

2. NET INTEREST INCOME, NET GAINS ARISING FROM TRADING AND HEDGING ACTIVITIES AND FROM FINANCIAL ASSETS AVAILABLE FOR SALE

IFRS requires separate disclosure of net interest income and net gains arising from trading and hedging activities and from financial assets available for sale, as presented in notes 3, 6 and 7. A particular business activity can generate impact in each of these captions, whereby the disclosure requirement demonstrates the contribution of the different business activities for the net interest margin and net gains from trading and hedging and from financial assets available for sale.

The amount of this account is comprised of:

	(Thousands of euros)	
	2017	2016
Net interest income (note 3)	794,209	720,313
Net gains / (losses) from trading and hedging activities (note 6)	25,820	31,739
Net gains / (losses) from available for sale activities (note 7)	116,565	95,794
	936,594	847,846

3. NET INTEREST INCOME

The amount of this account is comprised of:

	(Thousands of euros)	
	2017	2016
Interest and similar income		
Interest on loans	866,040	961,118
Interest on trading securities	2,685	5,195
Interest on other financial assets valued at fair value through profit or loss account	3,422	3,688
Interest on available for sale financial assets	76,639	94,778
Interest on held to maturity financial assets	7,172	9,036
Interest on hedging derivatives	20,518	20,127
Interest on derivatives associated to financial instruments through profit or loss	15,865	17,173
Interest on deposits and other investments	20,969	19,952
	1,013,310	1,131,067
Interest expense and similar charges		
Interest on deposits and other resources	(91,461)	(158,430)
Interest on securities issued	(67,825)	(127,814)
Interest on subordinated debt		
Hybrid instruments eligible as core tier 1 (CoCos) underwritten by the Portuguese State	(6,343)	(65,525)
Others	(40,735)	(40,405)
Interest on hedging derivatives	(7,514)	(7,162)
Interest on derivatives associated to financial instruments through profit or loss	(5,223)	(11,418)
	(219,101)	(410,754)
	794,209	720,313