

**27. NON-CURRENT ASSETS HELD FOR SALE**

This balance is analysed as follows:

	(Thousands of euros)					
	2017			2016		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Real estate						
Assets arising from recovered loans	1,799,228	(234,840)	1,564,388	1,798,040	(203,020)	1,595,020
Assets belong to investments funds and real estate companies	536,911	(56,552)	480,359	529,261	(7,277)	521,984
Assets for own use (closed branches)	67,092	(14,886)	52,206	77,323	(7,106)	70,217
Equipment and other	48,045	(11,877)	36,168	31,577	(10,176)	21,401
Other assets	31,446	-	31,446	41,537	-	41,537
	<b>2,482,722</b>	<b>(318,155)</b>	<b>2,164,567</b>	<b>2,477,738</b>	<b>(227,579)</b>	<b>2,250,159</b>

The assets included in this balance are accounted for in accordance with the accounting policy note 1 k).

The balance Real estate - Assets arising from recovered loans includes, essentially, real estate resulted from recovered loans or judicial auction following the resolution of credit agreements to customers being accounted for at the time the Group assumes control of the asset, which is usually associated with the transfer of their legal ownership. Additional information on these assets is presented in note 52.

These assets are available for sale in a period less than one year and the Bank has a strategy for its sale, according to the characteristic of each asset. However, taking into account the actual market conditions, it was not possible in all instances to conclude the sales in the expected time. The sale strategy is based in an active search of buyers, with the Bank having a website where advertises these properties and through partnerships with the mediation of companies having more ability for the product that each time the Bank has for sale. Prices are periodically reviewed and adjusted for continuous adaptation to the market.

The Group requests, regularly, to the Bank of Portugal, following the Article 114º of the General Regime of Credit Institutions and Financial Companies, the extension of the period of holding these properties.

The referred balance includes real estate for which the Group has already established contracts for the sale in the amount of Euros 77,152,000 (31 December 2016: Euros 92,682,000), of which Euros 7,079,000 (31 December 2016: Euros 19,938,000) relate to properties held by investment funds. The impairment associated with all the established contracts is Euros 4,832,000 (31 December 2016: Euros 17,435,000), which was calculated taking into account the value of the respective contracts.

The changes occurred in impairment for non-current assets held for sale are analysed as follows:

	(Thousands of euros)	
	2017	2016
<b>Balance on 1 January</b>	<b>227,579</b>	265,170
Transfers	-	(13,786)
Charge for the year	155,236	51,296
Reversals for the year	(4,618)	-
Amounts charged-off	(60,173)	(73,980)
Exchange rate differences	131	(1,121)
<b>Balance on 31 December</b>	<b>318,155</b>	227,579