

## 20. Debt securities

The balance Debt securities is analysed as follows:

	(Thousands of euros)	
	2020	2019
<b>Debt securities held associated with credit operations</b>		
Portuguese issuers		
Bonds	214,421	155,567
Commercial paper	1,334,236	1,871,985
Foreign issuers		
Bonds	30,398	32,356
Commercial paper	28,160	25,233
	<b>1,607,215</b>	<b>2,085,141</b>
Overdue securities - over 90 days	1,761	1,799
	<b>1,608,976</b>	<b>2,086,940</b>
Impairment	(11,021)	(12,431)
	<b>1,597,955</b>	<b>2,074,509</b>
<b>Debt securities held not associated with credit operations</b>		
Bonds issued by public entities		
Portuguese issuers (*)	3,758,015	137,330
Foreign issuers	5,666	8,173
Bonds issued by other entities		
Portuguese issuers	178,405	178,067
Foreign issuers	41,238	50,854
	<b>3,983,324</b>	<b>374,424</b>
Impairment	(3,404)	(532)
	<b>3,979,920</b>	<b>373,892</b>
	<b>5,577,875</b>	<b>2,448,401</b>

(\*) Includes the amount of Euros 28,794,000 (31 December 2019: 856,000) related to adjustments resulting from the application of fair value hedge accounting.

As at 31 December 2020, the balance Debt securities held not associated with credit operations - Bonds issued by other entities includes the amount of Euros 139,085,000 (31 December 2019: Euros 138,752,000) related to public sector companies.

In 2020, under the terms of IFRS 9, the Bank took the decision to establish, the balance Debt securities held not associated with credit operations - Bonds issued by Portuguese public issuers, a portfolio of securities whose business model seeks to receive the respective income until maturity, that is, of a portfolio Held to Collect, whose value at 31 December 2020 amounts to Euros 3,544,918,000.

The analysis of the balance Debt securities before impairment, by maturity, as at 31 December 2020 is as follows:

(Thousands of euros)

	2020					Total
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Overdue	
<b>Debt securities held associated with credit operations</b>						
Portuguese issuers						
Bonds	–	–	7,069	207,352	–	214,421
Commercial paper	970,522	362,714	1,000	–	1,761	1,335,997
Foreign issuers						
Bonds	–	10,222	–	20,176	–	30,398
Commercial paper	19,532	8,628	–	–	–	28,160
	990,054	381,564	8,069	227,528	1,761	1,608,976
<b>Debt securities held not associated with credit operations</b>						
Public entities						
Portuguese issuers	–	–	873,998	2,884,017	–	3,758,015
Foreign issuers	–	–	5,666	–	–	5,666
Other entities						
Portuguese issuers	25,628	–	113,351	39,426	–	178,405
Foreign issuers	–	–	–	41,238	–	41,238
	25,628	–	993,015	2,964,681	–	3,983,324
	1,015,682	381,564	1,001,084	3,192,209	1,761	5,592,300

The analysis of the balance Debt securities before impairment, by maturity, as at 31 December 2019 is as follows:

(Thousands of euros)

	2019					Total
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Overdue	
<b>Debt securities held associated with credit operations</b>						
Portuguese issuers						
Bonds	–	–	–	155,567	–	155,567
Commercial paper	1,342,583	529,402	–	–	1,799	1,873,784
Foreign issuers						
Bonds	–	–	10,881	21,475	–	32,356
Commercial paper	15,201	10,032	–	–	–	25,233
	1,357,784	539,434	10,881	177,042	1,799	2,086,940
<b>Debt securities held not associated with credit operations</b>						
Public entities						
Portuguese issuers	–	–	–	137,330	–	137,330
Foreign issuers	1,998	–	6,175	–	–	8,173
Other entities						
Portuguese issuers	–	–	138,737	39,330	–	178,067
Foreign issuers	–	–	–	50,854	–	50,854
	1,998	–	144,912	227,514	–	374,424
	1,359,782	539,434	155,793	404,556	1,799	2,461,364

