

Note 8. Financial assets at amortised cost – Debt securities

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

(AOA thousand)

	31.12.2019	31.12.2018
Bonds and other fixed income securities		
Issued by public entities		
Bonds indexed to the exchange rate of the United States dollar	279,117,189	190,561,375
Foreign currency bonds	236,409,487	69,056,073
Non-readjustable bonds	22,054,224	16,029,971
	537,580,900	275,647,419
Impairment losses	(8,278,494)	(678,703)
Total	529,302,406	274,968,716

In accordance with the accounting policy described in note 2.5, debt securities measured at amortised cost are impaired as a result of the adoption of IFRS 9, as set out in the defined model.

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

As at 1 October 2019, 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.

As at 31 December 2019, the Fair Value of the reclassified securities is as follows:

(AOA thousand)

	Fair value 31.12.2019
Bonds and other fixed income securities	
Issued by public entities	
Bonds indexed to the exchange rate of the United States dollar	48,341,308
Foreign currency bonds	102,832,050
Total	151,173,358

The fair value gains or (losses) that would have been recognised under Other Comprehensive Income had the financial assets not been reclassified, in the period between the reclassification date and 31 December 2019 are as follows:

(AOA thousand)

	31.12.2019
Bonds and other fixed income securities	
Issued by public entities	
Bonds indexed to the exchange rate of the United States dollar	355,571
Foreign currency bonds	(563,483)
	(207,912)
Tax effect	62,374
Total	(145,538)

Changes occurred in impairment losses of financial assets as an adjustment to the investment amounts at amortised cost were as follows:

(AOA thousand)

	31.12.2019	31.12.2018
Balance on 1 January	678,703	-
Impact of transition to IFRS 9	-	478,663
Charge for the period/(Reversals)	8,014,653	200,040
Exchange rate and other differences	(414,862)	-
Balance on 31 December	8,278,494	678,703

As at 31 December 2019 and 2018, the maturity of financial instruments held to maturity is as follows:

(AOA thousand)

	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
Debt securities						
Bonds issued by public entities	27,660,108	88,201,058	358,677,914	63,041,820	-	537,580,900
Balance on 31 December 2019	27,660,108	88,201,058	358,677,914	63,041,820	-	537,580,900
Held-to-maturity investments						
Bonds issued by public entities	14,579,248	22,851,970	193,744,246	44,471,955	-	275,647,419
Balance on 31 December 2018	14,579,248	22,851,970	193,744,246	44,471,955	-	275,647,419