

The analysis of hedging derivatives portfolio, by maturity, as at 31 December 2019, is as follows:

(Thousands of euros)						
	2019				Fair value	
	Notional (remaining period)					
	Up to 3 months	3 months to 1 year	Over 1 year	Total	Assets	Liabilities
Fair value hedging derivatives related to interest rate risk changes						
OTC Market						
Interest rate swaps	52,919	1,420,269	3,063,197	4,536,385	17,131	46,122
Cash flow hedging derivatives related to interest rate risk changes						
OTC Market						
Interest rate swaps	65,854	111,717	11,706,362	11,883,933	18,972	77,272
Cash flow hedging derivatives related to currency risk changes						
OTC Market						
Currency swaps	83,090	–	–	83,090	185	172
Other currency contracts (CIRS)	469,804	930,004	1,605,817	3,005,625	8,853	98,300
	552,894	930,004	1,605,817	3,088,715	9,038	98,472
Hedging derivatives related to net investment in foreign operations						
OTC Market						
Currency and interest rate swap	–	462,072	136,723	598,795	–	8,057
Total derivatives traded by						
OTC Market	671,667	2,924,062	16,512,099	20,107,828	45,141	229,923

25. Investments in associated companies

This balance is analysed as follows:

(Thousands of euros)		
	2020	2019
Portuguese credit institutions	40,114	37,959
Foreign credit institutions	139,095	172,432
Other Portuguese companies	287,285	228,897
Other foreign companies	21,024	21,876
	487,518	461,164
Impairment	(52,559)	(60,773)
	434,959	400,391

The movements occurred in Impairment for investments in associated companies are analysed as follows:

(Thousands of euros)		
	2020	2019
Balance on 1 January	60,773	78,012
Transfers	–	2,853
Impairment charge for the year (note 12)	4,735	4,550
Loans charged-off	–	(3,756)
Exchange rate differences	(12,949)	(20,886)
Balance at the end of the year	52,559	60,773

The balance Investments in associated companies is analysed as follows:

	2020				(Thousands of euros)	
	Ownership on equity	Goodwill	Impairment for investments in associated companies	Total	2019	
Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A.	228,956	–	–	228,956	174,348	
Banco Millennium Atlântico, S.A.	53,257	43,255	(29,991)	66,521	93,044	
Banque BCP, S.A.S.	42,583	–	–	42,583	40,274	
Cold River's Homestead, S.A.	19,087	–	(4,557)	14,530	15,522	
SIBS, S.G.P.S, S.A.	38,881	–	–	38,881	34,815	
Unicre - Instituição Financeira de Crédito, S.A.	32,679	7,435	–	40,114	37,959	
Webspectator Corporation	86	18,011	(18,011)	86	94	
Others	3,288	–	–	3,288	4,335	
	418,817	68,701	(52,559)	434,959	400,391	

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 62.

The main indicators of the principal associated companies, as at 31 December 2020, are analysed as follows:

	Country	% held	2020 (a)			
			Total Assets	Total Liabilities	Total Income	Net income for the year
Millenniumbcp Ageas Grupo						
Segurador, S.G.P.S., S.A.	Portugal	49.0	11,352,484	10,589,925	460,420	81,248
Banco Millennium Atlântico, S.A. (*)	Angola	22.7	2,218,339	1,988,094	283,529	32,107
Banque BCP, S.A.S.	France	19.8	4,454,861	4,239,715	121,729	12,792
SIBS, S.G.P.S, S.A. (**)	Portugal	23.3	282,800	120,800	113,476	18,800
Unicre - Instituição Financeira de Crédito, S.A. (**)	Portugal	32.0	344,971	260,667	115,978	3,532

(a) Non audited accounts

(*) These indicators correspond to the statutory financial statements that do not include the effects of applying IAS 29 (note 14).

(**) Provisional values.

The main indicators of the principal associated companies, as at 31 December 2019, are analysed as follows:

(Thousands of euros)						
2019						
	Country	% held	Total Assets	Total Liabilities	Total Income	Net income for the year
Millenniumpcp Ageas Grupo						
Segurador, S.G.P.S., S.A.	Portugal	49.0	11,813,053	11,152,606	1,035,785	47,677
Banco Millennium Atlântico, S.A. (*)	Angola	22.7	3,027,719	2,725,875	359,375	74,094
Banque BCP, S.A.S.	France	19.8	4,147,954	3,944,835	123,119	20,624
SIBS, S.G.P.S, S.A.	Portugal	23.3	284,879	123,561	226,952	31,082
Unicre - Instituição Financeira de Crédito, S.A.						
	Portugal	32.0	375,736	279,017	170,568	16,225

(*) These indicators correspond to the statutory financial statements that do not include the effects of applying IAS 29 (note 14).

In accordance with the requirements of IFRS 12 and considering their relevance, the movements occurred in the investment held in Banco Millennium Atlântico, S.A., is analysed as follows:

(Thousands of euros)		
	2020	2019
Ownership held by BCP on equity of the associated company as at 1 January	93,044	141,188
Application of IAS 29 for the year:		
Net non-monetary assets of the BMA		
Effect of exchange rate variations (note 43)	(7,676)	(14,733)
Amortization of the effect of IAS 29 application calculated as at 31 December 2018 (note 14)	(3,944)	(5,725)
Goodwill of the merger operation of the BMA		
Effect of exchange rate variations (note 43)	(6,476)	(10,682)
Impairment for investments in associated companies	(3,826)	–
Appropriation of the net income of the associated companies (note 14)	7,300	16,923
Appropriation of the net income of previous years (note 14)	(27)	–
Annulment of the gains arising from properties sold to Group entities (note 14)	6,067	(8,680)
Other comprehensive income attributable to BCP	(114)	(1,735)
Exchange differences		
Effect on BMA's equity	(23,436)	(33,779)
Goodwill associated with investment in BMA	(7,881)	(12,999)
Impairment for investments in associated companies (note 43)	12,950	20,886
Annulment of the gains arising from the sale of properties to Group entities	540	2,073
Others	–	307
Investment held at the end of the year	66,521	93,044

