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| <b>Data Collection Residential Belgian Real Estate - Guidelines<br/>(Update June 2017)</b> |
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**This update of the PHL guidelines addresses the inclusion of two new quarterly templates: tables 7bis and 8bis in the PHL reporting. The first reference period for those two new tables will be end-March 2017. Until further notice, these two new tables will be requested on a best-effort basis.**

## **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), by June 30 (for the situation as at end-March), by September 30 (for the situation as at end-June) and by December 31 (for the situation as at end-September). Tables 7bis and 8bis have to be filled in on a quarterly basis. Most of the other tables are to be filled in for the situation as at end-June and end-December and some only for the situation as at end-December.
2. The National Bank of Belgium expects the institutions to correctly and fully report all the requested tables.

## **II. General**

3. The perimeter of exposures the National Bank of Belgium wants to investigate with this data collection are the **on-balance<sup>1</sup> Belgian<sup>2</sup> residential real estate property exposures** (see table 1, line 100, col. 005), including the securitized ones if they are still on the balance-sheet (i.e. no capital relief). This means that, except for table 1 and table 2 (as the exposures reported in line 2200 of this table should not be included in table 1, line 100, col. 005, neither in all the other tables), all the other tables should be reported for this same perimeter of exposures.  
The perimeter for tables 7bis and 8bis covers all "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". This is the scope of the NBB macroprudential 5 p.p. add-on.
4. Therefore, we also draw your attention to the fact that when references are made in the guidelines to the Schéma A, FINREP or COREP reporting, this 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).
5. The data have to be reported on a solo basis, in EUR units, and in %<sup>3</sup> where required (up to 6 decimals).
6. 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

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<sup>1</sup> This means impaired assets are included if they are still on-balance sheet.

<sup>2</sup> By 'Belgian' is here meant that the real estate property is located in Belgium.

<sup>3</sup> E.g. "15,9432 %" should be reported as "0.159432". "15 basis points" should be reported as "0.0015".

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.

### III. Tables 'description of exposures'

7. 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.
  
8. 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-defaulted<sup>4</sup> 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.
  
9. Columns 25, 30 and 35 are excluding regulatory defaulted assets.
  
10. 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.

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<sup>4</sup> (non-)defaulted according to the capital requirements regulation.

**Table 1: exposures**

11. 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.
12. 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.
13. 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.
14. Line 300: any other credits financing residential Belgian real estate that you do not report under a Schéma A 121.59 definition<sup>5</sup>. E.g., it is expected that the institutions report here inter alia exposures on other counterparties than the private individuals.
15. 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**

16. Line 2200: as previously mentioned, the securitized exposures with capital relief should not be included in the following other tables.
17. 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**

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

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<sup>5</sup> Of which to other counterparties than private individuals, as normally only those can be included in Schéma A 121.59.

20. 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.
21. Col. 10: regarding the vintages, the 'next repricing date' should be interpreted as the 'first repricing date' after conclusion of the contract.
22. 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**

23. The exposures for which the requested information is not available must be reported under line 600 "Not available".
24. Different contracts financing one property should be distributed among the different interest rate options.
25. 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.
26. Outstanding (stock) amounts have to be reported here.
27. Period: for the situation as at end-June and end-December.

**Table 5: credit risk mitigation**

28. The exposures for which the requested information is not available must be reported under line 500 "Not available".
29. All contractual obligations financing one and same real estate property should here be considered as one and same exposure<sup>6</sup>.
30. 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.
31. 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.
32. Periods:

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<sup>6</sup> 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**

33. The exposures for which the requested information is not available must be reported under line 400 "Not available".
34. All contractual obligations financing one and same real estate property should here be considered as one and same exposure.
35. Line 100: only credits with a 100% fixed or 100% variable amortization plan should be reported here.
36. 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'.
37. 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**

38. The exposures for which the requested information is not available must be reported under line 500 "Not available".
39. All contractual obligations financing one and same real estate property should here be considered as one and same exposure.
40. 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.
41. 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.
42. 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.
43. 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)**

44. 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”.
45. 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.
46. 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.
47. In contrast with table 7, a breakdown of row 100 is requested at rows 110-140.
48. The exposures for which the requested information is not available must be reported under line 500 “Not available”.
49. 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.
50. 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.
51. 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.
52. Periods:
- col.10-12: for the situations as at end-March, end-June, end-September and end-December;

**Table 8: indexed loan-to-value**

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

56. 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)**

57. 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".

58. 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.

59. 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.

60. In contrast with table 8, a breakdown of row 100 is requested at rows 110-140.

61. 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.

62. Col. 05-10 refer to the EAD to which the May 2017 NBB macroprudential measure applies.

63. 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).

64. 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.

65. 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.

66. 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).
67. The exposures for which the requested information is not available must be reported under line 500 "Not available".
68. Periods:
- col.05-45: for the situations as at end-March, end-June, end-September and end-December;

**Table 9: maturities at origination**

69. The exposures for which the requested information is not available must be reported under line 900 "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. 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**

74. The exposures for which the requested information is not available must be reported under line 800 "Not available".
75. 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.
76. 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.
77. 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.

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

79. 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**

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

##### ***Table 11A: focus LTV IRB***

82. The perimeter of exposures is here still the same, but excluding defaulted<sup>7</sup> exposures.
83. 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***

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

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<sup>7</sup> Defaulted according to the capital requirements regulation.

## V. Credit cost

**Table 12: credit cost**

85. 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.
86. 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.
87. 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.
88. 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

89. 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.
90. 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).
91. Period: stock data for the situation as at end-December.

### **Table 13A: capital requirements IRB**

92. 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.
93. For the definition of the different values to be reported, we refer hereunder to the COREP nomenclature:

| PD <sup>8</sup><br>ASSIGNED<br>TO THE<br>OBLIGOR<br>GRADE OR<br>POOL | ORIGINAL<br>EXPOSURE<br>PRE CCF <sup>9</sup> | EAD                | EAD-<br>WEIGHTED<br>AVERAGE<br>floored<br>LGD | EAD-<br>WEIGHTED<br>AVERAGE<br>un-floored<br>LGD | EAD-<br>WEIGHTED<br>AVERAGE<br>MATURITY<br>VALUE<br>(DAYS) | RWA                | EL                 | (-) VALUE<br>ADJUSTMENTS<br>AND PROVISIONS |
|--|--|--------------------|---|--|--|--------------------|--------------------|--|
|  | [005]  | [010]              | [015]   | [020]  | [025]  | [030]              | [035]              | [040]                                      |
| C08.01, col<br>010   | C08.01, col<br>020                           | C08.01, col<br>110 | C08.01, col<br>230                            | -  | C08.01, col<br>250   | C08.01, col<br>260 | C08.01, col<br>280 | C08.01, col 290                            |
|  | [EUR]  | [EUR]              | [%]   | [%]  | [days]   | [EUR]              | [EUR]              | [EUR]                                      |

### **Table 13B: capital requirements STA**

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

<sup>8</sup> Line 'Total': exposure-weighted PD

<sup>9</sup> Pre CRM as well.

*Columns*

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

*Lines*

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

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