

## 45. Cash and cash equivalents

### Cash and cash equivalents

For the purpose of the statement of cash flows, the balance of cash and cash equivalents comprises the following balances with maturities shorter than three months.

	31.12.2017	31.12.2016
Cash and balances with the Central Bank (Note 17)	7 384 869	9 164 281
Loans and advances to banks (Note 18)	1 206 876	2 332 739
Trading securities (Note 19)	1 232 515	3 503 029
<b>Total cash and cash equivalents</b>	<b>9 824 260</b>	<b>15 000 049</b>

### Supplementary information to the cash flow statement

*Explanation of differences between the change in the balances resulting from the balance sheet and the change disclosed in the cash flows from operating activities*

	Year ended 31 December	
	2017	2016
<b>Loans and advances to banks - change resulting from the balance sheet balances</b>	<b>1 375 133</b>	<b>(1 185 521)</b>
The difference between the interest accrued and paid in cash during the reporting period	(1 032)	(7 471)
Exclusion of a change in the balance of cash and cash equivalents	(1 125 863)	1 792 982
<b>Total change in loans and advances to banks</b>	<b>248 238</b>	<b>599 990</b>
<b>Trading securities - change resulting from the balance sheet balances</b>	<b>2 275 252</b>	<b>(3 243 093)</b>
The difference between the interest accrued and paid in cash during the reporting period	(1 814)	(408)
Exclusion of a change in the balance of cash and cash equivalents	(2 270 514)	3 324 537
<b>Total change in trading securities</b>	<b>2 924</b>	<b>81 036</b>
<b>Derivative financial instruments - change resulting from the balance sheet balances</b>	<b>68 643</b>	<b>(33 891)</b>
The difference between the interest accrued and paid in cash during the reporting period	104 426	89 605
Valuation included in other comprehensive income	(4 511)	(2 967)
<b>Total change in derivative financial instruments</b>	<b>168 558</b>	<b>52 747</b>
<b>Loans and advances to customers - change resulting from the balance sheet balances</b>	<b>(2 712 567)</b>	<b>(3 329 601)</b>
The difference between the interest accrued and paid in cash during the reporting period	(181 522)	(53 955)
<b>Total change in loans and advances to customers</b>	<b>(2 894 089)</b>	<b>(3 383 556)</b>
<b>Investment securities and investments in subsidiaries - change resulting from the balance sheet balances</b>	<b>(780 027)</b>	<b>(656 403)</b>
Valuation included in other comprehensive income	224 697	(547 452)
The difference between the interest accrued and paid in cash during the reporting period	(299 422)	(37 540)
Sale of equity securities and investments in subsidiaries	(32 863)	167 253
Increase of involvement in non consolidated subsidiaries and minority interests	6 159	-
Exclusion of a change in funds from investing activities	-	(2 000)
Exclusion of a change resulting from valuation at equity method of investments in associates	11 338	-
<b>Total change in investment securities</b>	<b>(870 118)</b>	<b>(1 076 142)</b>
<b>Changes in other assets - change resulting from the balance sheet balances</b>	<b>78 088</b>	<b>123 036</b>
Balances unrealised in cash recognised in income statement	13 347	(25 648)
<b>Total change in other assets</b>	<b>91 435</b>	<b>97 388</b>
<b>Amounts due to other banks - change resulting from the balance sheet balances</b>	<b>(3 413 402)</b>	<b>(3 532 578)</b>
The difference between the interest accrued and paid in cash during the reporting period	(43 581)	(59 553)
Exclusion of change in cash flows from financing activity	3 568 353	2 405 209
<b>Total change in amounts due to other banks</b>	<b>111 370</b>	<b>(1 186 922)</b>
<b>Amounts due to customers - change resulting from the balance sheet balances</b>	<b>78 065</b>	<b>10 277 096</b>
The difference between the interest accrued and paid in cash during the reporting period	(111 315)	(3 714)
Exclusion of change in cash flows from financing activity	20 764	(567 902)
<b>Total change in amounts due to customers</b>	<b>(12 486)</b>	<b>9 705 480</b>
<b>Debt securities in issue - change resulting from the balance sheet balances</b>	<b>1 662 463</b>	<b>3 714 194</b>
The difference between the interest accrued and paid in cash during the reporting period	(95 330)	(228 790)
Exclusion of change in cash flows from financing activity	(2 381 840)	(2 570 191)
<b>Total change in debt securities in issue</b>	<b>(814 707)</b>	<b>915 213</b>
<b>Changes in other liabilities and provisions - change resulting from the balance sheet balances</b>	<b>400 561</b>	<b>372 037</b>
Valuation of incentive programmes recognised in income statement (Note 11)	8 700	9 088
Exclusion of tax liabilities of certain financial institutions	833	29 820
Actuarial gains and losses relating to post-employment benefits recognised in other comprehensive income (Note 16)	(3 786)	344
<b>Total change in other liabilities and provisions</b>	<b>406 308</b>	<b>411 289</b>

**Interest received and paid introduced in operating activities**

	Year ended 31 December	
	2017	2016
<b>Interest income, including:</b>		
Loans and advances to banks	60 904	64 734
Loans and advances to customers	3 182 846	2 809 724
Trading debt securities	64 620	77 365
Investment debt securities	965 620	911 979
Interest income on derivatives classified into banking book	39 005	114 753
Interest income on derivatives concluded under hedge accounting	72 758	68 214
Other interest income	18 707	2 320
<b>Total interest income</b>	<b>4 404 460</b>	<b>4 049 089</b>

	Year ended 31 December	
	2017	2016
<b>Interest expense, including:</b>		
Settlements with banks due to deposits received	(15 508)	(15 554)
Settlements with customers due to deposits received	(389 250)	(643 024)
Due to issue of debt securities	(256 898)	(226 909)
Other interest expense	(7 532)	(3 943)
<b>Total interest expense</b>	<b>(669 188)</b>	<b>(889 430)</b>

**Cash flows from investing activities**

In 2017, cash flows from investing activities mainly relate to the settlements regarding the purchase of intangible and tangible assets. In 2016, cash flows included also the funds received by the Group in connection with the settlement of the takeover transaction of Visa Europe Limited by Visa Inc.

**Cash flows from financing activities**

Cash flows from financing activities mainly relate to the settlements regarding the issue of debt securities and to the settlements of long-term loans received from other banks (Note 29) and the European Investment Bank (Note 30).

The following table presents the change in liabilities as part of financial activities.

	As at 31.12.2016	Cash flows	Change not connected with cash flows	As at 31.12.2017
Loans and advances to banks (Note 29)	6 964 907	(2 758 658)	(811 909)	3 394 340
Loans and advances to other customers (Note 30)	4 201 768	192 646	(251 470)	4 142 944
Liabilities due to security deposits received in relation with the granted guarantees (Note 31)	12 660 389	2 381 838	(719 375)	14 322 852
Subordinated liabilities (Note 32)	3 943 349	(1 681 347)	(103 859)	2 158 143
<b>Total liabilities from financing activities</b>	<b>27 770 413</b>	<b>(1 865 521)</b>	<b>(1 886 613)</b>	<b>24 018 279</b>

In the change not related to cash flows were included exchange differences and accrued interest.