarych Szeregów 23a, which comprise the introduction to the financial statements, the balance sheet as at 31 December 2016, the profit and loss account, the statement of changes in equity, the cash flow statement for the period from 1 January 2016 to 31 December 2016 and the supplementary information and explanations.

Management's and Supervisory Board's Responsibility for the Financial Statements

Management of the Bank is responsible for the preparation, on the basis of properly maintained accounting records, of financial statements that give a true and fair view in accordance with the Accounting Act dated 29 September 1994 (Official Journal from 2016, item 1047 with amendments) ("the Accounting Act") and related bylaws, and other applicable regulations. Management of the Bank is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act, Management of the Bank and members of the Supervisory Board are required to ensure that the financial statements are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with section 7 of the Accounting Act and International Standards on Auditing as adopted by the resolution no 2783/52/2015 dated 10 February 2015 of the National Council of Certified Auditors as National Standards on Assurance. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Bank, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Bank as at 31 December 2016 and of its financial performance for the year from 1 January 2016 to 31 December 2016, in accordance with the accounting principles set out in the Accounting Act and related bylaws as well as accounting policies adopted by the Bank,
- have been prepared from accounting records that have been properly maintained,
- comply, in all material respects, with applicable regulations and the provisions of the Bank's articles of association that apply to the Bank's financial statements.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Bank's Activities

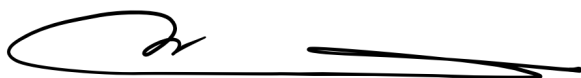
Our opinion on the financial statements does not cover the report on the Bank's activities.

Management of the Bank is responsible for the preparation of the report on the Bank's activities in accordance with the Accounting Act and related bylaws. Furthermore, Management of the Bank and members of the Supervisory Board are required to ensure that the report on the Bank's activity is in compliance with the requirements set forth in the Accounting Act.

Our responsibility, due to the audit of the financial statements, was to read the report on the Bank's activity and indicate whether it includes the information required by Art. 49 Par. 2 of the Accounting Act and whether the information is consistent with the financial statements. Based on our knowledge about the Bank and its environment obtained in the audit, our responsibility was to express an opinion on whether the report on the Bank's activity is free from material misstatement. Furthermore, in accordance with the Art. 111a Par. 2 of the Banking Law Act (Official Journal from 2016, item 1988 with amendments) ("the Banking Law Act"), our responsibility was to audit information included in section 7 of the report on the Bank's activities. We have conducted the audit as stated in the aforementioned paragraph Auditor's Responsibility.

In our opinion, the report on the Bank's activities includes the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements. Furthermore, based on our knowledge about the Bank and its environment obtained in the audit, we have not identified material misstatements in the report on the Bank's activities. Information included in section 7 of the report on the Bank's activities was prepared in accordance with the Art. 111a Par. 2 of the Banking Law Act.

Elżbieta Grześkowiak



Certified Auditor No. 5014
Key Certified Auditor on behalf of
Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością sp. k.,
Poznań, ul. Abpa Antoniego Baraniaka 88E,
the entity authorized to audit the financial statements, Registration No. 4055

Poznan, 15 May 2017

2. Balance sheet

Assets	31.12.2016	31.12.2015
I Cash and balances with the Central Bank	1 059 750 733,86	623 046 019,51
1. Current account	950 695 289,44	508 535 139,24
2. Statutory reserve	0,00	0,00
3. Other funds	109 055 444,42	114 510 880,27
II Debt securities eligible for rediscounting with the Central Bank	0,00	0,00
III Receivables from the financial sector	747 192 902,20	830 210 702,90
1. Current account	243 750 324,66	112 398 142,57
2. Term account	503 442 577,54	717 812 560,33
IV Receivables from the non-financial sector	4 092 261 653,27	4 188 118 868,45
1. Current account	285 822 790,91	349 245 921,89
2. Term account	3 806 438 862,36	3 838 872 946,56
V Receivables from the public sector	656 632 063,47	773 304 038,99
1. Current account	0,00	0,00
2. Term account	656 632 063,47	773 304 038,99
VI Receivables under repurchase agreements	1 258 152,83	1 366 989,58
VII Debt securities	10 191 253 245,59	6 798 767 414,80
1. Issued by banks	4 370 276 312,79	3 014 257 189,82
2. Issued by central and local budgets	5 412 737 058,41	3 419 556 647,99
3. Other	408 239 874,39	364 953 576,99
VIII Shares in subsidiaries	10 777 526,15	10 777 526,15
1. In financial institutions	1 421 526,15	1 421 526,15
2. In other entities	9 356 000,00	9 356 000,00
IX Shares in jointly controlled entities	3 325 000,00	3 325 000,00
1. In financial institutions	3 325 000,00	3 325 000,00
2. In other entities	0,00	0,00
X Shares in affiliates	0,00	1 888 759,66
1. In financial institutions	0,00	1 888 759,66
2. In other entities	0,00	0,00
XI Shares in other entities	25 440 183,90	23 448 056,62
1. In financial institutions	25 339 053,90	23 346 926,62
2. In other entities	101 130,00	101 130,00
XII Other securities and other financial assets	369 520 586,54	308 932 453,36

