

## Note 7. Financial assets at fair value through other comprehensive income

As at 31 December 2019 and 2018, this balance is analysed as follows:

(AOA thousand)

	Cost <sup>(1)</sup>	Potential added value		Interest	Book value
		Positive	Negative		
Financial assets at fair value through other comprehensive income					
Bonds and other fixed income securities					
Issued by public entities	31,033,187	-	(302,967)	1,018,035	31,748,255
Issued by other entities	1,854,719	141,701	-	88,100	2,084,520
Shares	345,683	-	-	-	345,683
Balance on 31 December 2019	33,233,589	141,701	(302,967)	1,106,135	34,178,458
Financial assets at fair value through other comprehensive income					
Bonds and other fixed income securities					
Issued by public entities	190,369,979	2,834,044	-	3,107,408	196,311,431
Issued by other entities	1,329,384	72,553	-	68,576	1,470,513
Shares	337,782	-	-	-	337,782
Balance on 31 December 2018	192,037,145	2,906,597	-	3,175,984	198,119,726

<sup>(1)</sup> Acquisition cost for shares and other equity instruments and amortised cost for debt securities.

In accordance with the accounting policy described in note 2.5, debt securities at fair value through other comprehensive income are impaired as a result of the adoption of IFRS 9, as set out in the defined model.

In accordance with IFRS 9, capital investments are not subject to impairment.

All exposures relating to debt securities disclosed under this caption are positioned at stage 1.

As at 31 December 2019, Bonds and other fixed income securities include the impairment transferred to profit and loss in the amount of AOA 534,514 thousand (2018: AOA 492,554 thousand).

As detailed in note 8, the Bank has reconfigured its securities portfolio, in particular the change in the classification of US dollar Treasury Bonds and US dollar Indexed Bonds, previously allocated to the Hold to Collect and Sell business model, to the business model that foresees the holding of assets until their maturity, Hold to Collect. The amount related to the reclassifications refers to AOA 103,395,532 thousand and AOA 37,330,023, respectively.

The balance Shares includes the financial investment in EMIS - Empresa Interbancária de Serviços, S.A. ("EMIS"), which was set up to manage electronic facilities for payments and other complementary services. On 31 December 2019, the Bank holds a 7.90% interest of this Company's share capital and additional financial investments amounting to AOA 337,682 thousand (2018: AOA 337,682 thousand).

During the first half of 2018, the Bank sold the investment held in Atlântico Europa SGPS, S.A., generating a gain as described in note 25.

As at 31 December 2019 and 2018, the analysis of financial assets at fair value through other comprehensive income, by valuation levels, is presented as follows:

(AOA thousand)

	Level 1	Level 2	Level 3	At cost	Total
<b>Bonds and other fixed income securities</b>					
Issued by public entities	-	31,748,255	-	-	31,748,255
Issued by other entities	-	2,084,520	-	-	2,084,520
Shares	-	-	345,683	-	345,683
<b>Balance on 31 December 2019</b>	<b>-</b>	<b>33,832,775</b>	<b>345,683</b>	<b>-</b>	<b>34,178,458</b>
<b>Bonds and other fixed income securities</b>					
Issued by public entities	-	196,311,431	-	-	196,311,431
Issued by other entities	-	1,470,513	-	-	1,470,513
Shares	-	-	337,782	-	337,782
<b>Balance on 31 December 2018</b>	<b>-</b>	<b>197,781,944</b>	<b>337,782</b>	<b>-</b>	<b>198,119,726</b>

As at 31 December 2019 and 2018, the maturity of financial assets at fair value through other comprehensive income is as follows:

(AOA thousand)

	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
<b>Bonds and other fixed income securities</b>						
Issued by public entities	804,772	4,406,114	26,537,369	-	-	31,748,255
Issued by other entities	-	-	2,084,520	-	-	2,084,520
Shares	-	-	-	-	345,683	345,683
<b>Balance on 31 December 2019</b>	<b>804,772</b>	<b>4,406,114</b>	<b>28,621,889</b>	<b>-</b>	<b>345,683</b>	<b>34,178,458</b>
<b>Bonds and other fixed income securities</b>						
Issued by public entities	2,145,799	16,203,746	101,913,790	76,048,096	-	196,311,431
Issued by other entities	-	-	1,470,513	-	-	1,470,513
Shares	-	-	-	-	337,782	337,782
<b>Balance on 31 December 2018</b>	<b>2,145,799</b>	<b>16,203,746</b>	<b>103,384,303</b>	<b>76,048,096</b>	<b>337,782</b>	<b>198,119,726</b>

