

- 1. GENERAL GUIDELINES AND REPORTING REQUIREMENTS**
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[Applicable to the current templates up to reporting for the situation at end-June 2020]
- 3. GUIDELINES FOR THE UPDATED PHL-REPORTING FRAMEWORK**
[Applicable to the updated template on a best-effort basis up to reporting for the situation at end-June 2020 and on a compulsory basis as from reporting for the situation at end-December 2020]

1. GENERAL GUIDELINES AND REPORTING REQUIREMENTS

As from March 2021 (i.e. for the reporting at end-December 2020), an updated PHL reporting will apply on a compulsory basis to all PHL-respondents.

For the reporting for the situations at end-June 2019 (by end-September 2019), at end-December 2019 (by end-March 2020) and at end June 2020 (by end-September 2020), the following rule will apply:

- Reporting according to the updated template will be on a best-effort basis
- Banks will be requested to keep on reporting all tables according to the current template unless they report the corresponding table according to the updated template.
- It is possible for banks to report part of the tables according to the current template and the remaining tables according to the updated template.

The table below guides the reporting requirements during the transition period specified above. Rows highlighted in bold mean that reporting is compulsory (according to the current or the updated template) during the transition period. This is a necessary condition for the closing of the reporting. The table also provides the frequency of the reporting: quarterly (Q), half-yearly (H) or yearly (Y).

Current reporting template		Updated template	Q/H/Y	Comment
N01 Exposures	OR	NN01 Exposures	H	
N02 Securitisation			H	Identical table in both reportings
N03 Interest rate type	OR	NN03 Interest rate type	H	
N04 Interest rate level			H	Identical table in both reportings
N05 Credit risk mitigation			H	Identical table in both reportings
N06 Type	OR	NN06 Type	H	
N07 Loan to value at origination	OR	NN07 Loan to value at origination	H	
N07 BIS Loan to value at origination			Q	Currently on a best effort basis
N08 Indexed loan to value	OR	NN08 Current loan to value	H	
N08 BIS Indexed loan to value			Q	Currently on a best effort basis
N09 Maturities at origination	OR	NN09 Maturities at origination	H	
N10 Debt service at origination	OR	NN10 Debt service to income at origination	H	
		NN11 Loan service to income at origination	H	Compulsory as from March 2021
		NN12 Loan to income at origination	H	
		NN13 Debt to income at origination	H	
		NN14A Additional information Buy to let	H	Best effort-basis until further notice
		NN14B Additional information Owner occupied	H	
N11A Focus loan-to-value at origination - IRB	OR	NN15A Focus loan-to-value at origination – IRB	Y	For IRB portfolios
N11B Focus loan-to-value at origination - STA	OR	NN15B Focus loan-to-value at origination - STA	Y	For STA portfolios
		NN16A - Joint distribution vintage - LSTI-O	H	Compulsory as from March 2021
		NN16B - Joint distribution vintage - DTI-O	H	
N12 Credit Cost	OR	NN17 Credit Cost	H	
N13A Capital Requirements – IRB		NN18A Capital Requirements - IRB	Y	For IRB portfolios – reporting only allowed in NN18A (identical to N13A)
N13B Capital Requirements - STA		NN18B Capital Requirements - STA	Y	For STA portfolios - – reporting only allowed in NN18B (simplified version of N13B)

Note: Please note that reporting of tables N13A and N13B is not possible anymore. Data have to be reported in tables NN18A and NN18B.

As during this transition period, reporting according to both the current and the updated template are allowed, the following pages will present:

- General guidelines applicable to both the current and the updated reporting frameworks (p. 3)
- Guidelines for the current reporting framework (pp. 4 – 15);
- Guidelines for the updated reporting framework (pp. 16 – 35).

I. Preliminary points of attention

1. The tables have to be reported three months after the end of the reference period, i.e. by March 31 (for the situation as at end-December) and by September 30 (for the situation as at end-June). Tables 7bis and 8bis in the current template can be reported on a quarterly basis on a best effort basis. Additional deadlines for these two specific tables are June 30 (for the situation as at end-March) and December 31 (for the situation as at end-September).
2. Most data are to be reported for the situation as at end-June and end-December and some only for the situation as at end-December (see table-specific requirements below).
3. The National Bank of Belgium expects the institutions to correctly and fully report all the requested tables.

II. General

4. The current PHL-scope (current reporting) is somewhat different from the ESRB RRE loan definition mentioned in the ESRB recommendation on closing real estate data gaps. The current PHL is reported in line with the new Mortgage Credit Directive concept covering loans secured by immovable property regardless of the purpose of the credit and to loans which are used to purchase an immovable property regardless of the collateral provided. However, the scope of the ESRB recommendation is somewhat different, as it only includes “loans to a private household secured by a RRE property independent of the purpose of the loans”.
5. It is agreed to keep the current (broader) PHL-scope (in line with the MCD) for the updated harmonised reporting framework.
6. Please note that for 2 current PHL-tables (tables labelled N07bis and N08bis and requested on a best-effort basis only, already based on the harmonised LTV-O and LTV-C definitions), the previous scope was the one of the NBB art.458 macroprudential measure, which is in line with the ESRB scope. For consistency purposes, the scope of these tables is broadened, in line with the other tables.
7. The perimeter of exposures the National Bank of Belgium wants to investigate with this data collection includes securitised loans if they are still on the balance-sheet (i.e. no capital relief). This means that, except for table 1 (cf. lines 200 and 300 in the current reporting) and table 2 (as the exposures reported – in both the current and the updated template - in line 2200 should not be included in table 1, line 100 neither in all the other tables), all the other tables should be reported for this same perimeter of exposures.
8. The Bank draws the attention of respondents to the fact that when references are made in the guidelines to the Schéma A, FINREP or COREP reporting, they should only be interpreted as a reference to the definition of the value we expect you to report (and not to the amount of exposures as such).
9. The data have to be reported on a solo basis, in EUR units, and in %¹ where required (up to 6 decimals).

¹ E.g. "15,9432 %" should be reported as "0.159432". "15 basis points" should be reported as "0.0015".

2. GUIDELINES FOR THE CURRENT PHL-REPORTING FRAMEWORK
[Applicable to the current templates up to reporting for the situation at end-June 2020]

III. Tables 'description of exposures'

1. This data collection is divided into 4 main blocks: i) a portfolio description section where the outstanding amounts, the vintages and the corresponding risk-weighted assets and some risk parameters have to be reported along different qualitative descriptive variables, ii) a focus on the loan-to-values at origination with a multidimensional view linking those with the maturities and debt-service ratios at origination, over different values, iii) a credit cost section and iv) a section dealing with other aspects for the calculation of the capital requirements.

2. The columns in each table (from 1 to 10) include the data we require you to report for each of the different values of the descriptive variables. However, not all the columns, neither all the lines, have to be reported for every table. The hatched cells highlight this. Moreover, if exposures are not treated under the STA approach for the capital requirement by the situation to which the date should be reported, no data are of course expected in the columns referring to STA exposures. The same applies to the exposures treated under the IRB approach. Specific columns have been designed for tables 7bis and 8bis. Those are detailed below in the table-specific section.

3. The columns are
 - i. the outstanding amounts;
 - ii. the vintage amounts;
 - iii. the vintage amounts for first-time buyers (only for tables 7, 9 and 10);
 - iv. the vintage amounts for buy-to-let (only for tables 7, 9 and 10);
 - v. the RWA IRB on non-defaulted² exposures;
 - vi. the RWA IRB on defaulted exposures;
 - vii. the EAD-weighted PD; (to be reported in % - see point 5 above)
 - viii. the EAD-weighted floored LGD (with regulatory floor); (to be reported in %)
 - ix. the EAD-weighted un-floored LGD (without regulatory floor); (to be reported in %)
 - x. the expected loss (EL) with the regulatory LGD floor on non-defaulted exposures ;
 - xi. the expected loss (EL) without regulatory LGD floor on non-defaulted exposures ;
 - xii. the expected loss (EL) with the regulatory LGD floor on defaulted exposures ;
 - xiii. the expected loss (EL) without regulatory LGD floor on defaulted exposures ;
 - xiv. the RWA STA on non-defaulted exposures;
 - xv. the RWA STA on defaulted exposures.

4. Columns 25, 30 and 35 are excluding regulatory defaulted assets.

5. Not all tables, neither all columns, have to be reported for all periods. This is specified hereunder in the section describing the tables. Generally, columns other than referring to the outstanding (05) and vintage (10) amounts only have to be reported for the situation as at end-December. The outstanding and vintage values have however to be reported on a half-yearly basis. Tables 7bis and 8 bis have to be reported on a quarterly basis.