2. Balance sheet

XIII	Intangible assets	31 276 769,97	27 775 130,17
	1. Goodwill	0,00	0,00
	2. Other intangible assets	25 922 395,76	22 042 869,78
	3. Expenses for intangible assets	5 354 374,21	5 732 260,39
XIV	Tangible fixed assets	98 326 526,72	101 616 173,51
	1. Real property	84 427 088,99	86 904 048,49
	2. Other tangible fixed assets	12 383 841,80	14 451 214,74
	3. Fixed assets under construction	1 515 595,93	260 910,28
XV	Other assets	37 458 657,80	21 554 333,12
	1. Assets taken over - to be disposed of	2 567 962,60	14 866 300,00
	2. Other	34 890 695,20	6 688 033,12
XVI	Prepayments	59 655 131,70	57 861 029,84
	1. Deferred tax assets	57 701 255,00	56 594 428,08
	2. Other prepayments	1 953 876,70	1 266 601,76
	TOTAL ASSETS	17 384 129 134,00	13 772 444 396,66

2. Balance sheet

Liabilities and equity	31.12.2016	31.12.2015
I Liabilities to the Central Bank	0,00	2 280,23
II Liabilities to the financial sector	15 214 770 894,53	11 674 292 284,37
1. Current account	3 382 850 267,99	2 865 866 137,89
2. Term account	11 831 920 626,54	8 808 426 146,48
III Liabilities to the non-financial sector	986 524 484,41	965 002 744,55
1. Savings accounts, including	791 856 144,35	798 035 469,34
a) current accounts	701 998 805,10	709 517 893,59
b) term accounts	89 857 339,25	88 517 575,75
2. Other, including	194 668 340,06	166 967 275,21
a) current accounts	105 659 996,00	57 757 362,34
b) term accounts	89 008 344,06	109 209 912,87
IV Liabilities to the public sector	61 327 469,45	50 804 562,57
1. Current accounts	13 753 961,10	50 399 549,27
2. Term accounts	47 573 508,35	405 013,30
V Liabilities under repurchase agreements	0,00	0,00
VI Debt securities issued	26 878 052,88	29 817 844,11
VII Other liabilities due to financial instruments	27 391,22	39 349,87
VIII Special-purpose funds and other liabilities	44 031 103,41	27 381 995,83
1. Special-purpose funds	32 372,69	164 598,70
2. Other liabilities	43 998 730,72	27 217 397,13
IX Accruals, deferred and reserved income	144 901 388,39	151 364 964,99
1. Accruals	677 207,45	542 935,21
2. Negative goodwill	4 073 647,60	6 517 836,16
3. Other deferred and reserved income	140 150 533,34	144 304 193,62
X Provisions	51 346 153,91	34 664 858,84
1. Deferred tax liability	36 858 822,00	27 292 269,00
2. Other provisions	14 487 331,91	7 372 589,84
XI Subordinated liabilities	144 471 919,57	173 179 037,83
XII Share capital	248 207 300,00	248 207 300,00
XIII Statutory reserve	225 613 905,79	217 042 017,79
XIV Revaluation reserve	37 538 252,57	16 061 010,14

2. Balance sheet

XV	Other reserves	169 659 705,00	192 915 988,68
	1. General banking risk reserve	72 845 763,25	64 273 875,20
	2. Other	96 813 941,75	128 642 113,48
XVIII	Retained earnings	0,00	-40 252 689,69
	1. Retained gains	0,00	10 098 077,00
	2. Retained losses	0,00	-50 350 766,69
XIX	Net profit (loss)	28 831 112,87	31 920 846,55
	TOTAL LIABILITIES AND EQUITY	17 384 129 134,00	13 772 444 396,66
	SOLVENCY RATIO	13,40%	12,86%

