

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

(Thousands of euros)

	2018	2017 (*)
<b>CASH FLOWS ARISING FROM OPERATING ACTIVITIES</b>		
Interests received	879,972	980,099
Commissions received	601,125	557,616
Fees received from services rendered	57,851	53,230
Interests paid	(183,261)	(227,797)
Commissions paid	(102,213)	(96,479)
Recoveries on loans previously written off	9,371	14,067
Payments (cash) to suppliers and employees	(699,393)	(646,999)
Income taxes (paid) / received	(1,014)	2,073
	<b>562,438</b>	<b>635,810</b>
Decrease / (increase) in operating assets:		
Receivables from / (Loans and advances to) credit institutions	(792,579)	241,224
Loans and advances to customers receivable / (granted)	(433,205)	136,278
Short term trading account securities	25,050	28,689
Increase / (decrease) in operating liabilities:		
Loans and advances to credit institutions repayable on demand	58,957	64,665
Deposits from credit institutions with agreed maturity date	511,420	(1,969,719)
Loans and advances to customers repayable on demand	2,637,611	2,240,921
Deposits from customers with agreed maturity date	(848,892)	(1,089,194)
	<b>1,720,800</b>	<b>288,674</b>
<b>CASH FLOWS ARISING FROM INVESTING ACTIVITIES</b>		
Sale of shares in subsidiaries and associated companies	99,000	714,111
Acquisition of shares in subsidiaries and associated companies	(47,000)	(649,734)
Dividends received	223,351	73,197
Interest income from financial assets at fair value through other comprehensive income and at amortised cost	63,314	n.a.
Sale of financial assets at fair value through other comprehensive income and at amortised cost	5,043,584	n.a.
Acquisition of financial assets at fair value through other comprehensive income and at amortised cost	(8,744,413)	n.a.
Maturity of financial assets at fair value through other comprehensive income and at amortised cost	1,609,212	n.a.
Interest income from financial assets available for sale and financial assets held to maturity	n.a.	88,673
Sale of financial assets available for sale and financial assets held to maturity	n.a.	5,970,593
Acquisition of financial assets available for sale and financial assets held to maturity	n.a.	(6,676,995)
Maturity of financial assets available for sale and financial assets held to maturity	n.a.	363,497
Acquisition of tangible and intangible assets	(46,750)	(45,196)
Sale of tangible and intangible assets	97	883
Decrease / (increase) in other sundry assets	520,059	(160,425)
	<b>(1,279,546)</b>	<b>(321,396)</b>
<b>CASH FLOWS ARISING FROM FINANCING ACTIVITIES</b>		
Issuance of subordinated debt	-	300,000
Reimbursement of subordinated debt	(91,460)	(701,920)
Issuance of debt securities	379,962	1,139,682
Reimbursement of debt securities	(437,711)	(1,680,978)
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
Increase / (decrease) in other sundry liabilities	214,957	(152,817)
	<b>(19,978)</b>	<b>377,517</b>
Net changes in cash and equivalents	<b>421,276</b>	<b>344,795</b>
Cash (note 16)	337,534	335,912
Deposits at Central Banks (note 16)	954,129	454,821
Loans and advances to credit institutions repayable on demand (note 17)	156,460	312,595
<b>CASH AND EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1,448,123</b>	<b>1,103,328</b>
Cash (note 16)	355,745	337,534
Deposits at Central Banks (note 16)	1,327,177	954,129
Loans and advances to credit institutions repayable on demand (note 17)	186,477	156,460
<b>CASH AND EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,869,399</b>	<b>1,448,123</b>

(\*) 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 52).

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE