

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Thousands of euros)

	2019	2018
<b>CASH FLOWS ARISING FROM OPERATING ACTIVITIES</b>		
Interests received	1,743,234	1,652,260
Commissions received	899,938	880,287
Fees received from services rendered	100,315	48,866
Interests paid	(426,571)	(461,280)
Commissions paid	(171,815)	(140,956)
Recoveries on loans previously written off	24,269	13,210
Net earned insurance premiums	17,418	17,698
Claims incurred of insurance activity	(6,591)	(5,393)
Payments (cash) to suppliers and employees (*)	(1,248,720)	(1,158,346)
Income taxes (paid) / received	(61,027)	(67,569)
	870,450	778,777
Decrease / (increase) in operating assets:		
Receivables from / (Loans and advances to) credit institutions	(2,626)	121,768
Deposits held with purpose of monetary control	-	50,114
Loans and advances to customers receivable / (granted)	(1,901,159)	(1,254,603)
Short term trading securities	165,922	(93,688)
Increase / (decrease) in operating liabilities:		
Loans and advances to credit institutions repayable on demand	(108,587)	111,842
Deposits from credit institutions with agreed maturity date	(2,154,270)	175,304
Loans and advances to customers repayable on demand	5,444,107	5,144,519
Deposits from customers with agreed maturity date	(1,784,092)	(1,051,734)
	529,745	3,982,299
<b>CASH FLOWS ARISING FROM INVESTING ACTIVITIES</b>		
Sale of investments held in associated companies	13	98,000
Acquisition of investments in subsidiaries (**)	(348,997)	-
Dividends received	11,003	67,213
Interest income from financial assets at fair value through other comprehensive income and at amortised cost	291,339	311,001
Sale of financial assets at fair value through other comprehensive income and at amortised cost	19,886,088	5,725,095
Acquisition of financial assets at fair value through other comprehensive income and at amortised cost	(50,627,555)	(56,020,038)
Maturity of financial assets at fair value through other comprehensive income and at amortised cost	32,096,533	46,049,277
Acquisition of tangible and intangible assets	(105,715)	(88,560)
Sale of tangible and intangible assets	14,475	39,507
Decrease / (increase) in other sundry assets	(231,448)	703,905
	985,736	(3,114,600)
<b>CASH FLOWS ARISING FROM FINANCING ACTIVITIES</b>		
Sale of shares in subsidiaries companies which does not results loss control	-	(1,400)
Issuance of subordinated debt	647,216	192
Reimbursement of subordinated debt	(129,536)	(96,181)
Issuance of debt securities	545,825	447,007
Reimbursement of debt securities	(310,448)	(640,376)
Issuance of commercial paper and other securities	238,839	23,204
Reimbursement of commercial paper and other securities	(171,641)	(108,930)
Issue of Perpetual Subordinated Bonds (Additional Tier 1) (note 48)	396,325	-
Reimbursed of perpetual subordinated debt securities	(2,922)	-
Dividends paid to shareholders of the Bank (note 47)	(30,228)	-
Dividends paid of perpetual subordinated debt securities	(148)	(149)
Dividends paid to non-controlling interests	(15,502)	(9,088)
Interest paid of the issue of Perpetual Subordinated Bonds (Additional Tier 1)	(27,750)	-
Increase / (decrease) in other sundry liabilities and non-controlling interests (***)	(224,200)	266,447
	915,830	(119,274)
Exchange differences effect on cash and equivalents	(24,449)	(131,345)
Net changes in cash and equivalents	2,406,862	617,080
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
<b>CASH AND EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	3,080,546	2,463,466
Cash (note 18)	636,048	566,202
Deposits at Central Banks (note 18)	4,530,503	2,187,637
Loans and advances to credit institutions repayable on demand (note 19)	320,857	326,707
<b>CASH AND EQUIVALENTS AT THE END OF THE YEAR</b>	5,487,408	3,080,546

(\*) In 2019, this balance includes the amount of Euros 4.551,000 related to short-term lease contracts and the amount of Euros 2,118,000 related to lease contracts of low value assets.

(\*\*) In 2019, this balance includes the investment in Euro Bank, S.A. (Euros 424,370,000), net of Cash and equivalents at the time of the acquisition (Euros 75,373,000).

(\*\*\*) In 2019, this balance includes the amount of Euros 56.552.000 corresponding to payments of lease liabilities' shares of capital.