3. Profit and loss statement

	from 01.01.2016 to 31.12.2016	from 01.01.2015 to 31.12.2015
I Interest income	416 979 576,94	418 959 003,87
1. From the financial sector	15 830 086,55	16 149 482,51
2. From the non-financial sector	143 348 624,90	161 200 663,66
3. From the public sector	27 578 827,17	32 932 901,00
4. Fixed income securities	230 222 038,32	208 675 956,70
II Interest expense	232 814 600,75	218 778 112,87
1. From the financial sector	195 441 021,33	184 158 592,80
2. From the non-financial sector	9 526 809,23	7 089 957,70
3. From the public sector	783 732,23	106 626,69
4. Securities		
<i>cost of issue of own securities</i>	7 394 386,42	7 994 991,98
<i>cost of bonuses</i>	19 668 651,54	19 427 943,70
III Net interest income (I - II)	184 164 976,19	200 180 891,00
IV Commission income	49 620 207,48	47 878 166,94
V Commission expense	8 726 073,76	15 407 389,63
VI Net commission income (IV-V)	40 894 133,72	32 470 777,31
VII Income from shares, other securities and other variable-yield financial instruments	2 627 847,49	1 745 059,77
1. From subsidiaries	1 855 782,29	117 373,47
2. From jointly controlled entities	0,00	0,00
3. From affiliates	0,00	0,00
4. From other entities	772 065,20	1 627 686,30
VIII Net trading income	43 203 706,73	2 122 702,77
1. Securities and other financial instruments	43 203 706,73	2 122 702,77
2. Other	0,00	0,00
IX Foreign exchange result	18 774 459,96	18 676 256,39
X Banking activity result (III+VI+VII+/-VIII+IX)	289 665 124,09	255 195 687,24
XI Other operating income	19 628 902,68	27 066 632,67
XII Other operating expense	6 898 248,95	5 687 743,16
XIII General administrative expenses	149 565 387,16	148 793 854,05
1. Salaries	44 111 446,22	48 742 406,58
2. Social security contributions and other benefits	11 583 658,92	12 491 664,51
3. Other	93 870 282,02	87 559 782,96

3. Profit and loss statement

XIV	Depreciation and amortisation of tangible fixed assets and intangible assets	18 102 355,39	16 323 902,27
XV	Provisions and impairment losses	405 479 272,14	229 507 996,18
	1. Specific and general banking risk provisions	391 875 722,14	201 807 996,18
	2. Revaluation of financial assets	13 603 550,00	27 700 000,00
XVI	Reversal of provisions and revaluation	320 084 985,74	167 047 723,35
	1. Reversal of specific and general banking risk provisions	319 405 625,74	167 047 723,35
	2. Revaluation of financial assets	679 360,00	0,00
XVII	Net provisions, impairment and revaluation (XV - XVI)	85 394 286,40	62 460 272,83
XVIII	Operating result (X+XI-XII-XIII-XIV+/-XVII)	49 333 748,87	48 996 547,60
XIX	Extraordinary gains/losses	0,00	0,00
	1. Extraordinary gains	0,00	0,00
	2. Extraordinary losses	0,00	0,00
XX	Gross profit (loss)	49 333 748,87	48 996 547,60
XXI	Income tax	20 502 636,00	17 075 701,00
XXII	Other compulsory charges decreasing the profit (increasing the loss)	0,00	0,00
XXIII	Net profit (loss)	28 831 112,87	31 920 846,60

4. Statement of changes in equity

	31.12.2016	31.12.2015
I Opening balance of equity	665 894 473,00	675 653 589,00
(-) adjustments for fundamental errors		
I.a. Opening balance of equity, as adjusted	665 894 473,00	675 653 589,00
1. Opening balance of share capital	248 207 300,00	231 903 900,00
1.1. Changes in share capital	0,00	16 303 400,00
a) increase	0,00	16 303 400,00
issue of shares	0,00	16 303 400,00
b) decrease	0,00	0,00
redemption of shares	0,00	0,00
1.2. Closing balance of share capital	248 207 300,00	248 207 300,00
2. Opening balance of statutory reserve	217 042 018,00	194 705 099,00
2.1. Changes in statutory reserve	8 571 888,00	22 463 031,00
a) increase	8 571 888,00	22 463 031,00
share premium	0,00	0,00
profit distribution (above the statutory minimum)	0,00	0,00
profit distribution (in accordance with the Articles of Association)	8 571 888,00	22 463 031,00
b) decrease	0,00	126 112,00
loss coverage	0,00	126 112,00
2.2. Closing balance of statutory reserve	225 613 906,00	217 042 018,00
3. Opening balance of revaluation reserve	16 061 010,00	26 708 453,00
3.1. Changes in revaluation reserve	21 477 242,00	-10 647 443,00
a) increase - valuation of assets available for sale	21 477 242,00	7 008 340,00
a) decrease - valuation of assets available for sale	0,00	17 655 783,00
disposal or decommissioning of fixed assets	0,00	0,00
3.2. Closing balance of revaluation reserve	37 538 252,00	16 061 010,00
4. Opening balance of general banking risk reserve	64 273 875,00	64 273 875,00
4.1. Changes in general banking risk reserve	8 571 888,00	0,00
a) increase	8 571 888,00	0,00
profit appropriation	8 571 888,00	0,00
b) decrease	0,00	0,00
4.2. Closing balance of general banking risk reserve	72 845 763,00	64 273 875,00
5. Opening balance of other reserves	128 642 113,00	106 179 082,00
5.1. Changes in other reserves	-31 828 172,00	22 463 031,00

