

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

(Thousands of euros)

	Notes	2018	2017 (*)
Interest income	2	1,889,739	1,914,210
Interest expense	2	(466,108)	(522,935)
NET INTEREST INCOME		1,423,631	1,391,275
Dividends from equity instruments	3	636	1,754
Net fees and commissions income	4	684,019	666,697
Net gains / (losses) from financial operations at fair value through profit or loss	5	638	13,964
Net gains / (losses) from foreign exchange	5	75,355	72,460
Net gains / (losses) from hedge accounting operations	5	2,552	(32,753)
Net gains / (losses) from derecognition of financial assets and liabilities at amortised cost	5	(49,432)	(8,325)
Net gains / (losses) from derecognition of financial assets at fair value through other comprehensive income	5	49,435	n.a.
Net gains / (losses) from financial assets available for sale	5	n.a.	103,030
Net gains / (losses) from insurance activity		8,477	4,212
Other operating income / (losses)	6	(135,878)	(110,606)
TOTAL OPERATING INCOME		2,059,433	2,101,708
Staff costs	7	592,792	526,577
Other administrative costs	8	376,676	374,022
Amortisations and depreciations	9	57,745	53,582
TOTAL OPERATING EXPENSES		1,027,213	954,181
OPERATING NET INCOME BEFORE PROVISIONS AND IMPAIRMENTS		1,032,220	1,147,527
Impairment for financial assets at amortised cost	10	(465,468)	(623,708)
Impairment for financial assets at fair value through other comprehensive income	11	1,092	n.a.
Impairment for financial assets available for sale	11	n.a.	(63,421)
Impairment for other assets	12	(79,037)	(220,973)
Other provisions	13	(57,689)	(16,710)
NET OPERATING INCOME		431,118	222,715
Share of profit of associates under the equity method	14	89,175	91,637
Gains / (losses) arising from sales of subsidiaries and other assets	15	37,916	4,139
NET INCOME BEFORE INCOME TAXES		558,209	318,491
Income taxes			
Current	31	(105,559)	(102,113)
Deferred	31	(32,458)	71,954
INCOME AFTER INCOME TAXES FROM CONTINUING OPERATIONS		420,192	288,332
Income arising from discontinued or discontinuing operations	16	(1,318)	1,225
NET INCOME AFTER INCOME TAXES		418,874	289,557
Net income for the year attributable to:			
Bank's Shareholders		301,065	186,391
Non-controlling interests	45	117,809	103,166
NET INCOME FOR THE YEAR		418,874	289,557
Earnings per share (in Euros)			
Basic	17	0.020	0.014
Diluted	17	0.020	0.014

(*) 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