

## 26. Non-current assets held for sale

This balance is analysed as follows:

	(Thousands of euros)					
	2020			2019		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Real estate						
Assets arising from recovered loans	848,277	(146,372)	701,905	1,072,391	(191,105)	881,286
Assets belong to investments funds and real estate companies	309,547	(52,465)	257,082	371,417	(54,579)	316,838
Assets for own use (closed branches)	26,122	(6,654)	19,468	30,778	(7,333)	23,445
Equipment and other	38,131	(10,158)	27,973	45,113	(10,874)	34,239
Other assets	20,053	–	20,053	24,033	–	24,033
	<b>1,242,130</b>	<b>(215,649)</b>	<b>1,026,481</b>	<b>1,543,732</b>	<b>(263,891)</b>	<b>1,279,841</b>

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

The balance Real estate - Assets arising from recovered loans includes, essentially, real estate resulted from process of recovered loans or judicial auction 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 54.

These assets are available for sale in a period less than one year and the Group has a strategy for its sale, according to the characteristic of each asset. However, considering the formal constraints, 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 Group 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 European Central Bank, 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 27,367,000 (31 December 2019: Euros 36,111,000), of which Euros 167,000 (31 December 2019: Euros 2,092,000) relate to properties held by investment funds. The impairment associated with all the established contracts is Euros 10,140,000 (31 December 2019: Euros 10,618,000), of which Euros 52,000 (31 December 2019: Euros 479,000) relate to properties held by investment funds which was calculated considering the value of the respective contracts.

In 2019, the Group established a contract for the sale of a real estate assets portfolio in the total amount of Euros 122,029,000, which generated in that year a gain of Euros 2,000,000. Under the same contract in 2020, additional real estate assets were sold in the total amount of Euros 5,549,000, which generated a loss of Euros 747,000.

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

	(Thousands of euros)	
	2020	2019
<b>Balance on 1 January</b>	<b>263,891</b>	296,699
Transfers resulting from changes in the Group's structure (a)	–	(5,707)
Transfers	779	2,937
Charge for the year (note 12)	78,355	98,080
Reversals for the year (note 12)	(11,645)	(13,656)
Amounts charged-off	(113,941)	(114,462)
Exchange rate differences	(1,790)	–
<b>Balance at the end of the year</b>	<b>215,649</b>	263,891

(a) In 2019, Cold River's Homestead S.A. started to be consolidated under the equity method of consolidation, so this balance refers to the impairment that was accounted to Cold River's Homestead S.A. real estate portfolio, as at 31 December 2018 .

## 27. Investment property

As at 31 December 2020, the balance Investment property corresponds to real estate evaluated in accordance with the accounting policy presented in note 1 N), based on independent assessments and compliance with legal requirements.

The rents received related to these assets amounted to Euros 391,000 (31 December 2019: Euros 484,000), and the maintenance expenses related to rented or not rented real estate, amount to Euros 188,000 (31 December 2019: Euros 323,000).

The changes occurred in this balance are analysed as follows:

	(Thousands of euros)	
	2020	2019
<b>Balance on 1 January</b>	<b>13,291</b>	11,058
Transfers from / to non-current assets held for sale	(1,225)	1,267
Revaluations	115	2,092
Disposals	(4,272)	(1,126)
<b>Balance at the end of the year</b>	<b>7,909</b>	13,291