

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Thousands of euros)

	2020	2019
CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Interests received	1,541,781	1,743,234
Commissions received	877,504	899,938
Fees received from services rendered	70,625	100,315
Interests paid	(248,487)	(426,571)
Commissions paid	(157,022)	(171,815)
Recoveries on loans previously written off	22,680	24,269
Net earned insurance premiums	16,386	17,418
Claims incurred of insurance activity	(6,053)	(6,591)
Payments (cash) to suppliers and employees (*)	(1,229,338)	(1,248,720)
Income taxes (paid) / received	(89,589)	(61,027)
	798,487	870,450
Decrease / (increase) in operating assets:		
Receivables from / (Loans and advances to) credit institutions	169,528	(2,626)
Deposits held with purpose of monetary control	(291,669)	–
Loans and advances to customers receivable / (granted)	(4,080,970)	(1,901,159)
Short term trading securities	(175,522)	165,922
Increase / (decrease) in operating liabilities:		
Loans and advances to credit institutions repayable on demand	(12,437)	(108,587)
Deposits from credit institutions with agreed maturity date	2,560,161	(2,154,270)
Loans and advances to customers repayable on demand	7,077,726	5,444,107
Deposits from customers with agreed maturity date	(2,992,767)	(1,784,092)
	3,052,537	529,745
CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Sale of investments held in associated companies	20	13
Acquisition of investments in subsidiaries (**)	–	(348,997)
Dividends received	11,891	11,003
Interest income from financial assets at fair value through other comprehensive income and at amortised cost	183,763	291,339
Sale of financial assets at fair value through other comprehensive income and at amortised cost	19,346,529	19,886,088
Acquisition of financial assets at fair value through other comprehensive income and at amortised cost	(39,893,571)	(50,627,555)
Maturity of financial assets at fair value through other comprehensive income and at amortised cost	17,992,857	32,096,533
Acquisition of tangible and intangible assets	(78,739)	(105,715)
Sale of tangible and intangible assets	11,276	14,475
Decrease / (increase) in other sundry assets	348,594	(231,448)
	(2,077,380)	985,736
CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Issuance of subordinated debt	–	647,216
Reimbursement of subordinated debt	(165,017)	(129,536)
Issuance of debt securities	–	545,825
Reimbursement of debt securities	(271,849)	(310,448)
Issuance of commercial paper and other securities	22,694	238,839
Reimbursement of commercial paper and other securities	(239,116)	(171,641)
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)
Dividends paid to non-controlling interests	(22,974)	(15,502)
Interest paid of the issue of Perpetual Subordinated Bonds (Additional Tier 1)	(37,000)	(27,750)
Increase / (decrease) in other sundry liabilities and non-controlling interests (***)	73,443	(224,200)
	(639,819)	915,830
Exchange differences effect on cash and equivalents		
	(256,487)	(24,449)
Net changes in cash and equivalents		
	78,851	2,406,862
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
CASH AND EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	5,487,408	3,080,546
Cash (note 18)	579,997	636,048
Deposits at Central Banks (note 18)	4,723,867	4,530,503
Loans and advances to credit institutions repayable on demand (note 19)	262,395	320,857
CASH AND EQUIVALENTS AT THE END OF THE YEAR		
	5,566,259	5,487,408

(*) In 2020, this balance includes the amount of Euros 2,077,000 (2019: Euros 4,551,000) related to short-term lease contracts and the amount of Euros 2,504,000 (2019: Euros 2,118,000) related to lease contracts of low value assets.

(**) In 2019, this balance included 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 2020, this balance includes the amount of Euros 59,161,000 (2019: Euros 56,552,000) corresponding to payments of lease liabilities' shares of capital.

CHIEF ACCOUNTANT

THE EXECUTIVE COMMITTEE

See accompanying notes to the consolidated financial statements.