

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)	1,391,275	1,230,126
Net gains from trading and hedging assets (note 6)	45,346	101,827
Net gains from financial assets available for sale (note 7)	103,030	138,540
	1,539,651	1,470,493

3. NET INTEREST INCOME

The amount of this account is comprised of:

	(Thousands of euros)	
	2017	2016
Interest and similar income		
Interest on loans	1,513,194	1,547,745
Interest on trading securities	4,915	6,447
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	230,045	199,404
Interest on held to maturity financial assets	19,231	9,983
Interest on hedging derivatives	92,488	96,627
Interest on derivatives associated to financial instruments through profit or loss account	15,865	17,176
Interest on deposits and other investments	35,050	28,927
	1,914,210	1,909,997
Interest expense and similar charges		
Interest on deposits and other resources	(352,999)	(388,905)
Interest on securities issued	(78,847)	(140,295)
Interest on subordinated debt		
Hybrid instruments eligible as core tier 1 (CoCos) underwritten by the Portuguese State	(6,343)	(65,525)
Others	(58,373)	(57,091)
Interest on hedging derivatives	(21,150)	(16,637)
Interest on derivatives associated to financial instruments through profit or loss account	(5,223)	(11,418)
	(522,935)	(679,871)
	1,391,275	1,230,126