

APPENDIX: PROTECTION ALLOCATION IN THE CREDIT REGISTER

Danmarks Nationalbank – Danish Financial Supervisory Authority

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Reports to the credit register contain data on the protection that serves to secure the repayment of instruments reported in dataset 2. Instrument dataset. In dataset 8. Instrument-protection received dataset, data specifying the protection provided for the respective instrument(s) is reported. This dataset includes, inter alia, attribute 4.8.1 Protection allocated value, cf. the definition in the Reporting Guidelines. In this attribute, the reporter is to allocate a protection value for each combination of protection and instrument, cf. the example in Box 1. Reporting of the attribute is explained in more detail and exemplified in this appendix.

Example of protection allocation of a protection item linked to one specific instrument

Box 1

Assume that a borrower has a car loan of kr. 300,000, secured by the borrower's car, the market value of which is kr. 700,000. The protection is specifically linked to this loan, and, accordingly, has been reported with "No" in attribute 4.8.3 General protection indicator (specifying whether the protection granted serves as general protection, cf. the Reporting guidelines). The borrower has no other loans.

In this example, the institution is to report the value of the car, kr. 700,000, in attribute 4.7.3 Protection value, report "Fair value" in attribute 4.7.4 Type of protection value, and in attribute 4.8.1 Protection allocated value, the institution is to allocate the protection value provided for this loan (it is the institution's assessment). In this example, the institution decides to allocate the carrying amount of the loan of kr. 300,000 to the protection item, and reports this value in attribute 4.8.1 Protection allocated value.

The allocation is to be performed regardless of whether the protection item secures one or multiple specific instruments. For each protection value allocated to one instrument, the protection value that can be

allocated to any subsequent instruments is reduced, cf. the example in Box 2.

Example of protection allocation of a protection item linked to two specific instruments

Box 2

If the same borrower as in Box 1 obtains another loan, this time of kr. 500,000, also secured by the car, but with 2nd priority relative to the first loan. The protection item is linked specifically to the two loans, and, accordingly, has been reported as "No" in attribute 4.8.3 General protection indicator (specifying whether the protection granted serves as general protection, cf. the guidelines).

The institution will still report the market value of the car, kr. 700,000, in attribute 4.7.3 Protection value in dataset 7. Protection received dataset. However, in dataset 8, two rows are now to be reported: one row for each loan. In one row, it is reported that for car loan 1, kr. 300,000 of the protection value is allocated, while for car loan 2, kr. 400,000 is allocated. The latter is less than the carrying amount of the loan of kr. 500,000, because the sum of the allocated values cannot exceed that protection value of kr. 700,000.

Note: The example does not allow for any loan-to-value restrictions.

If the protection item is *not* linked to one or multiple specific instruments in the agreement (and is thus reported as "Yes" in attribute 4.8.3 General protection indicator), the reporter is *also* to allocate a protection value to each of the debtor's instruments for which the protection can be used in attribute 4.8.1 Protection allocated value – also if the allocated value is zero (0).

In its manual, the ECB does *not* specify how such allocation is to be performed if the protection item is *not* linked to one or multiple specific instruments in the agreement. Consequently, the method described below is a suggestion as to how such allocation *may* be performed. Danmarks Nationalbank and the Danish Financial Supervisory Authority do *not require* reporters to apply this method in their reporting to the credit register. And institutions may report using their own allocation model that may allow for aspects other than purpose and inception date, for instance risks based on product type, cf. also [the ECB AnaCredit Reporting Manual Part II](#) page 172, lines 11-22.

SUGGESTIONS FOR PROTECTION VALUE ALLOCATION

If the reporter does not wish to apply (or does not have) its own protection allocation model, it may apply the method specified in the [Reporting Guidelines for the BSI statistics](#), section 21.39, cf. Box 3, but with the following differences:

Differences relative to the BSI statistics

Allocated value

In the BSI statistics, protection is reported using the following outcomes:

- Fully collateralised
- Partially collateralised
- Not collateralised

In the credit register, a protection value is to be allocated to each of the debtor's instruments for which the protection can be used.