² (non-)defaulted according to the capital requirements regulation.

Table 1: exposures

6. **IMPORTANT:** For all amounts of Table 1 described below, please note that for each type of loan, related doubtful loans and loans with an uncertain future (reported under Schéma A item 150) also have to be reported here and thus are part of the envisaged scope of the entire exercise. So when the table refers to Schéma A 121.59, it refers to the 'nature' of the exposure as defined by Schéma A 121.59, be it in default or not. Therefore doubtful loans and loans with an uncertain future should be included in the adequate lines as well.
7. Line 100: please report, among your reported exposures in Schéma A item 121.59 (and in item 150 - see remark above), those exposures financing residential Belgian real estate properties. Other exposures (e.g. loans granted to Belgian residents financing real estate abroad) should be reported in line 200. Line 100 corresponds to the perimeter of exposure the reporting focuses on through all the other tables. We remind that the securitized exposures with capital relief should not be included here in table 1.
8. Line 120: please only include exposures for which the residential proportion is > 50%. If the residential proportion is equal to or smaller than 50%, please then report these exposures in line 300.
9. Line 300: any other credits financing residential Belgian real estate that you do not report under a Schéma A 121.59 definition³. E.g., it is expected that the institutions report here inter alia exposures on other counterparties than the private individuals.
10. Periods:
 - col.05: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 2: securitization

11. Line 2200: as previously mentioned, the securitized exposures with capital relief should not be included in the following other tables.
12. Periods:
 - col.05: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 3: interest rate - according to the next repricing date

13. The exposures for which the requested information is not available must be reported under line 300 "Not available".
14. Different contracts financing one property should be distributed among the different interest rate options.

³ Of which to other counterparties than private individuals, as normally only those can be included in Schéma A 121.59.

15. Col. 10 : regarding the vintages, data for end-December refer to the full year. Data as at end-June refer to the first six months of that year.
16. Col. 10: regarding the vintages, the 'next repricing date' should be interpreted as the 'first repricing date' after conclusion of the contract.
17. Periods:
 - col.05-10: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 4: interest rate - according to the current prevailing interest rate

18. The exposures for which the requested information is not available must be reported under line 600 "Not available".
19. Different contracts financing one property should be distributed among the different interest rate options.
20. The current prevailing interest rate should be interpreted as the yearly nominal interest rate charged to the borrower as it was at the end of the reference period.
21. Outstanding (stock) amounts have to be reported here.
22. Period: for the situation as at end-June and end-December.

Table 5: credit risk mitigation

23. The exposures for which the requested information is not available must be reported under line 500 "Not available".
24. All contractual obligations financing one and same real estate property should here be considered as one and same exposure⁴.
25. Col. 10: regarding the vintages, data for end-December refer to the full year. Data as at end-June refer to the first six months of that year.
26. Lines 310-320: regarding the vintage column, as far as the exposures covered by both mortgages and mandates are concerned, we ask you to report separately the amounts of the provided coverage at origination.
27. Periods:

⁴ E.g. a borrower might have been granted 2 credit lines to buy its house. This should be considered as 1 credit exposure.

- col.05-10: for the situation as at end-June and end-December;
- col.15-65: for the situation as at end-December.

Table 6: type

28. The exposures for which the requested information is not available must be reported under line 400 "Not available".
29. All contractual obligations financing one and same real estate property should here be considered as one and same exposure.
30. Line 100: only credits with a 100% fixed or 100% variable amortization plan should be reported here.
31. Line 300: Any credits with a reimbursement formula based both on a capital amortization plan and any other reimbursement type (e.g. bullet credit) should be reported under line 300 'other'.
32. Periods:
 - col.05: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 7: loan-to-value at origination

33. The exposures for which the requested information is not available must be reported under line 500 "Not available".
34. All contractual obligations financing one and same real estate property should here be considered as one and same exposure.
35. Col. 10: regarding the vintages, data for end-December refer to the full year. Data as at end-June refer to the first six months of that year.
36. Col. 11: the amount of loans granted to first-time buyers during the period has to be reported here. For the reference date 30/06/2016, data are requested on a best-effort-basis. From reference date 31/12/2016, data will be requested on a compulsory basis.
37. Col. 12: the amount of "buy-to-let" loans granted during the period has to be reported here, 'Buy-to-let' loans means the sum of all loans or loan tranches financing a buy-to-let property at the moment of loan origination. 'Buy-to-let housing or property' means any RRE directly owned by a private household primarily for letting to tenants. For the reference date 30/06/2016, data are requested on a best-effort-basis. From reference date 31/12/2016, data will be requested on a compulsory basis.
38. Periods:
 - col.05-12: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 7bis: loan-to-value at origination (harmonised definition)

39. As stated above, the reporting scope for this table is the same as for the NBB macroprudential 5 p.p. add-on, i.e. “retail exposures secured by residential immovable property for which the collateral is situated in Belgium, to the extent that such exposures are risk-weighted according to an IRB approach”.
40. Hence, only exposures risk-weighted according to an IRB approach have to be reported here. Banks risk-weighting the entirety of their retail exposures secured by immovable property for which the collateral is situated in Belgium according to a STA approach do not have to fill in this table.
41. In contrast with table 7, which is reported according to banks’ internal definitions, table 7bis must be reported according to a harmonised definition. This definition has been provided to the concerned banks and to Febelfin.
42. In contrast with table 7, a breakdown of row 100 is requested at rows 110-140.
43. The exposures for which the requested information is not available must be reported under line 500 “Not available”.
44. Col. 10: regarding the vintages, data for end-March refer to the first three months of a specific year. Data as at end-June refer to loans granted during the second quarter of that year. Data as at end-September refer to loans granted during the third quarter of that year. Data as at end-December refer to loans granted during the fourth quarter of that year.
45. Col. 11: the amount of loans granted to first-time buyers during the period has to be reported here. The criteria used to identify first-time buyers for the purpose of table 7 can also be used for table 7bis.
46. Col. 12: the amount of “buy-to-let” loans granted during the period has to be reported here, The criteria used to identify “buy-to-let” loans for the purpose of table 7 can also be used for table 7bis.
47. Periods:
- col.10-12: for the situations as at end-March, end-June, end-September and end-December;

Table 8: indexed loan-to-value

48. The exposures for which the requested information is not available must be reported under line 500 “Not available”.
49. All contractual obligations financing one and same real estate property should here be considered as one and same exposure.
50. The indexation should be based on the internal method used by the bank.
51. Periods:

- col.05: for the situation as at end-June and end-December;
- col.15-65: for the situation as at end-December.

Table 8bis: indexed loan-to-value (harmonised definition)

52. As stated above, the reporting scope for this table is the same as for the NBB macroprudential 5 p.p. add-on, i.e. “retail exposures secured by residential immovable property for which the collateral is situated in Belgium, to the extent that such exposures are risk-weighted according to an IRB approach”.
53. Hence, only exposures risk-weighted according to an IRB approach have to be reported here. Banks risk-weighting the entirety of their retail exposures secured by immovable property for which the collateral is situated in Belgium according to a STA approach do not have to fill in this table.
54. In contrast with table 8, which is reported according to banks’ internal definitions, table 8bis must be reported according to a harmonised definition. This definition has been provided to the concerned banks and to Febelfin.
55. In contrast with table 8, a breakdown of row 100 is requested at rows 110-140.
56. Col. 05, 15, 25 and 35 refer to non-defaulted exposures while col. 10, 20, 30 and 40 refer to defaulted exposures. Col. 45 refers to both non-defaulted and defaulted exposures.
57. Col. 05-10 refer to the EAD to which the May 2017 NBB macroprudential measure applies.
58. Col. 15-20 refer to the microprudential RWA related to those exposures. Here the concept of column 260 (Risk weighted exposure amount after SME-supporting factor) in Corep table C.08.01 should be used. These amounts are a part of those reported under lines 370 and 380 in COREP table C.02.00 Capital Adequacy - Risk Exposure Amounts (for the part that relates to exposures for which the residential immovable property is situated in Belgium).
59. Col. 25-30: the additional RWA resulting from the 5 p.p. add-on, must be reported here. The amounts reported in columns 25 and 30 respectively should be equal to 5% of the amounts reported in columns 05 and 10 respectively.
60. Col. 35-40: those columns refer to the additional RWA that would have resulted from the second component of the measure proposed by the NBB in the first half of 2017, i.e. a buffer based on higher LGD floors for high Indexed LTV / LTV-C loans. Until further notice, these two columns are not expected to be reported.