The analysis of debt securities portfolio, net of impairment, by sector of activity, is analysed as follows:

	(Thousands of euros)	
	2020	2019
<b>Debt securities held associated with credit operations</b>		
Agriculture and forestry	4,877	–
Mining	27,646	17,493
Food, beverage and tobacco	85,174	83,063
Textiles	61,725	67,201
Wood and cork	6,438	8,017
Paper, printing and publishing	9,295	10,305
Chemicals	105,146	151,612
Machinery, equipment and basic metallurgical	54,108	76,345
Electricity and gas	198,291	184,911
Water	12,417	14,956
Construction	16,650	12,135
Retail business	48,377	73,243
Wholesale business	70,625	70,554
Restaurants and hotels	9,394	7,506
Transports	62,811	35,948
Telecommunications	5,572	6,444
Services		
Financial intermediation	88,292	222,846
Real estate activities	28,139	23,919
Consulting, scientific and technical activities	616,512	923,513
Administrative and support services activities	10,754	16,924
Health and collective service activities	–	4,999
Artistic, sports and recreational activities	12,455	–
Other services	5,055	5,084
Other international activities	58,202	57,491
	<b>1,597,955</b>	<b>2,074,509</b>
<b>Debt securities held not associated with credit operations</b>		
Chemicals	25,578	25,609
Water	39,394	39,324
Transports (*)	99,504	99,402
Services		
Financial intermediation	41,238	50,854
Consulting, scientific and technical activities	13,483	13,550
	<b>219,197</b>	<b>228,739</b>
Government and Public securities	3,760,723	145,153
	<b>3,979,920</b>	<b>373,892</b>
	<b>5,577,875</b>	<b>2,448,401</b>

(\*) corresponds to securities of public sector companies

The changes occurred in impairment for debt securities are analysed as follows:

	(Thousands of euros)	
	2020	2019
<b>Debt securities held associated with credit operations</b>		
Balance on 1 January	12,431	39,921
Charge for the year in net income interest (note 2)	54	120
Other transfers	(7,756)	–
Impairment charge for the year (note 10)	6,293	1,717
Reversals for the year (note 10)	–	(907)
Loans charged-off	–	(28,420)
Exchange rate differences	(1)	–
<b>Balance at the end of the year</b>	<b>11,021</b>	<b>12,431</b>
<b>Debt securities held not associated with credit operations</b>		
Balance on 1 January	532	284
Impairment charge for the year (note 10)	2,908	447
Loans charged-off	–	(202)
Exchange rate differences	(36)	3
<b>Balance at the end of the year</b>	<b>3,404</b>	<b>532</b>

## 21. Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income

The balance Financial assets held for trading, Other financial assets held for trading at fair value through profit or loss and Financial assets available for sale is analysed as follows:

	(Thousands of euros)	
	2020	2019
<b>Financial assets at fair value through profit or loss</b>		
<b>Financial assets held for trading</b>		
Debt instruments	425,880	51,452
Equity instruments	827	545
Trading derivatives	518,610	590,361
	<b>945,317</b>	<b>642,358</b>
<b>Financial assets not held for trading mandatorily at fair value through profit or loss</b>		
Debt instruments	1,277,826	1,444,772
<b>Financial assets designated at fair value through profit or loss</b>		
Debt instruments	–	31,496
<b>Financial assets at fair value through other comprehensive income</b>		
Debt instruments	8,024,989	8,006,771
Equity instruments	60,680	72,099
	<b>8,085,669</b>	<b>8,078,870</b>
	<b>10,308,812</b>	<b>10,197,496</b>

As at 31 December 2019, the balance Trading derivatives includes the valuation of the embedded derivatives separated in accordance with the accounting policy 1B.5. in the amount of Euros 956,000.