

43. FAIR VALUE RESERVES AND RESERVES AND RETAINED EARNINGS

This balance is analysed as follows:

	(Thousands of euros)	
	2017	2016
Fair value reserves		
Financial assets available for sale (note 23)		
Potential gains and losses recognised in fair value reserves (*)	56,883	(233,799)
Financial assets held to maturity (**)	(3,049)	(6,517)
Of associated companies and others	29,199	3,568
	83,033	(236,748)
Cash-flow hedge	12,985	56,842
	96,018	(179,906)
Tax		
Financial assets available for sale		
Potential gains and losses recognised in fair value reserves	(8,375)	67,936
Financial assets held to maturity	141	207
Cash-flow hedge	(5,694)	(18,869)
	(13,928)	49,274
	82,090	(130,632)
Reserves and retained earnings		
Exchange differences arising on consolidation:		
Bank Millennium, S.A.	(26,733)	(33,196)
BIM - Banco Internacional de Moçambique, S.A.	(151,710)	(166,996)
Others	(5,676)	15,873
	(184,119)	(184,319)
Actuarial losses	(2,590,817)	(2,575,656)
Application of IAS 29		
Effect on BMA equity	28,428	-
Others	(3,965)	-
	24,463	-
Other reserves and retained earnings	2,630,253	2,657,669
	(120,220)	(102,306)

(*) Includes the effects arising from the application of hedge accounting.

(**) Refers to the amount not accrued of the fair value reserve at the date of reclassification for securities subject to reclassification.

The fair value reserves correspond to the accumulated fair value changes of the financial assets available for sale and Cash flow hedge, in accordance with the accounting policy presented in note 1 d).

The changes occurred in Fair value reserves, excluding the effect of hedge accounting, during 2017, are analysed as follows:

(Thousands of euros)

2017						
	Balance on 1 January	Fair value adjustment	Fair value hedge adjustment	Impairment in profit and loss	Sales	Balance on 31 December
Millenniumbcp Ageas	(976)	26,008	-	-	-	25,032
Portuguese public debt securities	(295,433)	361,778	(68,400)	-	(55,719)	(57,774)
Visa Inc.	644	2,283	-	-	-	2,927
Other investments	59,017	33,520	1,212	63,421	(44,322)	112,848
	(236,748)	423,589	(67,188)	63,421	(100,041)	83,033

The changes occurred in Fair value reserves, excluding the effect of hedge accounting, during 2016, are analysed as follows:

(Thousands of euros)

2016						
	Balance on 1 January	Fair value adjustment	Fair value hedge adjustment	Impairment in profit and loss	Sales	Balance on 31 December
Millenniumbcp Ageas	3,270	(4,246)	-	-	-	(976)
Portuguese public debt securities	(116,939)	(110,728)	(57,763)	-	(10,003)	(295,433)
Visa Europe Limited.	43,312	18,036	-	-	(61,348)	-
Visa Inc.	-	644	-	-	-	644
Other investments	123,742	(308,791)	-	274,741	(30,675)	59,017
	53,385	(405,085)	(57,763)	274,741	(102,026)	(236,748)

44. NON-CONTROLLING INTERESTS

This balance is analysed as follows:

(Thousands of euros)

	2017	2016
Exchange differences arising on consolidation	(87,009)	(141,617)
Deferred taxes	920	4,900
Actuarial losses (net of taxes)	256	(1,069)
Fair value reserves	(6,044)	(28,653)
	(91,877)	(166,439)
Other reserves and retained earnings	1,190,798	1,049,504
	1,098,921	883,065