61. Col.45 is the sum of columns 25-40. The amount reported is a part of those reported in table C 02.00 Capital Adequacy - Risk Exposure Amounts, under row 730 (due to modified risk weights for targeting asset bubbles in the residential and commercial property).
62. The exposures for which the requested information is not available must be reported under line 500 "Not available".
63. Periods:
- col.05-45: for the situations as at end-March, end-June, end-September and end-December;

Table 9: maturities at origination

64. The exposures for which the requested information is not available must be reported under line 900 "Not available".
65. Col. 10: regarding the vintages, data for end-December refer to the full year. Data as at end-June refer to the first six months of that year.
66. Col. 11: the amount of loans granted to first-time buyers during the period has to be reported here. For the reference date 30/06/2016, data are requested on a best-effort-basis. From reference date 31/12/2016, data will be requested on a compulsory basis.
67. Col. 12: the amount of "buy-to-let" loans granted during the period has to be reported here, 'Buy-to-let' loans means the sum of all loans or loan tranches financing a buy-to-let property at the moment of loan origination. 'Buy-to-let housing or property' means any RRE directly owned by a private household primarily for letting to tenants. For the reference date 30/06/2016, data are requested on a best-effort-basis. From reference date 31/12/2016, data will be requested on a compulsory basis.
68. Periods:
- col.05-12: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 10: debt service ratio at origination

69. The exposures for which the requested information is not available must be reported under line 800 "Not available".
70. Col. 10: regarding the vintages, data for end-December refer to the full year. Data as at end-June refer to the first six months of that year.
71. Col. 11: the amount of loans granted to first-time buyers during the period has to be reported here. For the reference date 30/06/2016, data are requested on a best-effort-basis. From reference date 31/12/2016, data will be requested on a compulsory basis.
72. Col. 12: the amount of "buy-to-let" loans granted during the period has to be reported here, 'Buy-to-let' loans means the sum of all loans or loan tranches financing a buy-to-let property at the moment of loan origination. 'Buy-to-let housing or property' means any RRE directly owned by a private household primarily for letting to tenants. For the reference date 30/06/2016, data are requested on a best-effort-basis. From reference date 31/12/2016, data will be requested on a compulsory basis.

73. All contractual obligations financing one and same real estate property should here be considered as one and same exposure.

74. Periods:

- col.05-12: for the situation as at end-June and end-December;
- col.15-65: for the situation as at end-December.

IV. Tables Focus LTV

75. If the institution treats part of its exposures under IRB and other ones under STA, both table 11A and 11B have to be reported.
76. Period: both tables 11A and 11B only have to be reported for the situation as at end-December.

Table 11A: focus LTV IRB

77. The perimeter of exposures is here still the same, but excluding defaulted⁵ exposures.
78. This table investigates some parameters (outstanding, RWA, PD, LGD and EL) along a tri-dimensional view of loan-to-value, debt-service ratios and maturities, all at origination.

Table 11B: focus LTV STA

79. Same guidelines as for table 11A, except that only the outstanding and RWA values have to be reported.

⁵ Defaulted according to the capital requirements regulation.

V. Credit cost

Table 12: credit cost

80. Stock values have to be reported in col. 05 and 10. Column 05 shows the provisions, impairments and expected losses values, while column 10 shows the assets to which the provisions, impairments and expected losses refer.
81. The FINREP-like data only have to be reported by consolidating entities, while Schéma A-like and COREP-like data have to be reported by all institutions.
82. Periods: col.05-10: for the situation as at end-December [2012] and end-June [2013]. Hence, this table must be reported on a half-yearly basis and no more on a quarterly basis.
83. For the definition of the different values to be reported, we refer hereunder to the Schéma A / FINREP / COREP nomenclature. However, the references here below do not refer to the perimeter of exposures, but only to the definition of the values that should be reported.

	Provisions / Impairments / Expected loss	Past due / Impaired / Defaulted Assets
Schéma A		
Unrecoverable and doubtful	SchémaA 50.11/199/29	SchémaA 50.10/199/29
o/w individually assessed	SchémaA 50.11/199/005+015	SchémaA 50.10/199/005
o/w collectively assessed	SchémaA 50.11/199/010+020	SchémaA 50.10/199/010
With an uncertain future	SchémaA 50.13/199/29	SchémaA 50.12/199/29
o/w individually assessed	SchémaA 50.13/199/005+015	SchémaA 50.12/199/005
o/w collectively assessed	SchémaA 50.13/199/010+020	SchémaA 50.12/199/010
FINREP		
Past due (but not impaired)		
≤ 90d		F07.00, col.010-030
>90d & ≤ 180d		F07.00, col.040
>180 & ≤ 1y		F07.00, col.050
> 1y		F07.00, col.060
Specific impairments		
o/w on individually assessed financial assets	F07.00, col.080	F07.00, col.070 partim
o/w on collectively assessed financial assets	F07.00, col.090	F07.00, col.070 partim
IBNR	F07.00, col.100	
COREP		
STA		
Provisions and value adjustments	C07.00, col 030	
Defaulted assets		Defaults under C07.00, col 010
IRB		
Provisions and value adjustments	C08.01, col 290	
EL non-defaulted assets	C08.01, col 280 partim	
EL defaulted assets	C08.01, col 280 partim	
Defaulted assets		Defaults under C08.01, col 020

VI. Capital requirements

84. If the institution treats part of these exposures under the IRB approach and other ones under the STA approach, both tables 13A and 13B have to be reported.
85. The perimeter of exposures is still the same (including defaulted exposures here). Therefore, even exposures for which there might be a substitution effect have to be included with the corresponding risk-weight after substitution (and PD and LGD for exposures under the IRB approach).
86. Period: stock data for the situation as at end-December.

Table 13A: capital requirements IRB

87. This table is mainly based on COREP C08.01 concepts. The only exceptions being the column 20 and the defined distribution over the different PD pools.
88. For the definition of the different values to be reported, we refer hereunder to the COREP nomenclature:

PD ⁶ ASSIGNED TO THE OBLIGOR GRADE OR POOL	ORIGINAL EXPOSURE PRE CCF ⁷	EAD	EAD- WEIGHTED AVERAGE floored LGD	EAD- WEIGHTED AVERAGE un-floored LGD	EAD- WEIGHTED AVERAGE MATURITY VALUE (DAYS)	RWA	EL	(-) VALUE ADJUSTMENTS AND PROVISIONS
	[005]	[010]	[015]	[020]	[025]	[030]	[035]	[040]
C08.01, col 010	C08.01, col 020	C08.01, col 110	C08.01, col 230	-	C08.01, col 250	C08.01, col 260	C08.01, col 280	C08.01, col 290
	[EUR]	[EUR]	[%]	[%]	[days]	[EUR]	[EUR]	[EUR]

Table 13B: capital requirements STA

89. This table is mainly based on COREP C07.00 concepts.
90. Lines: exposures should be distributed along the different risk-weights being applied for the calculation of the capital requirements.
91. For the definition of the different values to be reported, we refer hereunder to the COREP nomenclature:

⁶ Line 'Total': exposure-weighted PD

⁷ Pre CRM as well.

Columns

ORIGINAL EXP PRE CONVERSION FACTORS	(-) VALUE ADJ AND PROVISIONS ASSOCIATED WITH ORIGINAL EXP	EXP NET OF VALUE ADJ AND PROVISIONS	EXPOSURE VALUE	RISK WEIGHTED EXPOSURE AMOUNT
C07.00, col 010	C07.00, col 030	C07.00, col 040	C07.00, col 200	C07.00, col 220

Lines

35%	C07.00, line 190
50%	C07.00, line 200
o/w past due	-
o/w secured by commercial real estate	-
75%	C07.00, line 220
100%	C07.00, line 230
o/w past due	-
o/w secured by real estate	-
150% (past due)	C07.00, line 240
Other risk weights	-

3. GUIDELINES FOR THE UPDATED PHL-REPORTING FRAMEWORK
[Applicable to the updated template on a best-effort basis up to reporting for the situation at end-June 2020 and on a compulsory basis as from reporting for the situation at end-December 2020]

1. Reporting requirements

Reporting under the updated template has to take fully into account the general concepts and indicators defined below.

Data as at end-June refer:

- For outstanding amounts, to the stock as was on 30 June
- For vintages, to the production of the first six months.

Data as at end-December refer:

- For outstanding amounts, to the stock as was on 31 December
- For vintages, to the production of the the full year.

As regards the data to be reported, not all the columns, neither all the lines, neither all combinations of columns and line, have to be reported for every table. The hatched cells highlight this. Moreover, if exposures are not treated under the STA approach for the capital requirement by the situation to which the date should be reported, no data are expected in the columns referring to STA exposures. The same applies to the exposures treated under the IRB approach.

The different columns are shown below. Please note that not all columns are included in all tables.