4. Statement of changes in equity

	a) increase	8 571 888,00	22 463 031,00
	profit distribution	8 571 888,00	22 463 031,00
	b) decrease	40 400 060,00	0,00
	loss coverage	40 400 060,00	0,00
	5.2. Closing balance of other reserves	96 813 941,00	128 642 113,00
	6. Opening balance of retained earnings (losses)	-40 252 690,00	51 883 180,00
	6.1. Opening balance of retained earnings	0,00	51 883 180,00
	adjustments for fundamental errors	0,00	0,00
	6.2. Opening balance of retained earnings, as adjusted	0,00	51 883 180,00
	6.3. Change in retained earnings	0,00	-41 785 103,00
	a) increase	0,00	10 098 077,00
	distribution of retained earnings	0,00	0,00
	due to takeover	0,00	10 098 077,00
	b) decrease	0,00	51 883 180,00
	statutory reserve	0,00	22 463 031,00
	other reserves	0,00	22 463 031,00
	general risk reserve	0,00	0,00
	dividend	0,00	6 957 118,00
	6.4. Closing balance of retained earnings	0,00	10 098 077,00
	6.5. Opening balance of retained losses	0,00	0,00
	adjustments for fundamental errors	0,00	0,00
	6.6. Opening balance of retained losses, as adjusted	40 252 690,00	0,00
	6.7. Change in retained losses	0,00	0,00
	a) increase	0,00	50 350 767,00
	due to takeover	0,00	50 350 767,00
	b) decrease	40 252 690,00	0,00
	loss coverage	40 252 690,00	0,00
	6.8. Closing balance of retained losses	40 252 690,00	50 350 767,00
	6.9. Closing balance of retained earnings (losses)	0,00	-40 252 690,00
	7. Net profit (loss)	28 831 113,00	31 920 847,00
	a) net profit	28 831 113,00	31 920 847,00
	b) net loss	0,00	0,00
II	Closing balance of equity	709 850 277,00	665 894 473,00
III	Equity after proposed profit distribution	709 850 277,00	665 894 473,00
	(dividend)	0,00	0,00

5. Cash flow statement

	from 01.01.2016 to 31.12.2016	from 01.01.2015 to 31.12.2015
A Cash flows from operating activities		
I Net profit (loss)	28 831 112,87	31 920 846,55
II Total adjustments	631 568 695,82	117 753 153,74
1. Depreciation and amortisation	18 102 355,39	16 324 015,43
2. Foreign exchange gains/losses	0,00	0,00
3. Interests and profit-sharing (dividends)	-2 627 847,49	-1 745 059,77
4. Profit (loss) on investing activities	-25 214 199,53	-3 365 245,40
5. Change in provisions	16 681 295,07	-17 822 788,18
6. Change in debt securities	-3 398 041 808,27	-945 625 501,00
7. Change in receivables from the financial sector	183 710 673,17	-100 861 833,00
8. Change in receivables from the non-financial sector and public sector	212 529 190,70	219 653 884,43
9. Change in receivables under repurchase agreements	108 836,75	-518 062,93
10. Change in shares, other securities and financial (trading) assets	26 929 852,60	-59 835 750,43
11. Change in liabilities to the financial sector	3 568 540 845,18	617 332 605,69
12. Change in liabilities to the non-financial sector and public sector	32 044 646,74	378 044 813,23
13. Change in liabilities under repurchase agreements	0,00	0,00
14. Change in liabilities arising from securities	0,00	-57 520,97
15. Change in other liabilities	16 637 148,93	6 051 311,23
16. Change in prepayments and accruals	-4 104 018,18	-20 158 583,05
17. Change in deferred and reserved income	-4 153 660,28	-4 371 038,60
18. Other adjustments	-9 574 614,96	34 707 907,06
III Net cash flows from operating activities (I +/- II)	660 399 808,69	149 674 000,29
B Cash flows from investing activities		
I Inflows	3 876 205,57	16 003 540,57
1. Disposal of shares in subsidiaries	0,00	0,00
2. Disposal of shares in jointly controlled entities	0,00	3 500 000,00
3. Disposal of shares in affiliates	0,00	0,00
4. Disposal of shares in other entities, other (investment) securities and financial assets	0,00	15 000,00
5. Disposal of intangible and tangible fixed assets	1 248 358,08	10 743 480,80
6. Other investment inflows	2 627 847,49	1 745 059,77