All types of protection

In the BSI statistics, protection items include protection that can be used in the reporter's capital adequacy calculation, regardless of the method applied by the reporter in its capital adequacy calculation.

Conversely, in the credit register, all protection items received by the institution are reported, regardless of whether these are recognised as eligible credit risk mitigation in the reporter's capital adequacy calculation.

All types of counterparties

In the BSI statistics, data on protection for loans to households and non-financial corporations is specified.

In the credit register, a protection value is to be allocated for all types of counterparties (including financial corporations).

Method for protection allocation in the credit register

Box 3

Loans to natural persons

1. Protection item directly linked to one or multiple specific instrument(s) is allocated to this(these) instrument(s).
2. Protection item that is *not* linked to one or multiple specific instrument(s) is initially allocated according to the purpose of the instruments, reported in attribute 4.2.18 Purpose, prioritised in the following order:
 - a. Residential real estate
 - b. Consumption
 - c. Other purposeAnd subsequently according to attribute 4.2.7 Inception date

Loans to legal entities

1. Protection item directly linked to one or multiple specific instrument(s) is allocated to this(these) instrument(s).
2. Protection item that is *not* linked to one or multiple specific instrument(s) is allocated according to the instrument's 4.2.7 Inception date.

Source: [Reporting Guidelines for the BSI statistics](#), section 21.39.

EXAMPLES

Below, reporting of the attribute for a number of examples is described. The reporting requirements depend on a number of characteristics. Therefore, in the examples a distinction is made between the following:

- Whether the protection item is specifically linked to one or multiple instruments or not
If the protection item is *not* specifically linked to one or multiple instruments, the reporter can select to apply the protection allocation method described in Box 3.
- Whether the borrower is a natural person or a legal entity
As the protection allocation method depends on this, cf. Box 3.
- Whether the protection item is registered in the Land Registry or not
If the protection item is registered in the Land Registry, attribute 4.8.2 Third party priority claims against the protection is not to be reported, cf. Box 4.

If the protection item is registered in the Land Registry and secures multiple instruments with various reporters (which is possible for owner's mortgage deeds), data on third party priority claims against the protection is *also* to be excluded in the allocation in attribute 4.8.1 Protection allocated value, although this is enriched with data from the Land Registry, cf. footnote 3.

Third party priority claims against the protection and the Land Registry

Box 4

Third party priority claims against the protection granted by a credit provider that is *not* a reporter to the credit register

If third party priority claims against the protection, granted by a credit provider that is *not* subject to reporting requirements to the credit register, are registered in the same underlying asset as the instrument secured by the protection item, Danmarks Nationalbank and the Danish Financial Supervisory Authority may enrich with data on the commitment amount of the third party priority claim against the protection from the Land Registry, but not with data on the outstanding nominal amount.

Third party priority claims against the protection granted by a credit provider that *is* a reporter to the credit register

If third party priority claims against the protection, granted by a credit provider that *is* subject to reporting requirements to the credit register, are registered in the same underlying asset as the loan, Danmarks Nationalbank and the Danish Financial Supervisory Authority may enrich with data on the commitment amount of the third party priority claim against the protection from the Land Registry and with data on the outstanding nominal amount.