- the outstanding amounts;
- the vintage amounts (+ number of loans);
- the vintage amounts (+ number of loans) for first-time buyers;
- the vintage amounts (+ number of loans) for buy-to-let⁸;
- the vintage amounts (+ number of loans) for owner-occupied⁸;
- the vintage amounts for renegotiated loans;
- the vintage amounts for loans in foreign currency;
- the vintage amounts for loans with full capital amortisation;
- the vintage amounts for loans with partial capital amortisation;
- the vintage amounts for loans with no capital amortisation;
- the RWA IRB on non-defaulted⁹ exposures;
- the RWA IRB on defaulted exposures;
- the EAD-weighted PD; (to be reported in %)
- the EAD-weighted floored LGD (with regulatory floor); (to be reported in %)
- the EAD-weighted un-floored LGD (without regulatory floor); (to be reported in %)
- the expected loss (EL) with the regulatory LGD floor on non-defaulted exposures;
- the expected loss (EL) without regulatory LGD floor on non-defaulted exposures;
- the expected loss (EL) with the regulatory LGD floor on defaulted exposures;
- the expected loss (EL) without regulatory LGD floor on defaulted exposures;
- the RWA STA on non-defaulted exposures;
- the RWA STA on defaulted exposures.

While the reporting should include defaulted assets (except for tables 15A and 15B), it is asked to exclude regulatory defaulted assets when computing data related to the following columns:

- the EAD-weighted PD; (to be reported in %)
- the EAD-weighted floored LGD (with regulatory floor); (to be reported in %)
- the EAD-weighted un-floored LGD (without regulatory floor); (to be reported in %)

Reported RWA should not include the RWA related to the implementation of macroprudential measures and should hence only reflect microprudential RWA.

⁸ Note that the sum of buy-to-let loans and owner-occupied loans must be equal to the total vintage amount.

⁹ (non-)defaulted according to the capital requirements regulation.

Not all tables, neither all columns, have to be reported for all periods. This is specified hereunder in the section describing the different tables.

Table 1: exposures

- Line 100: Line 100 corresponds to the perimeter of exposure the reporting focuses on through all the other tables. We remind that the securitized exposures with capital relief should not be included here in table 1 (only in line 2200 in Table 2).
- The sum of lines 110 (residential only) and 120 (mix residential/other) is equal to line 100. Lines 130 and 140 apply to both residential and mix residential/other loans.
- Periods:
 - col.05-14: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 2: securitization

- Line 2200: as previously mentioned, the securitized exposures with capital relief should not be included in the other tables.
- Periods:
 - col.05: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 3: interest rate - according to the next repricing date

- Regarding the vintages, the 'next repricing date' should be interpreted as the 'first repricing date' after conclusion of the contract.
- Periods:
 - col.05-14: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 4: interest rate - according to the current prevailing interest rate

- The current prevailing interest rate should be interpreted as the yearly nominal interest rate charged to the borrower as it was at the end of the reference period.
- Outstanding (stock) amounts have to be reported here.
- Period: for the situation as at end-June and end-December.

Table 5: credit risk mitigation

- All contractual obligations financing one and same real estate property should here be considered as one and same exposure¹⁰.
- Lines 310-320: regarding the vintage column, as far as the exposures covered by both mortgages and mandates are concerned, we ask you to report separately the amounts of the provided coverage at origination.
- Periods:
 - col.05-10: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

¹⁰ E.g. a borrower might have been granted 2 credit lines to buy its house. This should be considered as 1 credit exposure.

Table 6: type

- Line 100: only credits with a 100% fixed or 100% variable amortization plan should be reported here.
- Line 300: Any credits with a reimbursement formula based both on a capital amortization plan and any other reimbursement type (e.g. bullet credit) should be reported here.
- Periods:
 - col.05-14: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 7: loan-to-value at origination

- The concepts of full or partial amortisation are defined under Table 6.
- Loans for which the LTV is unknown or for which no LTV can be computed have to be reported on row 500. Of those loans, loans for which no LTV can be computed due to the fact than no real estate collateral is provided have to be reported on row 600.
- A weighted average Loan-to-value at origination must be reported on row 700. This average must be weighted taking into account the amount of the new loans.
- Periods:
 - col.05-20: for the situation as at end-June and end-December;
 - col.21-65: for the situation as at end-December.

Table 8: current loan-to-value

- Loans for which the LTV is unknown or for which no LTV can be computed have to be reported on row 500. Of those loans, loans for which no LTV can be computed due to the fact than no real estate collateral is provided have to be reported on row 600.
- A weighted average current loan-to-value must be reported on row 700. This average must be weighted taking into account the outstanding (capital) amount of the loans.
- Periods:
 - col.01-06: for the situation as at end-June and end-December;
 - col.15-65: for the situation as at end-December.

Table 9: maturities at origination

- A weighted average maturity at origination must be reported on row 1000. This average must be weighted taking into account the amount of the new loans.
- Periods:
 - col.05-16: for the situation as at end-June and end-December;
 - col.19-65: for the situation as at end-December.

Table 10: debt service ratio at origination

- A weighted average debt service ratio at origination must be reported on row 900. This average must be weighted taking into account the amount of the new loans.
- Periods:
 - col.05-16: for the situation as at end-June and end-December;
 - col.19-65: for the situation as at end-December.

Table 11: loan-service-to-income at origination

- A weighted average loan-service-to-income at origination must be reported on row 900. This average must be weighted taking into account the amount of the new loans.
- Periods:
 - col.07-20: for the situation as at end-June and end-December.

Table 12: Loan-to-income at origination

- A weighted average loan-to-income at origination must be reported on row 1000. This average must be weighted taking into account the amount of the new loans.
- Periods:
 - col.07-16: for the situation as at end-June and end-December;

Table 13: debt-to-income at origination

- A weighted average debt-to-income at origination must be reported on row 1200. This average must be weighted taking into account the amount of the new loans.
- Periods:
 - col.07-16: for the situation as at end-June and end-December;

Table 14A: Additional information Buy-to-let

- Weighted average ICR and LTR ratios must be reported on rows 1200 and 2150. These averages must be weighted taking into account the amount of the new loans.
- Loans for which the ICR is unknown or for which no ICR can be computed have to be reported on row 1160. Of those loans, loans for which no ICR can be computed due to the fact the identified purpose is Buy-to-sell have to be reported on row 1170.
- Loans for which the LTR is unknown or for which no LTR can be computed have to be reported on row 2150. Of those loans, loans for which no LTR can be computed due to the fact the identified purpose is Buy-to-sell have to be reported on row 2160.
- Periods:
 - col.05-10: for the situation as at end-June and end-December;
- This table is to be reported on a best-effort basis until further notice.

Table 14A: Additional information Owner-occupied

- Weighted averages must be weighted taking into account the amount of the new loans.
- Periods:
 - col.05: for the situation as at end-June and end-December;
- This table is to be reported on a best-effort basis until further notice.

Table 15A: focus LTV IRB

- If the institution treats part of its exposures under IRB and other ones under STA, both table 15A and 15B have to be reported.
- The perimeter of exposures is here still the same, but excluding defaulted¹¹ exposures.
- This table investigates some parameters (outstanding, RWA, PD, LGD and EL) along a tri-dimensional view of loan-to-value, debt-service ratios and maturities, all at origination.
- Outstanding (stock) amounts have to be reported here.
- Periods:
 - for the situation as at end-December.

Table 15B: focus LTV STA

- If the institution treats part of its exposures under IRB and other ones under STA, both table 15A and 15B have to be reported.
- The perimeter of exposures is here still the same, but excluding defaulted¹² exposures.
- This table investigates some parameters (outstanding and RWA) along a tri-dimensional view of loan-to-value, debt-service ratios and maturities, all at origination.
- Outstanding (stock) amounts have to be reported here.
- Periods:
 - for the situation as at end-December.

¹¹ Defaulted according to the capital requirements regulation.

¹² Defaulted according to the capital requirements regulation.

Table 16A: Joint distribution vintage - LSTI-O

- This table investigates the breakdown of new production along a multi-dimensional view of loan-to-value, loan-service-to income ratios, maturities and initial interest rate fixation period, all at origination.
- Vintage (production) amounts have to be reported here.
- Periods:
 - for the situation as at end-June and end-December;

Table 16A: Joint distribution vintage - DTI-O

- This table investigates the breakdown of new production along a multi-dimensional view of loan-to-value and debt-to income ratios.
- Vintage (production) amounts have to be reported here.
- Periods:
 - for the situation as at end-June and end-December;

Table 17: credit cost

- Stock values have to be reported in col. 05 and 10. Column 05 shows the provisions, impairments and expected losses values, while column 10 shows the assets to which the provisions, impairments and expected losses refer.
- The FINREP-like data only have to be reported by consolidating entities, while Schéma A-like and COREP-like data have to be reported by all institutions.
- Periods:
 - for the situation as at end-June and end-December;
- For the definition of the different values to be reported, we refer hereunder to the Schéma A / FINREP / COREP nomenclature. However, the references here below do not refer to the perimeter of exposures, but only to the definition of the values that should be reported.