5. Cash flow statement

II	Outflows	61 266 350,33	80 969 624,97
1.	Acquisition of shares in subsidiaries	0,00	140 876,15
2.	Acquisition of shares in jointly controlled entities	0,00	0,00
3.	Acquisition of shares in affiliates	0,00	0,00
4.	Acquisition of shares in other entities, other (investment) securities and financial assets	42 833 733,62	103 568,62
5.	Acquisition of intangible and tangible fixed assets	18 432 616,71	40 472 490,51
6.	Other investment outflows	0,00	40 252 689,69
III	Net cash flows from investing activities (I+/-II)	-57 390 144,76	-64 966 084,40
C	Cash flows from financing activities		
I	Inflows	451 900,17	17 547 021,29
1.	Long-term borrowings from other banks	0,00	0,00
2.	Long-term borrowings from financial institutions other than banks	0,00	0,00
3.	Issue of debt securities to other financial institutions	0,00	0,00
4.	Increase in subordinated liabilities	0,00	1 243 621,29
5.	Net proceeds from issue of shares and additional capital contributions	0,00	16 303 400,00
6.	Other financial inflows	451 900,17	0,00
II	Outflows	66 063 977,28	32 028 263,00
1.	Repayments of long-term borrowings to other banks	28 064 515,25	24 493 134,00
2.	Repayment of long-term borrowings to financial institutions other than banks	0,00	0,00
3.	Redemption of debt securities from other financial institutions	0,00	0,00
4.	Other financial liabilities	0,00	0,00
5.	Payments under finance lease agreements	0,00	0,00
6.	Decrease in subordinated liabilities	31 646 909,49	0,00
7.	Dividends and other payments to shareholders	6 205 182,50	6 957 117,00
8.	Profit distributions other than payments to shareholders	0,00	0,00
9.	Purchase of treasury shares	0,00	578 012,00
10.	Other financial outflows	147 370,04	0,00

5. Cash flow statement

III	Net cash flows from financing activities (I-II)	-65 612 077,11	-14 481 241,71
D	Total net cash flows (A.III+/-B.III+/-C.III)	537 397 586,82	70 226 674,18
E	Balance sheet change in cash, including	537 397 586,82	70 226 674,18
	- change in cash due to foreign exchange differences	0,00	0,00
F	Opening balance of cash	690 875 875,00	637 340 352,54
G	Closing balance of cash (F+/-D), including	1 228 273 461,82	707 567 026,72
	- restricted cash		

6. Off-balance sheet positions

	31.12.2016	31.12.2015
I Liabilities granted	1 022 468 757,94	1 750 825 148,81
1. Liabilities granted to financial entities	631 707 533,50	1 401 713 835,74
a) financing	627 039 878,89	1 392 571 597,13
b) guarantees	4 667 654,61	9 142 238,61
2. Liabilities granted to non-financial entities	384 486 218,31	348 611 313,07
a) financing	359 238 309,41	290 181 702,23
b) guarantees	25 247 908,90	58 429 610,84
3. Liabilities granted to the public sector	6 275 006,13	500 000,00
II Liabilities incurred	23 971 999,15	29 593 356,25
1. Liabilities incurred from financial entities	23 971 999,15	29 593 356,25
a) financing	0,00	2 130 750,00
b) guarantees	23 971 999,15	27 462 606,25
2. Liabilities incurred from non-financial entities	0,00	0,00
a) financing	0,00	0,00
b) guarantees	0,00	0,00
3. Liabilities incurred from the public sector	0,00	0,00
III Currency transactions	24 282 465,20	54 247 232,68
IV Securities transactions	35 130 000,00	21 320 000,00
V Liabilities under financial instruments transactions	0,00	0,00
VI Other liabilities	0,00	0,00

