

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Thousands of euros)

	2018	2017 (*)
CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Interests received	1,652,260	1,699,189
Commissions received	880,287	836,581
Fees received from services rendered	48,866	60,514
Interests paid	(461,280)	(522,214)
Commissions paid	(140,956)	(128,186)
Recoveries on loans previously written off	13,210	16,966
Net earned insurance premiums	17,698	19,847
Claims incurred of insurance activity	(5,393)	(10,891)
Payments (cash) to suppliers and employees	(1,158,346)	(1,086,602)
Income taxes (paid) / received	(67,569)	(118,676)
	778,777	766,528
Decrease / (increase) in operating assets:		
Receivables from / (Loans and advances to) credit institutions	121,768	28,747
Deposits held with purpose of monetary control	50,114	(37,653)
Loans and advances to customers receivable / (granted)	(1,254,603)	(244,376)
Short term trading account securities	(93,688)	36,195
Increase / (decrease) in operating liabilities:		
Loans and advances to credit institutions repayable on demand	111,842	(51,702)
Deposits from credit institutions with agreed maturity date	175,304	(2,380,305)
Loans and advances to customers repayable on demand	5,144,519	3,430,158
Deposits from customers with agreed maturity date	(1,051,734)	(970,378)
	3,982,299	577,214
CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Sale of shares in associated companies	98,000	-
Acquisition of investments in subsidiaries and associated companies	-	(787)
Dividends received	67,213	102,759
Interest income from financial assets at fair value through other comprehensive income and at amortised cost	311,001	n.a.
Sale of financial assets at fair value through other comprehensive income and at amortised cost	5,725,095	n.a.
Acquisition of financial assets at fair value through other comprehensive income and at amortised cost	(56,020,038)	n.a.
Maturity of financial assets at fair value through other comprehensive income and at amortised cost	46,049,277	n.a.
Interest income from financial assets available for sale and financial assets held to maturity	n.a.	253,783
Sale of financial assets available for sale and financial assets held to maturity	n.a.	8,046,852
Acquisition of financial assets available for sale and financial assets held to maturity	n.a.	(42,160,122)
Maturity of financial assets available for sale and financial assets held to maturity	n.a.	33,937,652
Acquisition of tangible and intangible assets	(88,560)	(88,393)
Sale of tangible and intangible assets	39,507	8,014
Decrease / (increase) in other sundry assets	703,905	(304,789)
	(3,114,600)	(205,031)
CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Sale of shares in subsidiaries companies which does not results loss control	(1,400)	-
Issuance of subordinated debt	192	472,742
Reimbursement of subordinated debt	(96,181)	(852,386)
Issuance of debt securities	447,007	1,312,759
Reimbursement of debt securities	(640,376)	(1,994,444)
Issuance of commercial paper and other securities	23,204	188,076
Reimbursement of commercial paper and other securities	(108,930)	(9,674)
Share capital increase	-	1,295,148
Dividends paid to non-controlling interests	(9,088)	(7,787)
Increase / (decrease) in other sundry liabilities and non-controlling interests	266,298	(384,203)
	(119,274)	20,231
Exchange differences effect on cash and equivalents	(131,345)	48,915
Net changes in cash and equivalents	617,080	441,329
Cash (note 18)	540,608	540,290
Deposits at Central Banks (note 18)	1,627,326	1,033,622
Loans and advances to credit institutions repayable on demand (note 19)	295,532	448,225
CASH AND EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,463,466	2,022,137
Cash (note 18)	566,202	540,608
Deposits at Central Banks (note 18)	2,187,637	1,627,326
Loans and advances to credit institutions repayable on demand (note 19)	326,707	295,532
CASH AND EQUIVALENTS AT THE END OF THE YEAR	3,080,546	2,463,466

(*) The balances for the year ended 31 December 2017 consider the alignment with the new presentation requirements established by IFRS 9. These balances are presented exclusively for comparative purposes and have not been restated following the adoption of IFRS 9, with reference to 1 January 2018, as allowed by IFRS 9 (note 59).

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE