

## 22. Financial assets held to maturity

As at 31 December 2017, the balance Financial assets held to maturity was analysed as follows:

(Thousands of euros)

|  | 2017              |                       |                      |                 | Total   |
|--|-------------------|-----------------------|----------------------|-----------------|---------|
|  | Up to<br>3 months | 3 months to<br>1 year | 1 year to<br>5 years | Over 5<br>years |         |
| <b>Bonds issued by public entities</b> |                   |                       |                      |                 |         |
| Foreign issuers                        | -                 | -                     | 50,859               | -               | 50,859  |
| <b>Bonds issued by other entities</b>  |                   |                       |                      |                 |         |
| Portuguese issuers                     | -                 | -                     | 173,909              | 39,145          | 213,054 |
| Foreign issuers                        | -                 | -                     | -                    | 78,872          | 78,872  |
|  | -                 | -                     | 224,768              | 118,017         | 342,785 |

This note should be analyzed together with note 20.

The analysis of financial assets held to maturity, by sector of activity, as at 31 December 2017, was analysed as follows:

(Thousands of euros)

|                                  | 2017    |
|----------------------------------|---------|
| Transports                       | 173,909 |
| Services                         |         |
| Financial intermediation         | 78,872  |
| Real estate activities           | 39,145  |
|                                  | 291,926 |
| Government and Public securities | 50,859  |
|                                  | 342,785 |

## 23. Hedging derivatives

This balance is analysed as follows:

(Thousands of euros)

|        | 2018   |             | 2017   |             |
|--------|--------|-------------|--------|-------------|
|        | Assets | Liabilities | Assets | Liabilities |
| Swaps  | 92,891 | 68,486      | 18,804 | 99,453      |
| Others | -      | -           | -      | 12,899      |
|        | 92,891 | 68,486      | 18,804 | 112,352     |

Hedging derivatives are measured in accordance with internal valuation techniques considering observable market inputs and, when not available, on information prepared by the Bank by extrapolation of market data. In accordance with the hierarchy of the valuation sources, as referred in IFRS 13 these derivatives are classified in level 2. The Bank resources to derivatives to hedge interest, exchange rate exposure risks and credit portfolio risk. The accounting method depends on the nature of the hedged risk, namely if the Bank is exposed to fair value changes, variability in cash flows or highly probable forecast transactions.