

25. Non-current assets held for sale

This balance is analysed as follows:

	(Thousands of euros)					
	2018			2017		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Real estate						
Assets arising from recovered loans (note 49)	1,322,473	(179,009)	1,143,464	1,559,450	(190,359)	1,369,091
Assets for own use (closed branches)	3,431	(757)	2,674	5,553	(1,241)	4,312
Equipment and other	9,537	(5,067)	4,470	12,376	(6,476)	5,900
Subsidiaries acquired exclusively						
with the purpose of short-term sale	122,388	(46,247)	76,141	113,221	(39,254)	73,967
Other assets	25,905	-	25,905	26,842	-	26,842
	1,483,734	(231,080)	1,252,654	1,717,442	(237,330)	1,480,112

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

The balance Real estate - Assets arising from recovered loans includes, essentially, real estate resulted from recovered loans or judicial being accounted for at the time the Bank 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 49.

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 Bank requests, regularly, to the Bank of Portugal, following the Article No. 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 Bank has already established contracts for the sale in the amount of Euros 35,149,000 (31 December 2017: Euros 29,081,000), which impairment associated is Euros 3,361,000 (31 December 2017: Euros 4,397,000), which was calculated taking into account the value of the respective contracts.

As at 31 December 2017, the caption Subsidiaries acquired exclusively with the view of short-term sale corresponds to 1 real estate company acquired by the Bank within the restructuring of a loan exposure that the Bank intends to sell in less than one year (note 53), which hold real estate assets in the amount of Euros 20,447,000.

As part of a corporate restructuring process, as at 31 December 2017, the Bank sold four real estate companies to real estate investment funds held by it, in the amount of Euros 120,938,000, with a net gain of Euros 9,434,000, recognized in the caption Sale of other assets, as described in note 14.

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

	(Thousands of euros)	
	2018	2017
Balance on 1 January	237,330	254,307
Transfers (a)	15,272	-
Impairment for the year (note 12)	32,375	93,027
Loans charged-off	(54,697)	(109,581)
Exchange rate differences	800	(423)
Balance on 31 December	231,080	237,330

(a) In 2018, the balance Transfers refers to impairments that, as at 31 December 2017, were accounted in loans to customers. In the context of the financial restructuring of a group of customers occurred in 2018, the associated credits were liquidated, and the Group received a set of assets in kind.