

**EXPANDED REPORT ON REAL ESTATE EXPOSURES REVISED GUIDELINES AND LINE
ITEM INSTRUCTIONS
(Appendix to Sec. 363)**

I. Real Estate Loans

A. Residential Real Estate Loans to Individual Households for Occupancy

Report required information on residential real estate loans granted to individual households for purposes of financing the acquisition, construction and/or improvement of housing units, which shall refer to houses and lots, homelots or residential condominium units, among others, and acquisition of any associated land that is or will be occupied by the borrower, as follows:

- (1) **Socialized Housing** shall refer to socialized housing units as defined under existing guidelines of the Housing and Urban Development Coordinating Council (HUDCC) for the implementation of various government housing programs, or in such other amounts which HUDCC may prescribe in the future for said housing units.
- (2) **Low-cost Housing** shall refer to low-cost housing units as defined under existing guidelines of the HUDCC for the implementation of various government housing programs, other than those classified as socialized housing units, or in such other amounts which HUDCC may prescribe in the future for said housing units.
- (3) **Mid-end Housing** shall refer to housing units that are worth more than P= 3 million to P= 10 million.
- (4) **High-end Housing** shall refer to housing units that are worth more than P= 10 million.

B. Commercial Real Estate Loans

- (1) **For land development as well as acquisition, construction and/or improvement of commercial real estate units**

Report required information on commercial real estate loans or loans granted for purposes of financing land development, acquisition, as well as construction and/or improvement of commercial real estate units intended for own use, sale or lease to the following borrowers:

- (a) Loans to individuals

(b) Loans to land developers/construction companies.

Commercial real estate loans extended to land developers and/or construction companies shall further be classified according to the following types of real estate projects:

- (i) Residential unit;
- (ii) Office building/condominium;
- (iii) Stand-alone stall/store/shop/supermarket/convenience store;
- (iv) Mall/Shopping Center¹;
- (v) Plant/factory/mill/warehouse/ storage facility;
- (vi) Accommodation, restaurant, resort and other entertainment and recreational facility²;
- (vii) Others, which shall refer to projects other than those classified under Items “(i)” to “(vi)” above and which shall be further broken down into:
 - (a) Working capital. This shall refer to short-term loans for purposes of financing the day-to-day real estate development operations of land developers/construction companies; or
 - (b) Others
 including all project-related amenities/facilities.

In reporting loans intended for the construction/development of property/(ies) under a “mixed-use” concept, the bank shall report the loan under the type of project where most of the loan proceeds will be utilized.

(c) Loans to other corporate borrowers, including holding companies.

Commercial real estate loans extended to (1) holding companies, and (2) other corporate entities shall further be classified according to the specific types of real estate projects defined under Items “I.B.(1).(b).(i).” to “I.B.(1).(b).(vii).”, except for working capital purposes, of the Line Item Instructions of this Appendix.

Holding companies shall refer to entities owning the equity of subsidiary corporations and whose principal activity is owning the group.

(2) For ancillary real estate activities such as buying and selling of real estate, lease of real estate and management of real estate/real property

Report required information on commercial real estate loans or loans granted for purposes of financing ancillary real estate activities such as buying and selling of real estate, lease of real estate and management of real estate/real property, classified as to the following borrowers:

- (a) Loans to individuals, including sole proprietors, which are further classified as to the following:
- (i) Real estate brokers,
 - (ii) Real estate lessors, and
 - (iii) Others; and
- (b) Loans to other corporate entities, which are further classified as to:
- (i) Real estate brokers;
 - (ii) Real estate lessors;
 - (iii) Property management companies;
 - (iv) Holding companies; and
 - (v) Other corporate entities

Details of Residential and Commercial Real Estate Loans

Report in the appropriate column the following requested information:

- (1) **No. of Accounts** - Report the number of accounts of real estate loans extended.
- (2) **Outstanding Balance** - Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans extended.
- (3) **Allowance for Credit Losses** - Report the specific allowance for credit losses booked for the real estate loans extended.
- (4) **Net Carrying Amount** - Report the net carrying amount of real estate loans extended as the difference between Items "(2)" and "(3)".
- (5) **Status of Accounts**

Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans extended classified as to the following status:

- (a) Current
- (b) Past Due
- (c) Non-Performing
- (d) Items in Litigation

as defined under existing regulations.