	Provisions / Impairments / Expected loss	Past due / Impaired / Defaulted Assets
Schéma A		
Unrecoverable and doubtful	SchémaA 50.11/199/29	SchémaA 50.10/199/29
o/w individually assessed	SchémaA 50.11/199/005+015	SchémaA 50.10/199/005
o/w collectively assessed	SchémaA 50.11/199/010+020	SchémaA 50.10/199/010
With an uncertain future	SchémaA 50.13/199/29	SchémaA 50.12/199/29
o/w individually assessed	SchémaA 50.13/199/005+015	SchémaA 50.12/199/005
o/w collectively assessed	SchémaA 50.13/199/010+020	SchémaA 50.12/199/010
FINREP		
Stage 1 and stage 2 loans	F04.04.1, col 015 (stage 1) F04.04.1, col 030 (stage 2)	F04.04.1, col 050 (stage 1) F04.04.1, col 060 (stage 2)
Not past due or past due ≤ 30d		
Past due > 30d ≤ 90d		
Past due > 90d		
o/w individually assessed		F12.01.a, row 170 (stage 1) F12.01.a, row 340 (stage 2)
o/w collectively assessed		F12.01.a, row 160 (stage 1) F12.01.a, row 330 (stage 2)
Stage 3 loans	F04.04.1, col 040 (stage 3)	F04.04.1, col 070 (stage 3)
Not past due or past due ≤ 90d		
Past due > 90d ≤ 180d		
Past due > 180d ≤ 1y		
Past due > 1y		
o/w individually assessed		F12.01.a, row 510 (stage 3)
o/w collectively assessed		F12.01.a, row 500 (stage 3)
COREP		
STA		
Provisions and value adjustments	C07.00, col 030	

Defaulted assets		C07.00, col 010, row 015
IRB		
Provisions and value adjustments	C08.01, col 290	
EL non-defaulted assets	C08.01, col 280 partim	
EL defaulted assets	C08.01, col 280 partim	
Defaulted assets		Defaults under C08.01, col 020

Table 18A: capital requirements IRB

- This table is mainly based on COREP C08.01 concepts. The only exceptions being the column 20 and the defined distribution over the different PD pools.
- Periods:
 - for the situation as at end-December.
- For the definition of the different values to be reported, we refer hereunder to the COREP nomenclature:

PD ¹³ ASSIGNED TO THE OBLIGOR GRADE OR POOL	ORIGINAL EXPOSURE PRE CCF ¹⁴	EAD	EAD- WEIGHTED AVERAGE floored LGD	EAD- WEIGHTED AVERAGE un-floored LGD	EAD- WEIGHTED AVERAGE MATURITY VALUE (DAYS)	RWA	EL	(-) VALUE ADJUSTMENTS AND PROVISIONS
	[005]	[010]	[015]	[020]	[025]	[030]	[035]	[040]
C08.01, col 010	C08.01, col 020	C08.01, col 110	C08.01, col 230	-	C08.01, col 250	C08.01, col 260	C08.01, col 280	C08.01, col 290
	[EUR]	[EUR]	[%]	[%]	[days]	[EUR]	[EUR]	[EUR]

Table 18B: capital requirements STA

- This table is mainly based on COREP C07.00 concepts.
- Lines: exposures should be distributed along the different risk-weights being applied for the calculation of the capital requirements.
- Periods:
 - for the situation as at end-December.
- For the definition of the different values to be reported, we refer hereunder to the COREP nomenclature:

¹³ Line 'Total': exposure-weighted PD

¹⁴ Pre CRM as well.

Columns

ORIGINAL EXP PRE CONVERSION FACTORS	(-) VALUE ADJ AND PROVISIONS ASSOCIATED WITH ORIGINAL EXP	EXP NET OF VALUE ADJ AND PROVISIONS	EXPOSURE VALUE	RISK WEIGHTED EXPOSURE AMOUNT
C07.00, col 010	C07.00, col 030	C07.00, col 040	C07.00, col 200	C07.00, col 220

Lines

35%	C07.00, line 190
50%	C07.00, line 200
75%	C07.00, line 220
100%	C07.00, line 230
150% (past due)	C07.00, line 240
Other risk weights	-

2. General concepts

2.1. Buy-to-let (BTL)

'Buy-to-let housing or property' means any RRE directly owned by a private household primarily for letting to tenants.

'Buy-to-let loan' means the sum of all loans or loan tranches used by the borrower for the acquisition, renovation etc... of a buy-to-let property at the moment of loan origination.

In line with what is stated above, the ESRB definition is broadened to include loans used to purchase an immovable residential property even though not secured by the property.

The category "buy-to-let" covers "buy-to-sell" as well.

All non-owner occupied loans (see below) should be considered as buy-to-let loans.

2.2. Owner occupied (OO)

'Owner occupied loan' means the sum of all RRE loans or loan tranches used by the borrower for the acquisition, renovation etc... of an owner occupied RRE property at the moment of loan origination (incl. second residence and student accommodation for own use).

In line with what is stated above, the ESRB definition is broadened to include loans used to purchase an immovable residential property even though not secured by the property.

2.3. First time buyer (FTB)

'First time buyer' is to be understood as "first time mortgage borrower" and means a borrower to whom no RRE loan has been advanced before; in case there is more than one borrower (the case of RRE loan cosignatories) and one or more of these borrowers has previously been advanced an RRE loan, none of these borrowers is considered to be a first-time buyer. The status remains "first time buyer" for loans financing the renovation of the same property or the construction of a property on a previously purchased ground as first-time buyer within a period of 5 years following the origination of the first loan.

If no other reliable information is available, the NBB agrees that CKP is used as the source for identifying first time mortgage borrowers.

2.4. Renegotiated loan/internal refinancing

The ESRB recommendation does not provide any definition of "renegotiated loan".

But the ESRB recommendation specified that 'flows of loans' means any new production of loans over the reporting period; renegotiated loans should be included in the new production if the lender considers them as new loan contracts.

In this regard, the NBB requests the following:

- By renegotiated loan, one should understand a loan either internally refinanced or either externally refinanced; this definition would hence be broader than the one currently used in the ad-hoc reporting on loans excluding internally refinanced loans; contract renegotiations have not to be reported if they do not lead to a new contract to be registered in CKP.
- Renegotiated loans should be included in the flow statistics (vintages), when they take the form of a new contract, as is the case in the current PHL reporting. However, one additional column will be added to collect information regarding those renegotiated loans. This will hence make the ad-hoc reporting on loans excluding internally refinanced loans redundant and this ad-hoc reporting will hence be terminated.

3. Indicators

The indicators' definitions are based on the ESRB concepts as defined in "Recommendation of the European Systemic Risk Board" of 31 October 2016 on closing real estate data gaps (ESRB/2016/14), available on the ESRB website:

https://www.esrb.europa.eu/pub/pdf/recommendations/2016/ESRB_2016_14.en.pdf

They have been amended where needed to reflect the specificities of the Belgian mortgage loan market, together with Febelfin.

3.1. LTV at origination (LTV-O)

1. LTV-O shall be defined as:

$$LTVO = \frac{L}{V}$$

2. For the purpose of the calculation, "L":

- (a) includes all loans or loan tranches falling under the MCD definition of mortgage loan, following an aggregation of loans "by borrower";
- (b) is measured based on disbursed amounts and therefore does not include any undrawn amounts on credit lines. In the case of property under construction, "L" is the sum of all loan tranches disbursed up to the reporting date, and LTV-O is computed on the date of disbursement of any new loan tranche¹⁵; alternatively, also undrawn amounts of loans granted for the construction of a new property or for renovation, can be included in the "L" value, together with an adjusted value for the "V" (see below).
- (c) includes all loans that the reporting credit provider considers as part and parcel of the housing loan financing transaction. For instance, bridge loans, even when not directly covered through a mortgage or a mandate, have to be considered as part of the financing transaction and must be taken into account in the computation of the LTV;
- (d) is not adjusted for the presence of other credit risk mitigants;
- (e) does not include costs and fees related to the mortgage loan;
- (f) does not include loan subsidies.

