

Note 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This caption is analysed as follows:

(Thousands of AOA)

	Cost ⁽¹⁾	Potential added value		Interest	Book value
		Positive	Negative		
Financial liabilities at fair value through other comprehensive income					
Bonds and other fixed income securities					
Issued by public entities	2,803,495	86,168	-	163,140	3,052,803
Issued by other entities	2,190,828	-	(18,120)	86,068	2,258,777
Shares	448,954	-	-	-	448,954
Balance as at 31 December 2020	5,443,277	86,168	(18,120)	249,208	5,760,534
Financial liabilities 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 as at 31 December 2019	33,233,589	141,701	(302,967)	1,106,135	34,178,458

⁽¹⁾ 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.

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

As at 31 December 2020 and 2019, Bonds and other fixed-income securities includes the impairment transferred to profit and loss in the amount of AOA 350,293 thousand and AOA 534,514 thousand, respectively.

As at 31 December 2020, Bonds and other fixed-income securities presents the following changes:

(Thousands of AOA)

	31-12-2019	Acquisitions	Maturities	Disposals	Exchange rate effect for the period (Note 26)	Changes in fair value reserve	31-12-2020
Bonds and other fixed income securities							
Issued by public entities							
Bonds indexed to the exchange rate of the United States Dollar	7,168,411	-	(4,820,444)	(933,490)	(1,386,581)	(27,896)	-
Non-readjustable bonds	24,579,844	2,001,554	-	(22,779,394)	-	(749,202)	3,052,803
Issued by other entities							
Foreign currency bonds	2,084,520	-	-	-	343,135	(168,878)	2,258,777
	33,832,775	2,001,554	(4,820,444)	(23,712,884)	(1,386,581)	(777,098)	5,311,580

During 2020, the amount of Bonds and other fixed-income securities – Issued by public entities shows a significant decrease, as a result of the sales made under the exchange rate reset plan being implemented by the Bank (Note 2.5).

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. As at 31 December 2020 and 2019, the Bank holds a 10.40% and 7.90% interest, respectively, in the share capital of this company as well as additional financial investments, with the total investment amounting to AOA 448,954 thousand and AOA 345,683 thousand, respectively. The Bank's position in this institution was increased during 2020, with the acquisition of 2.50% of the share capital in the amount of AOA 103,271 thousand.

As at 31 December 2020 and 2019, the analysis of financial assets at fair value through other comprehensive income, by valuation levels, is as follows:

(Thousands of AOA)

	Level 1 Active market quotations	Level 2 Observable inputs in the market	Level 3 Other valuation techniques	Total
Bonds and other fixed income securities				
Issued by public entities	-	3,052,803	-	3,052,803
Issued by other entities	-	2,258,777	-	2,258,777
Shares	-	-	448,954	448,954
Balance as at 31 December 2020	-	5,311,580	448,954	5,760,534
Bonds and other fixed income securities				
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
Balance as at 31 December 2019	-	33,832,775	345,683	34,178,458

In accordance with IFRS 13, financial instruments are measured using the valuation levels described in Note 38.

As at 31 December 2020 and 2019, the breakdown of financial assets at fair value through other comprehensive income, by maturity, is as follows:

(Thousands of AOA)

	Below 3 months	3 to 12 months	1 to 5 years	Above 5 years	Undefined maturity	Total
Bonds and other fixed income securities						
Issued by public entities	1,242,044	768,361	1,042,398	-	-	3,052,803
Issued by other entities	-	-	2,258,777	-	-	2,258,777
Shares	-	-	-	-	448,954	448,954
Balance as at 31 December 2020	1,242,044	768,361	3,301,175	-	448,954	5,760,534
Bonds and other fixed income securities						
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
Balance as at 31 December 2019	804,772	4,406,114	28,621,889	-	345,683	34,178,458

Changes in the fair value reserve during the year are detailed in Note 21.