

## 5. Net gains / (losses) on financial operations

The amount of this account is comprised of:

|   | (Thousands of euros) |           |
|---|----------------------|-----------|
|   | 2020                 | 2019      |
| Net gains / (losses) from financial operations at fair value through profit or loss                               |                      |           |
| Net gains / ( losses) from financial assets held for trading  | 32,596               | 158,518   |
| Net gains / ( losses) from financial assets not held for trading mandatorily at fair value through profit or loss | (88,921)             | (33,610)  |
| Net gains / ( losses) from financial assets and liabilities designated at fair value through profit or loss       | 887                  | (167,448) |
|   | (55,438)             | (42,540)  |
| Net gains / (losses) from foreign exchange  | 55,415               | 13,626    |
| Net gains / (losses) from hedge accounting  | 398                  | (968)     |
| Net gains / (losses) from derecognition of financial assets and liabilities at amortised cost                     | (28,157)             | (9,447)   |
| Net gains / (losses) from derecognition of financial assets at fair value through other comprehensive income      | 71,347               | 94,578    |
|   | 43,565               | 55,249    |

The balances Net gains / (losses) from financial operations at fair value through profit or loss is comprised of:

|   | (Thousands of euros) |           |
|---|----------------------|-----------|
|   | 2020                 | 2019      |
| <b>Net gains /( losses) from financial assets held for trading</b>  |                      |           |
| <i>Gains</i>  |                      |           |
| Debt securities portfolio   | 7,795                | 1,591     |
| Equity instruments  | 696                  | 170       |
| Derivative financial instruments  | 351,058              | 389,530   |
| Other operations  | 1,836                | 1,016     |
|   | 361,385              | 392,307   |
| <i>Losses</i>   |                      |           |
| Debt securities portfolio   | (5,974)              | (1,219)   |
| Equity instruments  | (199)                | (135)     |
| Derivative financial instruments  | (321,781)            | (232,136) |
| Other operations  | (835)                | (299)     |
|   | (328,789)            | (233,789) |
|   | 32,596               | 158,518   |
| <b>Net gains /( losses) from financial assets not held for trading mandatorily at fair value through profit or loss</b> |                      |           |
| <i>Gains</i>  |                      |           |
| Debt securities portfolio   | 9,448                | 38,572    |
| <i>Losses</i>   |                      |           |
| Debt securities portfolio   | (98,369)             | (72,182)  |
|   | (88,921)             | (33,610)  |

(continues)

(continuation)

(Thousands of euros)

|   | 2020            | 2019             |
|---|-----------------|------------------|
| <b>Net gains /( losses) from financial assets and liabilities designated at fair value through profit or loss</b> |                 |                  |
| <i>Gains</i>  |                 |                  |
| Resources from customers  | 747             | 46               |
| Debt securities issued  |                 |                  |
| Certificates and structured securities issued   | 68,289          | 37,749           |
| Other debt securities issued  | 612             | 1,802            |
|   | <b>69,648</b>   | <b>39,597</b>    |
| <i>Losses</i>   |                 |                  |
| Debt securities portfolio   | (874)           | (1,897)          |
| Resources from customers  | (114)           | (1,456)          |
| Debt securities issued  |                 |                  |
| Certificates and structured securities issued   | (66,977)        | (197,518)        |
| Other debt securities issued  | (796)           | (6,174)          |
|   | <b>(68,761)</b> | <b>(207,045)</b> |
|   | <b>887</b>      | <b>(167,448)</b> |
|   | <b>(55,438)</b> | <b>(42,540)</b>  |

In the balances Net gains /(losses) from financial assets and liabilities designated at fair value through profit or loss - Profits/(Losses) - Certificates and structured securities issued are recorded the valuations and devaluations of certificates issued by the Bank. These liabilities are covered by futures, which valuation and devaluation are recorded in Net gains /( losses) from financial assets held for trading - Profit/(Losses) - Derivative financial instruments.