Belgian perspective:

- Loans (partly) covered by mandates fall under the MCD definition (See Example 1 below).
- In case of a new loan to a client with a positive outstanding amount on another mortgage loan at the same bank secured by the same property, the sum of the amount of the new loans and the outstanding amount of the old loan has to be considered as "L" in the calculation of LTV-O (see Example 2 Casus A below).

3. For the purpose of the calculation, "V":

- (a) is computed on the basis of the property's "market value", measured as the lower of:
 1. the transaction value, as registered in a notary deed or in the sale agreement or "compromis", taking into account architects' estimates and invoices in case of new property or renovation, and
 2. the value as assessed by an independent external or internal appraiser.
 If only one value is available, this value should be used.
 In case of renovation, the current (indexed) value of the property can be used (see Example 2 Casus A below)

¹⁵ In case of property under construction, the methodology for the computation of the LTV-O at a given point in time n can be summarized as:

$$LTVO_n = \frac{\sum_{i=1}^n L_i}{V_0 + \sum_{i=1}^n \Delta V_{i,i-1}}$$

Where $i = 1, \dots, n$ is the number of loan tranches disbursed until time n , V_0 is the initial value of the real estate collateral (e.g. land) and $\Delta V_{i,i-1}$ represents the change in the property's value occurred during the period up to the disbursements of the n -th loan tranche.

- (b) In the case of property under construction, “V” accounts for the total value of the property up to the reporting date (accounting for the increase in value due to the progress of the construction works). “V” is assessed upon disbursement of any new loan tranche, allowing for the computation of LTV-O. If the option is used to include undrawn amounts of loans granted for the construction of a new property or for renovation in the “L”, then V can also include the full value of planned renovation or construction works.
- (c) is adjusted by the total amount of the debt, disbursed or not, that is secured under a mortgage through ‘prior’ liens on the property. In the case of more senior liens on the property, the full outstanding amount of the debt secured by these more senior liens needs to be deducted (cf. Example 2, Casus B, Option A below). In the case of ‘equal ranking liens’, an appropriate proportional adjustment should be made. If the outstanding amount of existing debts is not known, the amount of the mortgage inscription can be used (cf. Example 2, Casus B, Option B below).
- (d) is not adjusted for the presence of other credit risk mitigants.
- (e) does not include costs and fees related to the mortgage loan

Belgian perspective:

- Loans (partly) covered by mandates fall under the MCD definition (See Example 1 below).
- While costs related to the loan shall not be included in the “V” (e.g. file costs at the bank), VAT on renovation and construction works or VAT paid as part of the purchase of a new dwelling can be included in the “V”. On the contrary, registration rights and notary fees cannot be included in the “V”.
- Regarding the ranking of liens, mortgages are always to be considered as providing a more senior lien than mandates.
- The “V” shall not be adjusted for other credit risk mitigants. Financial collateral, in the form of e.g. securities portfolios or pledge of savings, shall hence not be taken into account. The LTV of loans which have no real estate collateral can hence not be calculated and has to be reported in a separate line of the relevant PHL tables (see Example 1 Casus D below).
- In case of new loan to a client with a positive outstanding amount on another loan at the same bank secured by the same property, the different values at the moment of the granting of the loan (e.g. in the case of a renovation, the sum of the current value of the property and of the planned works) have to be taken into account (see Example 2 Casus A below).

3.2. Current-LTV (LTV-C)

1. LTV-C is defined as:

$$LTV-C = \frac{LC}{VC}$$

2. For the purpose of the calculation, 'LC':

- (a) is measured as the outstanding balance of the loan(s) —defined above as “L” (see section 3.1.) — at the reporting date, taking into account capital reimbursements, loan restructurings, new capital take-ups and, in the case of loans in foreign currencies, changes in the exchange rate.
- (b) is adjusted to take account of the savings accumulated in an investment vehicle intended to reimburse the loan principal. The accumulated savings may be deducted from 'LC' only where the following conditions are satisfied:
- 1) the accumulated savings are unconditionally pledged to the creditor with the express purpose of reimbursing the loan principal at the contractually anticipated dates; and
 - 2) an appropriate haircut is applied to reflect market and/or third-party risks associated with the underlying investments.

3. For the purpose of the calculation, 'VC':

- (a) reflects the changes in the market value of 'V' (see section 3.1.), as defined above, since the most recent valuation of the property. The current value of the property should be assessed by an independent external or internal appraiser. If such assessment is not available, the current value of the property can be estimated using a granular real estate value index (e.g. based on transaction data). In case such real estate value index is also not available, a granular real estate price index can be used as alternative (to which an appropriate mark-down can be applied to account for depreciation). Any real estate value or price index should be sufficiently differentiated according to the geographical location of the property and the property type.
- (b) is computed annually.

Belgian perspective:

- The indexation should be made according to property type while as regards geographical location, there is a need to balance accuracy with availability of sufficient number of transactions.
- Based on data from Statistics Belgium, the NBB considers the most detailed level of property price data which allows an indexation without compromising their representativeness as quarterly data broken down by type of dwellings (houses, villas and apartments) at the provincial level.

3.3. Loan to Income at origination (LTI-O)

'loan-to-income ratio at origination' (LTI-O) means the sum of all loans included in "L" (see section 3.1.) relative to the borrower's total annual disposable income at the moment of loan origination.

'disposable income' means the borrower's total yearly disposable income as registered by the credit provider at the moment of the mortgage loan origination, covering all sources of income minus taxes (net of tax rebates) and premiums (such as for health care, social security or medical insurance).

LTI-O is defined as:

$$LTI - O = \frac{L}{I}$$

For the purpose of the calculation of 'L' at origination, we refer to the concept agreed under section 3.1.

For the purpose of the calculation, 'I' is defined as the disposable income.

The computation of disposable income should be done in a conservative way (e.g. by only taking recurrent sources of income into account), in line with institutions' credit policies. Net after-tax disposable recurrent income is defined as¹⁶: employee income + self-employment income (e.g. profits) + income from public pensions + income from private and occupational pensions + income from unemployment benefits + income from social transfers other than unemployment benefits + regular private transfers (such as alimonies) + net rental income from real estate property + income from financial investments + income from private business or partnership + regular income from other sources – taxes – health care/social security/medical insurance premiums + tax rebates.

Some of the income components can be estimated through a bulk assessment (*estimation forfaitaire*).

¹⁶ For the purpose of this definition:

- (a) 'gross rental income from real estate property' includes both rental income from owned property on which no RRE loan is currently outstanding and buy-to-let property. The rental income should be determined from the information that is available to banks or otherwise imputed. If precise information is not available, a best estimate of rental income should be provided by the reporting institution, and the methodology used to obtain it should be described;
- (b) 'taxes' should include, in order of importance, payroll taxes, tax credits, pension or insurance premiums, if charged on gross income, specific taxes, e.g. property taxes, and other non-consumption taxes;
- (c) 'health care/social security/medical insurance premiums' should include the fixed and compulsory expenditures that in some countries are made after taxes;
- (d) 'tax rebates' should include restitutions from the tax authority that are linked to the RRE loan interest deduction;
- (e) 'loan subsidies' should include all public sector interventions aimed at easing the borrower's debt servicing burden (e.g. subsidised interest rates, repayment subsidies).

3.4. Debt to income at origination (DTI-O)

'Debt-to-income ratio at origination' (DTI-O) means the total debt of the borrower at the moment of loan origination relative to the borrower's total annual disposable income at the moment of loan origination.

DTI-O is defined as:

$$DTI - O = \frac{D}{I}$$

For the purpose of the calculation, 'D' includes the total debt of the borrower, whether or not it is secured by real estate, including all outstanding financial loans (incl. consumer loans), i.e. granted by the RRE loan provider and by other lenders, at the moment of the RRE loan origination.

For the purpose of the calculation, 'I' has the same meaning as in Section 3.3.

All debts should be identified based on the customer's declaration at the time of the new loan origination. When needed, this declaration should be completed with a consultation of CKP.

3.5. Loan Service to Income at origination (LSTI-O)

'loan service' means the combined interest and principal repayment on all loans included in "L" (see section 3.1.) over one year.

'loan service-to-income ratio at origination' (LSTI-O) means the annual loan service on all loans included in "L" (see section 3.1.) relative to the borrower's total annual disposable income at the moment of loan origination.

LSTI-O is defined as:

$$LSTI - O = \frac{LS}{I}$$

For the purpose of the calculation, 'LS' is the annual debt servicing cost of the RRE loan, defined as 'L' in Section 3.1. at the moment of loan origination.

For the purposes of the calculation, 'I' has the same meaning as in Section 3.3.

