

364 EXPANDED REPORT ON REAL ESTATE EXPOSURES OF BANKS

The Expanded Report on Real Estate Exposures is designed to measure and monitor the aggregate real estate exposures, as defined under Item “b” of Sec. 363-A, of the banking system. The report aims to provide the Bangko Sentral with a comprehensive view of the quality and type of real estate loans/investments financed by banks.

The Expanded Report on Real Estate Exposures (ERREE) shall be submitted in accordance with (a) the guidelines on the preparation of solo and consolidated financial statements under Sec. 172 (*Philippine Financial Reporting Standards/Philippine Accounting Standards*); and (b) the line item instructions prescribed under *Appendix 127*, attached as Annex A-2.

This report shall be considered a Category A-1 report and shall be submitted within the deadlines indicated in *Appendix 7*.

a. Bank Report

All UBs/KBs and TBs shall submit the ERREE on a solo (i.e., head office and branches) basis. UBs/KBs and TBs shall, likewise, submit the ERREE covering real estate exposures of their trust departments.

Starting quarter-ending 31 March 2018, a rural bank that is a subsidiary of a UB/KB or TB, shall also be required to submit the ERREE on a solo (head office and branches} basis. Covered RBs shall likewise submit the ERREE covering real estate exposures of its trust departments starting 31 March 2018.

b. Banking Group Report

A parent UB/KB/TB shall, likewise, submit the Expanded Report on Real Estate Exposures on a consolidated (i.e., consolidated real estate exposures of the banking group) basis, including aggregate real estate exposures of trust departments of banks/Financial Institutions (FIs) that are part of the banking group.

The schedules comprising covered banks’ Revised ERREE are as follows:

| Report \ Covered Banks | UBs | KBs | TBs | RBs that are subs. of UB/KB/TBs |
|------------------------|-----|-----|-----|---------------------------------|
|------------------------|-----|-----|-----|---------------------------------|

364 EXPANDED REPORT ON REAL ESTATE EXPOSURES OF BANKS

| | | | | |
|--|---|---|---|---|
| <p>1. Bank Report. This shall contain the solo report of the bank's real estate exposures. Covered banks shall likewise submit the ERREE covering real estate exposure of their trust departments.</p> <p>a. Bank Proper and Trust Department</p> <p>b. Schedule 1- Bank Proper</p> <p>c. Schedule 2 -Trust Department</p> | x | x | x | x |
| <p>2. Banking Group Report. This shall contain the consolidated report of the banking group's real estate exposures. Covered banks shall likewise submit aggregate real estate exposures of trust departments of banks/FIs that are part of the banking group.</p> <p>a. Banking Group and Trust Department(s) of Banks/FIs that are part of the banking group</p> <p>b. Schedule 1- Banking Group</p> <p>c. Schedule 2 -Trust Department(s)</p> | x | x | x | |

The revised guidelines, line item instructions and reportorial templates shall take effect starting the quarter ending 30 June 2018.

A pilot run of the revised ERREE shall be conducted for the quarter ending 31 March 2018. During the pilot run, covered banks and their trust department shall submit both the original and revised ERREE (on a solo and consolidated basis) in accordance with the following submission deadlines:

| Expanded Report on Real Estate Exposures | Submission deadline |
|--|--|
| a. ERREE template | Within thirty (30) banking days after end of the reference quarter ending as of 31 March 2018. |
| b. Revised ERREE template in accordance with guidelines provided in this Section | Within forty five (45) banking days after end of 31 March 2018 |

(Circular No. 976 dated 10 October 2017)