The following table presents the financial statements of Banco Millennium Atlântico, S.A, prepared in accordance with IFRS, modified by the consolidation adjustments:

	(Thousands of euros)	
	2020	2019
Income	283,529	359,375
Net profit for the year	32,107	74,094
Comprehensive income	(501)	(7,633)
Total comprehensive income attributable to Shareholders of the associated company	31,606	66,461
Application of IAS 29 (*)	(17,346)	(25,181)
Attributable to Shareholders of the associated companies adjusted to BCP GAAP	14,260	41,280
Attributable to the BCP Group	3,242	9,385
Balance sheet		
Financial assets	1,918,456	2,455,612
Non-financial assets	299,883	572,107
Financial liabilities	(1,951,208)	(2,657,420)
Non-financial liabilities	(36,886)	(68,455)
Attributable to Shareholders of the associated companies	230,245	301,844
Application of IAS 29 (*)	62,351	113,459
Reverse of the gain from the sale of buildings to entities of the Group	–	(29,064)
Attributable to Shareholders of the associated companies adjusted to BCP GAAP	292,596	386,239
Attributable to the BCP Group	66,521	87,810
Goodwill of the merge	29,991	44,349
Impairment for investments in associated companies	(29,991)	(39,115)
Attributable to the BCP Group adjusted of consolidation items	66,521	93,044

(*) The impact of the IAS 29 adoption was calculated from the date of the merger (April 2016).

The amounts presented do not include adjustments arising from the application of IAS 29. Based on the requirements of IAS 29, Angola was considered a hyperinflationary economy until 31 December 2018, for the purpose of presenting the consolidated financial statements, as described in accounting policy 1 B6. This classification ceased to be applied on 1 January 2019.

In accordance with the requirements of IFRS 12 and considering their relevance, the movements occurred in the investment held in Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A., is analysed as follows:

	(Thousands of euros)	
	2020	2019
Ownership held by BCP on equity of the associated company as at 1 January	174,348	138,460
Appropriation of the net income of the associated company (note 14) (*)	44,344	28,430
Other comprehensive income attributable to BCP	10,264	7,458
Investment held at the end of the year	228,956	174,348

(*) Includes adjustments according to BCP GAAP.

The following table presents the financial statements of Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A., prepared in accordance with IFRS, modified by the consolidation adjustments:

	(Thousands of euros)	
	2020	2019
Income	460,420	1,035,785
Net profit for the year	81,248	47,677
Comprehensive income	20,947	15,220
Total comprehensive income attributable to Shareholders of the associated company	102,195	62,897
Adjustments of intra-group transactions (reverse of the VOBA annual amortisation (*))	9,250	10,343
Attributable to Shareholders of the associated company adjusted to BCP GAAP	111,445	73,240
Attributable to the BCP Group	54,608	35,888
Balance sheet		
Financial assets	10,928,566	11,374,831
Non-financial assets	423,918	438,222
Financial liabilities	(10,466,340)	(11,060,565)
Non-financial liabilities	(123,585)	(92,041)
Total equity	762,559	660,447
Attributable to non-controlling interests	11,567	11,649
Attributable to Shareholders of the associated companies	750,992	648,798
Adjustments of intra-group transactions (reverse of the VOBA annual amortisation (*))	347,167	337,917
Attributable to Shareholders of the associated company adjusted to BCP GAAP	1,098,159	986,715
Attributable to the BCP Group	538,098	483,490
Reverse of the initial gain in 2004 allocated to the BCP Group	(309,142)	(309,142)
Attributable to the BCP Group adjusted of consolidation items	228,956	174,348

(*) 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 recognised in the consolidated accounts of Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. as intangible assets and is amortised over the period of recognition of the income associated with the policies acquired.

The Group owns 49% of Millenniumbcp Ageas Grupo Segurador, S.G.P.S., S.A. (Mbcp Ageas), being accounted as investment in an associate under the equity method.

According to IFRS 4, there is the possibility to differ the application of IFRS 9 to insurance entities, i.e. although IFRS 9 is in force on 1 January 2018, the insurance companies can choose for the temporary exemption until 31 December 2022.

The Group chose for the temporary exemption until 31 December 2022, following the approach of Mbcp Ageas, and as far it fulfils the requirements to be accomplish with the temporary exemption until 31 December 2022 which are:

- The entity didn't adopt previously the IFRS 9;
- The liabilities measured according IFRS 4 are significative;
- The weight of IFRS4 liabilities in total liabilities of entity is more than 90%;
- Non-related activities with insurance activity isn't significant.

This exception and based on paragraph 20P b) and 200a) of IFRS 4, allows the Group to apply IFRS 9 in its consolidated accounts and to have Mbcp Ageas not applying IFRS 9 in its individual accounts (which are integrated into the consolidated accounts using the equity method).

Regarding to the evaluation of the impacts arising from the adoption of IFRS 9, the Ageas Group Portugal has a project in progress to determine the impacts of adopting IFRS 9. Based on the evaluation made on this date, the total impact of IFRS 9, as at 31 December 2020, net of Participation of Benefits (PB) and net of Tax (29%) in consolidation in BCP Group is a positive amount of Euros 461,000 (2019: positive amount of Euros 513,000).