

NOTE 6**Financial assets and liabilities at fair value through profit or loss**

This caption is analysed as follows:

	(Thousands of AOA)	
	31-12-2021	31-12-2020 (restated)
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Other variable-income securities		
Participation units	267,782,882	204,931,937
Loans and advances to Customers	148,956	8,354,190
Derivatives		
Derivative financial instruments with positive fair value	298,758	3,640,415
	268,230,596	216,926,542
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
Derivatives		
Derivative financial instruments with negative fair value	1,412	3,978,187
	1,412	3,978,187

As at 31 December 2021 and 2020, the amount of Other variable-income securities refers to participation units held in the following Collective Investment Undertakings (Investment Funds):

(Thousands of AOA)

31-12-2021	Issuing Entity	Country	Activity/ Tipology*	Currency	Equity share	Book value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Other variable-income securities						
Pactual Property – FIIF	Private	Angola	CIU	AOA	99.50%	257,123,937
Atlântico Liquidez – FIMA	Private	Angola	CIU	AOA	58.53%	7,237,268
Atlântico Protecção – FIMF	Private	Angola	CIU	AOA	100.00%	1,610,710
FIPA Fund	Private	Luxembourg	CIU	USD	5.13%	1,064,839
FIPA II Fund	Private	Luxembourg	CIU	USD	8.42%	746,128
						267,782,882

* Collective Investment Undertaking

(Thousands of AOA)

31-12-2020 (restated)	Issuing Entity	Country	Activity/ Tipology*	Currency	Equity share	Book value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Other variable-income securities						
Pactual Property – FIIF	Private	Angola	CIU	AOA	99.32%	194,669,287
Atlântico Liquidez – FIMA	Private	Angola	CIU	AOA	64.35%	6,425,937
Atlântico Protecção – FIMF	Private	Angola	CIU	AOA	100.00%	1,813,588
FIPA Fund	Private	Luxembourg	CIU	USD	5.13%	1,149,784
FIPA II Fund	Private	Luxembourg	CIU	USD	8.42%	873,341
						204,931,937

* Collective Investment Undertaking

The Pactual Property – FIIF, Atlântico Liquidez – FIMA and Atlântico Protecção – FIMF investment funds, are managed by SG Hemera Capital Partners – SGOIC, S.A., formerly Atlântico Gestão de Activos – SGOIC, S.A., whereas the FIPA Fund and FIPA II Fund investment funds are managed by Angola Capital Partners, LLC. These funds are valued according to the share prices published daily by these Management Companies, as disclosed in Note 2.6.

During 2020 and 2021, the Bank acquired new participation units of the Pactual Property Fund – FIIF through the following capital increases:

- On 30 June 2020, by subscribing 35,246 participation units of the Fund for the amount of AOA 44,828,452 thousand, of which 32,729 participation units by contribution in kind through transfer of real estate corresponding to AOA 41,626,944 thousand and 2,517 participation units by contribution in cash corresponding to AOA 3,201,508 thousand;
- On 31 December 2020, by subscribing 81,830 participation units in the amount of AOA 102,834,673 thousand, of which 78,095 participation units by contribution in kind through transfer of real estate corresponding to AOA 98,141,184 thousand and 3,735 participation units by contribution in cash corresponding to AOA 4,693,489 thousand. Additionally, on this date, the Fund became the owner of a second participant, with the Bank now holding 99.32% of the share capital (100% before this date); and
- On 30 November 2021, by subscribing 47,536 participation units in the amount of AOA 58,695,245 thousand, of which 45,928 shares by contribution in kind through transfer of real estate corresponding to AOA 56,710,028 thousand and 1,608 participation units by contribution in cash corresponding to AOA 1,985,218 thousand, with the Bank now holding 99.5% of share capital.