- (6) **Collateral**

Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans classified as to the following:

- (a) **Secured by REM** – Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans to the extent covered by real estate mortgage (REM) on residential and commercial properties.
 - (b) **Secured by Non-Risk Assets** – Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans to the extent covered by non-risk assets as provided under existing regulations.
 - (c) **Secured by Other Assets** – Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans to the extent secured by other assets as provided under existing regulations.
 - (d) **Unsecured** – Report the amortized cost (i.e., gross of allowance for credit losses) of unsecured real estate loans extended by the bank as provided under existing regulations.
- (7) **Guaranteed by Home Guarantee Corporation (HGC)** – Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans to the extent guaranteed by the HGC, regardless of whether these are secured or unsecured.

(8) **Contracts to Sell (CTS)**

Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans acquired from real estate developers/construction companies that are covered by CTS agreements, executed between the developer and homebuyers, prior to the transfer of underlying real estate properties in the name of the homebuyer and execution of REM on said properties by the bank.

- (a) **CTS without recourse** – Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans acquired from real estate developers/construction companies by way of purchase of CTS on a without recourse basis.
- (b) **CTS with recourse** – Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans to real estate developers/construction companies by way of purchase of CTS on a with recourse basis.

(9) **Fair Value of REM Collateral** – Report the fair value of the REM collateral on an annual basis.

(10) **Residual Maturity**

Report the amortized cost (i.e., gross of allowance for credit losses) of real estate loans classified according to the time remaining from the date of report until maturity date of the loan.

- (a) Up to 1 year;
- (b) Over 1 year to 5 years;
- (c) Over 5 years to 10 years; and
- (d) Over 10 years.

Additional Information

A. RELs to Finance Residential Units – This refers to residential real estate loans granted for purposes of financing the acquisition, construction and/or improvement of housing units, which shall refer to houses and lots, homelots or residential condominium units, among others, and acquisition of any associated land.

(1) **Residential RELs for Occupancy** – This refers to residential real estate loans granted to individual households for purposes of financing the acquisition, construction and/or improvement of housing units and acquisition of any associated land that is or will be occupied by the borrower.

(2) **Commercial Real Estate Loans for Land Development as well as Acquisition, Construction and/or Improvement of Residential Units** – Report the required information on commercial real estate loans extended to finance the land development and construction of residential housing units, which are intended for sale/lease to individual households, broken down as to counterparties, and further classified according to type of housing segment as defined under the line item instructions for Item “I.A.” – *Residential Real Estate Loans to Individual Households for Occupancy*:

(a) Land Developers/Construction Companies

- (i) Socialized Housing
- (ii) Low-cost Housing
- (iii) Mid-end Housing

(iv) High-end Housing

(b) Other Borrowers

(i) Socialized Housing

(ii) Low-cost Housing

(iii) Mid-end Housing

(iv) High-end Housing

B. RELs to Finance Residential Condominium Units – Report information on residential real estate loans extended to finance the acquisition, construction and/or improvement of residential condominium units.

C. RELs to Overseas Filipinos (OFs) and/or their Beneficiaries – This refers to real estate loans granted to OFs and/or their beneficiaries, where the repayment for such RELs would come from the salary and /or remittances of the OF. These RELs shall be broken down as to the following:

(1) **Residential RELs for Own Occupancy** – Report information on residential real estate loans granted to OFs and/or their beneficiaries to finance the acquisition, construction and/or improvement of housing units and acquisition of any associated land that is or will be occupied by the OF and/or his/her beneficiaries.

