

## 26. INVESTMENTS IN ASSOCIATED COMPANIES

This balance is analysed as follows:

	(Thousands of euros)	
	2017	2016
Portuguese credit institutions	35,249	46,271
Foreign credit institutions	331,617	253,478
Other Portuguese companies	284,611	277,454
Other foreign companies	21,897	21,663
	<b>673,374</b>	<b>598,866</b>
Impairment	(102,012)	-
	<b>571,362</b>	<b>598,866</b>

The balance Investments in associated companies is analysed as follows:

	(Thousands of euros)				
	2017			2016	
	Ownership on equity	Goodwill	Impairment for investments in associated companies	Total	Total
Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.	252,577	-	-	252,577	244,497
Banco Millennium Atlântico, S.A. (note 59)	150,122	146,676	(84,001)	212,797	219,754
Unicre - Instituição Financeira de Crédito, S.A.	27,813	7,436	-	35,249	46,271
Banque BCP, S.A.S.	34,819	-	-	34,819	32,438
SIBS, S.G.P.S, S.A.	23,954	-	-	23,954	25,575
Webspectator Corporation	87	18,011	(18,011)	87	18,111
Mundotêxtil - Indústrias Têxteis, S.A.	6,198	-	-	6,198	6,854
Banque BCP (Luxembourg), S.A.	-	-	-	-	1,286
Others	4,815	866	-	5,681	4,080
	<b>500,385</b>	<b>172,989</b>	<b>(102,012)</b>	<b>571,362</b>	<b>598,866</b>

These investments correspond to unquoted companies. According to the accounting policy described in note 1 b), these investments are measured at the equity method.

The Group's companies included in the consolidation perimeter are presented in note 60.

In 2017 the impairment of the year for investments in associated companies amounts to Euros 57,764,000 of which Euros 39,753,000 related to Banco Millennium Atlântico, S.A. and Euros 18,011,000 to Webspectator Corporation.

The main indicators of the principal associated companies, as at 31 december 2017, are analysed as follows:

(Thousands of euros)						
2017 (a)						
	Country	% held	Total Assets	Total Liabilities	Total Income	Net income for the year
Millenniumbcp Ageas Grupo						
	Portugal	49.0	11,278,530	10,448,465	743,193	60,447
	Angola	22.7	5,376,370	4,731,587	589,731	125,510
Unicre - Instituição Financeira de						
	Portugal	32.0	312,533	235,286	169,970	22,900
	France	19.9	3,501,501	3,326,529	120,391	17,662
	Portugal	22.7	185,380	70,100	179,995	12,498

(a) - Non audited accounts

(\*) - These indicators correspond to the statutory financial statements that do not include the effects of applying IAS 29.

(\*\*) - Provisional values.

The main indicators of the principal associated companies, as at 31 december 2016, are analysed as follows:

(Thousands of euros)

		2016 (a)					
	Country	% held	Total Assets	Total Liabilities	Total Income	Net income for the year	
Millenniumbcp Ageas Grupo							
	Segurador, S.G.P.S., S.A.	Portugal	49.0	10,519,633	9,693,976	743,285	40,342
	Banco Millennium Atlântico, S.A.	Angola	22.7	5,543,186	4,882,720	609,145	137,761
Unicre - Instituição Financeira de							
	Crédito, S.A.	Portugal	32.0	339,037	255,619	209,070	60,545
	Banque BCP, S.A.S.	France	19.9	3,217,286	3,054,283	118,315	15,015
	SIBS, S.G.P.S., S.A.	Portugal	22.7	185,380	70,100	212,895	45,398
	Banque BCP (Luxembourg), S.A.	Luxembourg	3.6	590,770	555,371	16,633	850

(a) - Audited accounts

In accordance with the requirements of IFRS 12 and considering their relevance, the movements occurred in investments in Millenniumbcp Ageas Group Segurador, S.G.P.S., S.A. and in Banco Millennium Atlântico, S.A., are analysed as follows:

(Thousands of euros)

	Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.		Banco Millennium Atlântico, S.A.	
	2017	2016	2017	2016
<b>Ownership held by BCP on equity of the associates as at 1 January</b>	<b>244,497</b>	222,914	<b>219,754</b>	-
Merger of Banco Millennium Angola, S.A. with Banco Privado Atlântico, S.A.	-	-	-	205,140
Application of IAS 29 - Effect on 1 January 2017 (note 43)				
Net non-monetary assets of the BMA	-	-	26,010	-
Goodwill associated with BMA investment	-	-	18,238	-
Impairment for investments in associates	-	-	(44,248)	-
Application of IAS 29 for the year:				
Net non-monetary assets of the BMA				
Effect on BMA's equity (note 43)	-	-	34,321	-
Effect of exchange rate variations (note 43)	-	-	(2,729)	-
Revaluation in net income (note 15)	-	-	(9,092)	-
Goodwill of the merger operation				
Effect of exchange rate variations (note 43)	-	-	(3,164)	-
Revaluation in net income (note 15)	-	-	20,417	-
Impairment for investments in associates	-	-	(39,753)	-
Appropriation of the net income of the associates (note 15) (*)	35,413	26,036	28,534	13,306
Appropriation of the net income of previous years (note 15)	-	-	(14)	-
Other comprehensive income attributable to BCP	26,442	(4,453)	1,007	755
Exchange differences				
Effect on BMA's equity	-	-	(19,082)	11,632
Goodwill associated with BMA investment	-	-	(3,392)	-
Dividends received	(53,900)	-	(14,011)	(10,031)
Other adjustments	125	-	1	(1,048)
<b>Investment held at the end of the year</b>	<b>252,577</b>	244,497	<b>212,797</b>	219,754

(\*) For Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A includes adjustments according to BCP GAAP.

The following table presents the financial statements, prepared in accordance with IFRS, for the mentioned associated companies modified by the consolidation adjustments:

	(Thousands of euros)			
	Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.		Banco Millennium Atlântico, S.A.	
	2017	2016	2017	2016
Income	743,193	743,285	589,731	609,145
Net profit for the year	60,447	40,342	125,510	137,761
Comprehensive income	53,962	(9,087)	4,427	3,322
Total comprehensive income attributable to Shareholders of the associates	114,409	31,255	129,937	141,083
Comprehensive income (pre-acquisition)	-	-	-	(78,663)
Adjustments of intra-group transactions (reverse of the VOBA annual amortization (*)	11,826	12,792		
Application of IAS 29 from the date of the merger (April 2016)			(39,992)	-
Attributable to Shareholders of the associates adjusted to BCP GAAP	126,235	44,047	129,937	62,420
Attributable to the BCP Group	61,855	21,583	20,449	14,061
Financial assets	10,906,584	10,124,342	4,453,054	4,866,955
Non-financial assets	371,946	395,291	923,316	676,231
Financial liabilities	(10,358,115)	(9,581,715)	(4,614,674)	(4,714,890)
Non-financial liabilities	(90,350)	(112,261)	(116,913)	(167,830)
Total equity attributable to Shareholders of the associates	830,065	825,657	644,783	660,466
Adjustments of intra-group transactions (reverse of the VOBA total amortizations (*)	316,301	304,219		
Application of IAS 29 from the date of the merger (April 2016)			213,376	-
Attributable to Shareholders of the associates adjusted to BCP GAAP	1,146,366	1,129,876	858,159	660,466
Attributable to the BCP Group	561,719	553,639	195,099	150,154
Reverse of the initial gain in 2004 allocated to the BCP Group	(309,142)	(309,142)	-	-
Goodwill of the merge			101,699	69,600
Impairment for investments in associated companies			(84,001)	-
Attributable to the BCP Group adjusted of consolidation items	252,577	244,497	212,797	219,754

(\*) - VOBA corresponds to the estimated current value of the future cash flows of the contracts in force at the date of acquisition. The value of the acquired business (VOBA) is recognized in the consolidated accounts of Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. as intangible assets and is amortized over the period of recognition of the income associated with the policies acquired.