The capital increases made by contributions in kind of (i) real estate received in lieu of payment for loan obligations, previously recorded under Non-current assets held for sale (Note 13), and (ii) real estate for own use whose use was discontinued, previously recorded under Property, plant and equipment (Note 11),

were previously valued, and their transfer amount corresponds to the arithmetic average of the value of three valuations, obtained from three independent expert valuers, registered with the CMC. Accordingly, the Bank derecognised the properties against the subscription of participation units at their market value, and the difference between the book value of the derecognised properties and their market value is recognised as capital gains or losses on the sale of other assets under Net gains/(losses) arising from the sale of other assets (Note 27).

As at 31 December 2021 and 2020, the amounts recorded under Loans and advances to customers refer to six and seven loan transactions, respectively, whose cash flows do not meet the SPPI criterion (Solely Payments of Principal and Interest). As at 31 December 2021 and 2020, the nominal amounts of these loans amounts to AOA 1,255,550 thousand and AOA 30,610,558 thousand, respectively, in local and foreign currency, classified in Stage 3 of impairment, due to default over 90 days, with a fair value of AOA 148,956 thousand and AOA 8,354,190 thousand, respectively. The reduction in the balance of the caption is due to the settlement of the exposure of a related party, resulting in the accounting of capital losses in the amount of AOA 797,017 thousand (Note 24). As at 31 December 2020, the referred exposure had a nominal value of AOA 29,302,344 thousand and a fair value of AOA 8,2026,43 thousand (Note 37).

As at 31 December 2021 and 2020, the amounts recorded under Derivatives – Derivative financial instruments with positive fair value and Derivatives – Derivative financial instruments with negative fair value is related to SWAP operations in EUR/USD currencies, contracted with Banco Comercial Português, S.A (Banco Millennium BCP, S.A.), with a view to hedge the foreign exchange position.

As at 31 December 2021 and 2020, the aforementioned derivative operations show a positive net value of AOA 297,346 thousand and a negative net value of AOA 337,772 thousand, respectively.

As provided for in IFRS 13, as at 31 December 2021 and 2020, financial instruments are measured in accordance with the following valuation hierarchy levels:

(Thousands of AOA)

31-12-2021	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Other variable-income securities				
Participation units	-	-	267,782,882	267,782,882
Loans and advances to Customers	-	-	148,956	148,956
Derivatives				
Derivative financial instruments with positive fair value	-	298,758	-	298,758
	-	298,758	267,931,838	268,230,596
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives				
Derivative financial instruments with negative fair value	-	1,412	-	1,412
	-	1,412	-	1,412

(Thousands of AOA)

31-12-2020 (restated)	Level 1 Quoted prices in active market	Level 2 Observable market inputs	Level 3 Other valuation techniques	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Other variable-income securities				
Participation units	-	-	204,931,937	204,931,937
Loans and advances to Customers	-	-	8,354,190	8,354,190
Derivatives				
Derivative financial instruments with positive fair value	-	3,640,415	-	3,640,415
	-	3,640,415	213,286,127	216,926,542
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS				
Derivatives				
Derivative financial instruments with negative fair value	-	3,978,187	-	3,978,187
	-	3,978,187	-	3,978,187

The main parameters used, during the year ended 31 December 2021 and 2020, in the valuation model, as well as the description of the valuation levels provided for in IFRS 13, are described in Note 38.

As at 31 December 2021 and 2020, the breakdown of financial assets at fair value through profit or loss by maturity is as follows:

(Thousands of AOA)

31-12-2021	Below 3 months	Undefined maturity	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Other variable-income securities	-	267,782,882	267,782,882
Loans and advances to Customers	-	148,956	148,956
Derivatives			
Derivative financial instruments with positive fair value	298,758	-	298,758
	298,758	267,931,838	268,230,596
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Derivatives			
Derivative financial instruments with negative fair value	1,412	-	1,412
	1,412	-	1,412
31-12-2020 (restated)			
	Below 3 months	Undefined maturity	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Other variable-income securities	-	204,931,937	204,931,937
Loans and advances to Customers	-	8,354,190	8,354,190
Derivatives			
Derivative financial instruments with positive fair value	3,640,415	-	3,640,415
	3,640,415	213,286,127	216,926,542
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Derivatives			
Derivative financial instruments with negative fair value	3,978,187	-	3,978,187
	3,978,187	-	3,978,187