3.6. Debt Service to Income at origination (DSTI-O)

'debt service' means the combined interest and principal repayment on a borrower's total debt over a given period (one year or one month);

'debt-service-to-income ratio at origination' (DSTI-O) means the annual total debt service relative to the borrower's total annual or monthly disposable income at the moment of loan origination;

DSTI-O is defined as:

$$DSTI - O = \frac{DS}{I}$$

For the purpose of the calculation, 'DS' is the annual debt servicing cost of the total debt of the borrower, defined as 'D' in section 3.4, at the moment of loan origination.

For the purposes of the calculation, 'I' has the same meaning as in Section 3.4.

3.7. Interest Coverage Ratio at origination (ICR-O)

'interest coverage ratio' (ICR-O) means the gross annual rental income of the borrower (i.e. before operational expenses and taxes) accruing from the buy-to-let property/ies relative to the annual interest cost of the loan(s) used to finance the property/ies, at loan origination.

ICR-O is defined as:

$$ICR - O = \frac{\text{Gross annual rental income}}{\text{Annual interest costs}}$$

For the purposes of the calculation, 'gross annual rental income' is the annual rental income accruing from buy-to-let housing, gross of any operational expenses to maintain the property's value and of taxes;

For the purposes of the calculation, 'annual interest costs' are the annual interest costs associated with the loan(s) used to finance the buy-to-let property/ies.

For the calculation of this indicator, 'buy-to-let loan' is limited to RRE loans financing the buy-to-let property/ies, as defined in section 2.1. Since 'buy-to-sell' loans are not associated with rental income, the ICR-O is considered "not available" for these loans and hence they have to be reported in a separate line of the relevant PHL table.

3.8. Loan to Rent at origination (LTR-O)

'loan-to-rent ratio at origination' (LTR-O) means the "L" of the buy-to-let loan(s) of the borrower at the moment of loan origination relative to the annual rental income of the borrower accruing from the buy-to-let property/ies.

LTR-O is defined as:

$$LTR - O = \frac{\text{Buy - to - let loan}}{\text{Net (gross)annual rental income}}$$

For the purpose of the calculation, 'buy-to-let loan' is limited to RRE loans financing the buy-to-let property/ies, as defined in section 2.1. Since 'buy-to-sell' loans are not associated with rental income, the LTR-O is considered "not available" for these loans and hence they have to be reported in separate line of the relevant PHL table.

The net annual rental income of the borrower should be used for the calculation of the LTR-O. If this information is not available, gross annual rental income may be used as an alternative.

For the purpose of the calculation:

(a)'net annual rental income' is the annual rental income accruing from the buy-to-let property net of any operational expenses to maintain the property's value but gross of any taxes;

(b)'gross annual rental income' is the annual income accruing from renting out the buy-to-let property to tenants, gross of any operational expenses to maintain the property's value and of taxes.

The table below covers different cases for loans granted by one same bank. If a loan has been granted by another bank with a more senior lien, then rules explained under section 3.1.3.c apply on top of the examples show below.

	New OO-loan (without existing OO-loan)		New BTL-loan (with existing OO-loan)*		New BTL-loan (without existing OO-loan)*	
	Mortgage/mandate on OO	No real estate collateral	Mortgage/mandate on OO	Mortgage/mandate on BTL	Mortgage/mandate on OO	Mortgage/mandate on BTL
L	L _{OO}	L _{OO}	L _{BTL} + L _{OO}	L _{BTL}	L _{BTL}	L _{BTL}
V	V _{OO}	0 (LTV-O to be reported seperately)	V _{OO}	V _{BTL}	V _{OO}	V _{BTL}
I	I	I	I	I	I	I
D	L _{OO} + L _{other}	L _{OO} + L _{other}	L _{BTL} + L _{OO} + L _{other}	L _{BTL} + L _{OO} + L _{other}	L _{BTL} + L _{other}	L _{BTL} + L _{other}

L_{OO}: owner-occupied loan amount

L_{BTL}: buy-to-let loan amount

V_{OO}: value of the owner-occupied property (own residence)

V_{BTL}: value of the buy-to-let property

L_{other}: other loan amounts (including consumer loans and loans granted by other banks)

* The same reasoning applies to a loan granted for the purchase of a second owner-occupied residence (holiday home, student accommodation...).

In the case of a new loan for renovation purposes and of an existing loan at the same bank granted for the purchase of the property that is now being renovated, see Voorbeeld 2, Casus A.

The category of the loan (i.e. OO or BTL) is determined by the purpose of the loan (i.e. financing an OO-property or a BTL-property). In the case of loans financing a non-immovable investment, then the category of the loan is determined by the nature of the real estate collateral (i.e. OO-property or BTL-property).

Examples of indicators' computation

Voorbeeld 1

Aankoop van een eerste woning : waarde = 500.000 (=prijs in compromis), kosten (notaris, registratie,...) = 60.000, kredietaanvraag woonkrediet = 400.000 (jaarlijkse aflossing: 30.000), lopend consumentenkrediet = 5.000 (jaarlijkse aflossing : 1500); jaarlijks netto inkomen: 50.000

For the sake of clarity, while calculations of indicators may incorporate other elements than the newly granted loans, new production volume (vintage) to be reported in PHL is limited to the amount of the new loan (in this case, 400.000)

Casus A: 100% hypotheek op gefinancierde woning

Casus B: 50% hypotheek 50% volmacht op gefinancierde woning

Casus C: 50% volmacht op gefinancierde woning

For casus A, B and C::

$$L = 400.000$$

$$LS = 30.000$$

$$D = 400.000 + 5.000 = 405.000$$

$$DS = 30.000 + 1.500 = 31.500$$

$$V = 500.000$$

$$I = 50.000$$

$$LTV-O = 400.000 / 500.000 = 80\%$$

$$LTI-O = 400.000 / 50.000 = 8.0$$

$$DTI-O = 405.000 / 50.000 = 8.1$$

$$LSTI-O = 30.000 / 50.000 = 60\%$$

$$DSTI-O = 31.500 / 50.000 = 63\%$$

Casus D: effectenpand ten belope van 400.000 (met hypotheekbelofte op gefinancierde woning)

Deze casus valt binnen de scope van MCD

$V = 0$; $LTV-O = 400.000 / 0$ (= apart te rapporteren in de relevante PHL-tabellen, met name onder "not available o/w no real estate collateral")

$$LTI-O = 400.000 / 50.000 = 8.0$$

$$DTI-O = 405.000 / 50.000 = 8.1$$

$$LSTI-O = 30.000 / 50.000 = 60\%$$

$$DSTI-O = 31.500 / 50.000 = 63\%$$

Voorbeeld 2

Verbouwing enige woning : huidige waarde woning = 400.000, verbouwkost = 100.000 (inclusief BTW), kosten (notaris, registratie,...) = 2.000, kredietaanvraag WK = 80.000 (jaarlijkse aflossing: 6.000), lopend consumentenkrediet = 5.000 (jaarlijkse aflossing : 1500); jaarlijks netto inkomen: 50.000

For the sake of clarity, while calculations of indicators may incorporate other elements than the newly granted loans, new production volume (vintage) to be reported in PHL is limited to the amount of the new loan (in this case, 80.000)

Casus A : Hypotheek eigen financiële instelling op woning, uitstaand bedrag lopend woonkrediet eigen financiële instelling = 200.000 (jaarlijkse aflossing: 15.000)

$$L = 80.000 + 200.000 = 280.000$$

$$V = 400.000 + 100.000 = 500.000$$

$$LTV-O = 56\%$$

$$LTI = 280.000 / 50.000 = 5.6$$

$$DTI = (280.000 + 5.000) / 50.000 = 5.7$$

$$LSTI = (6.000 + 15.000) / 50.000 = 42\%$$

$$DSTI = (6.000 + 15.000 + 1.500) / 50.000 = 45\%$$

Casus B : Hypotheek in eerste rang bij een andere financiële instelling op de woning ten belope van 300.000; uitstaand bedrag lopend WK bij de andere financiële instelling = 200.000 (jaarlijkse aflossing: 15.000)

Optie A: resterend saldo in mindering brengen op waarborg

$$L = 80.000$$

$$V = (400.000 + 100.000) - 200.000 = 300.000$$

$$LTV-O = 27\%$$

$$LTI = 80.000 / 50.000 = 1.6$$

$$DTI = (80.000 + 200.000 + 5.000) / 50.000 = 5.7$$

$$LSTI = 6.000 / 50.000 = 12\%$$

$$DSTI = (6.000 + 15.000 + 1.500) / 50.000 = 45\%$$

Optie B: waarde hypothecaire inschrijving in mindering brengen

$$L = 80.000$$

$$V = (400.000 + 100.000) - 300.000 = 200.000$$

$$LTV-O = 40\%$$

$$LTI = 80.000 / 50.000 = 1.6$$

$$DTI = (80.000 + 200.000 + 5.000) / 50.000 = 5.7$$

$$LSTI = 6.000 / 50.000 = 12\%$$

$$DSTI = (6.000 + 15.000 + 1.500) / 50.000 = 45\%$$

Voorbeeld 3

Bouwen op beschikbare grond (eerste woning) : huidige waarde grond = 100.000, bouwkost = 400.000 (BTW inbegrepen), kosten (notaris, registratie,...) = 20.000, kredietaanvraag WK = 300.000