The balances Net gains / (losses) from foreign exchange, Net gains / (losses) from hedge accounting and Net gains / (losses) from derecognition of financial assets, liabilities at amortised cost and Net gains / (losses) from derecognition of financial assets at fair value through other comprehensive income, are presented as follows:

(Thousands of euros)

|  | 2020            | 2019             |
|--|-----------------|------------------|
| <b>Net gains / (losses) from foreign exchange</b>  |                 |                  |
| Gains  | 104,044         | 43,204           |
| Losses   | (48,629)        | (29,578)         |
|  | <b>55,415</b>   | <b>13,626</b>    |
| <b>Net gains / (losses) from hedge accounting</b>  |                 |                  |
| <i>Gains</i>   |                 |                  |
| Hedging derivatives  | 21,149          | 26,985           |
| Hedged items   | 67,373          | 116,950          |
|  | <b>88,522</b>   | <b>143,935</b>   |
| <i>Losses</i>  |                 |                  |
| Hedging derivatives  | (76,114)        | (135,503)        |
| Hedged items   | (12,010)        | (9,400)          |
|  | <b>(88,124)</b> | <b>(144,903)</b> |
|  | <b>398</b>      | <b>(968)</b>     |
| <b>Net gains / (losses) from derecognition of financial assets and liabilities at amortised cost</b> |                 |                  |
| <i>Gains</i>   |                 |                  |
| Credit sales   | 6,101           | 7,499            |
| Debt securities portfolio  | —               | 996              |
| Debt securities issued   | 505             | 33               |
| Others   | 94              | 19,303           |
|  | <b>6,700</b>    | <b>27,831</b>    |
| <i>Losses</i>  |                 |                  |
| Credit sales   | (34,335)        | (36,424)         |
| Debt securities issued   | (55)            | (405)            |
| Others   | (467)           | (449)            |
|  | <b>(34,857)</b> | <b>(37,278)</b>  |
|  | <b>(28,157)</b> | <b>(9,447)</b>   |

The balance Net gains / (losses) from derecognition of financial assets at fair value through other comprehensive income is comprised of:

|   | (Thousands of euros) |               |
|---|----------------------|---------------|
|   | 2020                 | 2019          |
| <b>Net gains / (losses) from derecognition of financial assets at fair value through other comprehensive income</b> |                      |               |
| <i>Gains</i>  |                      |               |
| Debt securities portfolio   | 106,280              | 95,647        |
| <i>Losses</i>   |                      |               |
| Debt securities portfolio   | (34,933)             | (1,069)       |
|   | <b>71,347</b>        | <b>94,578</b> |

In 2020, the balance Net gains / (losses) from derecognition of financial assets at fair value through other comprehensive income - Gains - Debt securities portfolio includes the amount of Euros 89,458,000 (2019: Euros 70,169,000) related to gains resulting from the sale of Portuguese Treasury bonds.

In 2020, the balance Net gains / (losses) from hedge accounting includes a net gain of Euros 5,266,000 (2019: net gain of Euros 89,174,000) as a result of the sale of financial assets at fair value through other comprehensive income subject to hedge accounting, which are offset in the balance Net gains / (losses) from derecognition of financial assets at fair value through other comprehensive income.

## 6. Other operating income / (losses)

The amount of this account is comprised of:

|   | (Thousands of euros) |                 |
|---|----------------------|-----------------|
|   | 2020                 | 2019            |
| <b>Operating income</b>                     |                      |                 |
| Income from services                        | 23,813               | 25,967          |
| Cheques and others                          | 7,038                | 8,708           |
| Gains on leasing operations                 | 3,489                | 3,949           |
| Rents                                       | 1,587                | 1,697           |
| Other operating income                      | 13,700               | 15,097          |
|   | <b>49,627</b>        | <b>55,418</b>   |
| <b>Operating costs</b>                      |                      |                 |
| Taxes                                       | (10,358)             | (14,248)        |
| Donations and contributions                 | (3,903)              | (3,616)         |
| Contribution over the banking sector        | (35,180)             | (31,675)        |
| Resolution Funds Contribution               | (15,040)             | (15,893)        |
| Contribution for the Single Resolution Fund | (19,344)             | (18,697)        |
| Contributions to Deposit Guarantee Fund     | (90)                 | (94)            |
| Losses on financial leasing operations      | (371)                | (80)            |
| Other operating costs                       | (13,972)             | (13,370)        |
|   | <b>(98,258)</b>      | <b>(97,673)</b> |
|   | <b>(48,631)</b>      | <b>(42,255)</b> |

The balance Contribution over the banking sector is estimated according to the terms of the Decree-Law no. 55-A/2010. The determination of the amount payable is based on: (i) the annual average liabilities deducted by core capital (Tier 1) and supplementary capital (Tier 2) and deposits covered by the Deposit Guarantee Fund, and (ii) notional amount of derivatives.