(2) **Commercial Real Estate Loans** – Report information on commercial real estate loans granted to OFs and/or their beneficiaries for purposes of financing commercial real estate activities.

D. Loans Secured by REM (Other than those reported as Real Estate Loans under Item I) – Report information on loans secured by REM that are extended, other than for real estate activities, broken down as to the following:

(1) Secured by REM on Residential Properties

(2) Secured by REM on Commercial Properties

(3) Secured by REM on Agricultural Properties

E. Loans for Public Infrastructure – Report information on loans extended for purposes of financing infrastructure projects for public use as defined under Item “1” of Section 1397.

II. Investments in Securities Issued for Purposes of Financing Real Estate Activities

A. Debt Securities

Report the names of corporations that issued debt securities for purposes of financing real estate activities that are held by the bank.

Further, report under the appropriate column the following information:

- (1) **Acquisition Cost** – Report the acquisition cost of debt securities per line item indicated.
- (2) **Carrying Amount** – Report the carrying amount, (i.e. gross of allowance for credit losses) of debt securities per line item indicated.
- (3) **Allowance for Credit Losses** – Report the specific allowance for credit losses per line item indicated
- (4) **Net Carrying Amount** – Report the net carrying amount of debt securities per line item indicated as the difference between Items “(2)” and “(3)”.
- (5) **Past Due Accounts** – Report the carrying amount (i.e., gross of allowance for credit losses) of past due debt securities as defined under existing regulations per line item indicated
- (6) **Collateral** – Report the carrying amount (i.e., gross of allowance for credit losses) of debt securities as to the following collateral types:
 - (a) Secured by Mortgage Trust Indenture (MTI)
 - (b) Secured by Non-Risk Assets
 - (c) Secured by Other Assets
 - (d) Unsecured
- (7) **Fair Value** – Report the fair value of debt securities held by the bank on an annual basis.

B. Equity Securities

Report the names of land developers/construction companies and other corporate borrowers such as real estate brokers, real estate lessors and property management companies that issued equity securities that are held by the bank.

Further, report under the appropriate column the following information:

- (1) **Acquisition Cost** – Report the acquisition cost of equity securities per line item indicated.
- (2) **Carrying Amount** – Report the carrying amount, (i.e. gross of allowance for credit losses) of equity securities per line item indicated.
- (3) **Allowance for Impairment** – Report the specific allowance for impairment per line item indicated.
- (4) **Net Carrying Amount** – Report the net carrying amount of equity securities per line item indicated as the difference between Items “(2)” and “(3)”.
- (5) **Fair Value** – Report the fair value of equity securities held by the bank on an annual basis.

Additional Information:

Investments in Securities for Public Infrastructure – Report information on investments in securities issued for purposes of financing infrastructure projects for public use as defined under Item “1” of Section 1397.

III. Ratio of REE to Adjusted Capital

- A. RELs** – Report the amortized cost (i.e., gross of allowance for credit losses) of total RELs as computed in Part I of the reporting template.
- B. Investments in Securities** – Report the carrying amount (i.e., gross of allowance for credit losses/impairment) of investments in securities as computed in Part II of the reporting template.
- C. Total REEs** – Sum of Items “A” and “B” above.
- D. Adjusted Capital** – Report the adjusted capital of the bank as provided under Sec. 121, Sec. 103 (*Capital requirements of foreign banks*), and Sec. 103 (*Philippine branches of foreign banks*).
- E. Ratio of REE to Adjusted Capital** – Divide Item “C” by Item “D”.

The adjusted capital that shall be used for the banking group report shall be the adjusted capital of the parent bank.

(Circular No. 976 dated 10 October 2017)

Footnotes

1. Mall/Shopping Center refers to a group of retail and other commercial establishments that is planned, developed and managed as a single property, comprising commercial multi-branded rental units and common areas. For purposes of reporting, a mall/shopping center shall have at least twenty (20) tenant stores.
2. Refer to classification under PSIC 2009