Casus A: hypotheek bij eigen financiële instelling op grond, uitstaand bedrag lopend woonkrediet bij eigen financiële instelling = 50.000

$$L = 300.000 + 50.000 = 350.000$$

$$V = 100.000 + 400.000 = 500.000$$

$$LTV-O = 70\%$$

Casus B: geen lopend krediet op grond, hypotheek wordt nu genomen

$$L = 300.000$$

$$V = 500.000$$

$$LTV-O = 60\%$$

Voorbeeld 4

Aankoop eerste woning + verbouwen : waarde woning = 200.000, verbouwkost = 300.000 (BTW inbegrepen), kosten (notaris, registratie,...) = 30.000, kredietaanvraag woonkrediet = 400.000

$$L = 400.000$$

$$V = 200.000 + 300.000 = 500.000$$

$$LTV-O: 80\%$$

Voorbeeld 5

Aankoop grond + bouwen (eerste woning) : waarde grond = 100.000, bouwkost = 400.000 (BTW inbegrepen), kosten (notaris, registratie,...) = 30.000, kredietaanvraag woonkrediet = 400.000

$$L = 400.000$$

$$V = 100.000 + 400.000 = 500.000$$

$$LTV-O: 80\%$$

Voorbeeld 6

Aankoop woning + verkoop van de huidige (kleinere) woning: waarde huidige woning = 200.000, uitstaand bedrag lopend WK bij de eigen financiële instelling = 150.000, waarde nieuwe woning = 400.000, kosten (notaris, registratie,...) = 30.000. Op aanvraagmoment: hypotheek op oude woning, volmacht op nieuwe woning. Na verkoop oude woning: volmacht op nieuwe woning wordt omgezet in inschrijving. Lopend WK van 150.000 wordt vereffend bij verkoop van de huidige woning. Kredietaanvraag = 400.000 (waarvan 50.000 overbrugging en 350.000 langlopend WK)

De berekening gebeurt met alle kredieten in scope, dus inclusief overbruggingskredieten:

$$L = 150.000 + 50.000 + 350.000 = 550.000$$

$$V = 200.000 + 400.000 = 600.000$$

$$LTV-O: 92\%$$

Voorbeeld 7

Aankoop woning + verkoop huidige (grotere) woning : waarde huidige woning = 400.000, waarde nieuwe woning = 200.000, kosten (notaris, registratie,...) = 15.000.

Hypotheek eigen financiële instelling op huidige woning, uitstaand bedrag lopend WK eigen financiële instelling = 50.000. Op aanvraagmoment : hypotheek op oude woning, volmacht op nieuwe woning. Na verkoop oude woning : volmacht op nieuwe woning wordt omgezet in inschrijving. Lopend WK van 50.000 wordt vereffend bij verkoop van de huidige woning. Kredietaanvraag 250.000 (waarvan 100.000 overbrugging en 150.000 langlopend WK)

Het betreft eenzelfde voorbeeld als voorbeeld 6, enkel wordt van de overstap van een duurdere huidige woning naar een goedkopere nieuwe woning uitgegaan.

De berekening gebeurt met alle kredieten in scope, dus inclusief overbruggingskredieten:

$$L = 50.000 + 100.000 + 150.000 = 300.000$$

$$V = 400.000 + 200.000 = 600.000$$

$$LTV-O = 50\%$$

Voorbeeld 8 (Buy-to-let) (idem voor aankoop tweede residentie)

Aankoop buy-to-let pand; waarde buy-to-let pand = 200.000; kredietaanvraag WK = 100.000 (jaarlijkse aflossing: 7.000); jaarlijkse netto huurinkomsten = 12.000

Huidige waarde eigen woning = 400.000, uitstaand bedrag lopend woonkrediet eigen financiële instelling = 200.000 (jaarlijkse aflossing: 15.000)

Lopend consumentenkrediet = 5.000 (jaarlijkse aflossing : 1500);

Jaarlijks netto inkomen = 50.000 (met uitsluiting van nieuwe netto huurinkomsten)

For the sake of clarity, while calculations of indicators may incorporate other elements than the newly granted loans, new production volume (vintage) to be reported in PHL is limited to the amount of the new loan (in this case, 100.000, to be reported as buy-to-let loan)

Casus A: Hypotheek op buy-to-let pand voor nieuw buy-to-let krediet.

$$L = 100.000$$

$$V = 200.000$$

$$LTV-O = 50\%$$

$$LTI = 100.000 / (50.000 + 12.000) = 1.6$$

$$DTI = (100.000 + 200.000 + 5.000) / (50.000 + 12.000) = 4.9$$

$$LSTI = 7.000 / (50.000 + 12.000) = 11\%$$

$$DSTI = (7.000 + 15.000 + 1.500) / (50.000 + 12.000) = 38\%$$

Casus B: Hypotheek op eigen woning voor nieuw buy-to-let krediet.

$$L = 200.000 + 100.000 = 300.000$$

$$V = 400.000$$

$$LTV-O = 75\%$$

$$LTI = 300.000 / (50.000 + 12.000) = 4.8$$

$$DTI = (100.000 + 200.000 + 5.000) / (50.000 + 12.000) = 4.9$$

$$LSTI = (7.000 + 15.000) / (50.000 + 12.000) = 35\%$$

$$DSTI = (7.000 + 15.000 + 1.500) / (50.000 + 12.000) = 38\%$$

Voorbeeld 9

Aankoop van een eerste woning : waarde = 250.000 (=prijs in compromis), kosten (notaris, registratie,...) = 35.000, kredietaanvraag woonkrediet door Bank 1 = 200.000 (jaarlijkse aflossing: 15.000), kredietaanvraag krediet voor 20% waarde + kosten door Bank 2 = 85.000 (jaarlijkse aflossing: 5.000); lopend consumentenkrediet = 5.000 (jaarlijkse aflossing : 1500) jaarlijks netto inkomen: 50.000.

For the sake of clarity, while calculations of indicators may incorporate other elements than the newly granted loans, new production volume (vintage) to be reported in PHL is limited to the amount of the new loan (in this case, 200.000 by Bank 1 and 85.000 by Bank 2)

Casus A: Hypotheek in eerste rang op gefinancierde woning door Bank 1; effectenpand voor Bank 2

Casus B: Hypotheek in eerste rang op gefinancierde woning door Bank 1; hypotheek in tweede rang op gefinancierde woning door Bank 2

There is no difference in the indicators calculation and the amounts to be reported between the two cases. For the two banks: the two loans must be considered as part and parcel of a housing loan financing transaction (at least partly financed with real estate collateral) and must thus be included in "L". Indicators will be identical for the two banks as they are financing the same transaction.

Bank 1

$$L = 200.000 + 85.000 = 285.000$$

$$LS = 15.000 + 5.000 = 20.000$$

$$D = 200.000 + 85.000 + 5.000 = 290.000$$

$$DS = 15.000 + 5.000 + 1.500 = 21.500$$

$$V = 250.000$$

$$I = 50.000$$

$$LTV-O = 285.000 / 250.000 = 114\%$$

$$LTI-O = 285.000 / 50.000 = 5.7$$

$$DTI-O = 290.000 / 50.000 = 5.8$$

$$LSTI-O = 20.000 / 50.000 = 40\%$$

$$DSTI-O = 21.500 / 50.000 = 43\%$$

Bedrag te rapporteren: 200.000 met LTV van 114%

Bank 2

$$L = 200.000 + 85.000 = 285.000$$

$$LS = 15.000 + 5.000 = 20.000$$

$$D = 200.000 + 85.000 + 5.000 = 290.000$$

$$DS = 15.000 + 5.000 + 1.500 = 21.500$$

$$V = 250.000$$

$$I = 50.000$$

$$LTV-O = 285.000 / 250.000 = 114\%$$

$$LTI-O = 285.000 / 50.000 = 5.7$$

$$DTI-O = 290.000 / 50.000 = 5.8$$

$$LSTI-O = 20.000 / 50.000 = 40\%$$

$$DSTI-O = 21.500 / 50.000 = 43\%$$

Bedrag te rapporteren: 85.000 met LTV van 114%