CONTENT

1. Protection item that is *not* registered in the Land Registry, which is linked to one specific instrument
2. Protection item that is *not* registered in the Land Registry, but is linked to multiple specific instruments reported by two institutions
3. Protection item that is *not* registered in the Land Registry, but is linked to multiple specific instruments reported by three institutions
4. Protection item that is *not* registered in the Land Registry, and which is *not* linked to one or multiple specific instruments, where the debtor is a natural person
5. Protection item that is *not* registered in the Land Registry, and which is *not* linked to one or multiple specific instruments from the same reporter, where the debtor is a legal entity
6. Protection item registered in the Land Registry, linked to one specific instrument
7. Protection item registered in the Land Registry, linked to two specific instruments from the same reporter
8. Protection item registered in the Land Registry, linked to two specific instruments from different reporters
9. Protection item registered in the Land Registry which is *not* linked to two specific instruments from the same reporter, where the debtor is a natural person

10. Protection item registered in the Land Registry which is *not* linked to multiple specific instruments from the same reporter, where the debtor is a legal entity
11. Two mortgage deeds registered in the Land Registry: one mortgage deed is secured by two jointly mortgaged real estate properties: real estate property 1 and real estate property 2. The other mortgage deed is secured by one real estate property: real estate property 1. The mortgage deeds are linked to one specific instrument
12. Two owner's mortgage deeds registered in the Land Registry: one mortgage deed is secured by two jointly mortgaged real estate properties: real estate property 1 and real estate property 2. The other mortgage deed is secured by one real estate property: real estate property 2. The mortgage deeds are also secured by the family's car and a gold ingot. The mortgage deeds are linked to three instruments (one joint loan and two individual loans)

1. Protection item that is *not* registered in the Land Registry, which is linked to one specific instrument

As the protection item is linked to one specific instrument in an agreement, "No" is reported in attribute 4.8.3 General protection indicator, cf. Table 1. In attribute 4.8.1 Protection allocated value, kr. 300,000 is allocated to the protection item, which is equivalent to the carrying amount of the instrument, reported in attribute 4.6.14 Carrying amount in dataset 6. As the protection item is *not* registered in the Land Registry, attribute 4.8.2 Third party priority claims against the protection is to be reported. As the protection item does not secure other instruments with other institutions, 0 is reported in attribute 4.8.2 Third party priority claims against the protection.

Dataset and attribute	Value
Example: Protection item registered in the Land Registry, linked to one specific instrument	
Table 1	
Dataset 6. Accounting dataset	
4.2.1 Contract identifier	Contract 1
4.2.2 Instrument identifier	Instrument 1
4.6.14 Carrying amount	300,000
4.6... Other attributes in dataset 6	...
Dataset 7. Protection received dataset	
4.7.1 Protection identifier	Protection item 1
4.7.3 Protection value	500,000
4.7... Other attributes in dataset 7	...

Dataset 8. Instrument-protection received data

4.2.1 Contract identifier	Contract 1
4.2.2 Instrument identifier	Instrument 1
4.7.1 Protection identifier	Protection item 1
4.8.1 Protection allocated value	300,000
4.8.2 Third party priority claims against the protection	0
4.8.3 General protection indicator	No

Note: Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example.

2. Protection item that is *not* registered in the Land Registry, but is linked to multiple specific instruments reported by two institutions

In this example, the protection item is not registered in the Land Registry; the protection item is provided as protection with multiple credit providers with an agreed order of priority¹. Thus, attribute 4.8.3 General protection indicator is reported as "No", cf. Table 2. In attribute 4.8.1 Protection allocated value, a value is allocated to each instrument and attribute 4.8.2 Third party priority claims against the protection is reported, as the protection item is not registered in the Land Registry and thus cannot be enriched with data from the Land Registry (likewise, third party priority claims against the protection cannot be derived from the credit register, as the protection item cannot be matched across the two reporters). Third party priority claims against the protection are excluded in the allocation process. As the protection value (kr. 5,000,00) is higher than the sum of the values allocated by the reporters to the protection item (kr. 3,000,000 + kr. 750,000 = kr. 3,750,000), both reporters allocate the carrying amounts of each instrument to the protection item.

Example: Protection item that is *not* registered in the Land Registry, but is linked to multiple specific instruments reported by two institutions

Table 2

Dataset and attribute

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Contract 9	Contract 10
4.2.2 Instrument identifier	Instrument 9	Instrument 10
4.6.14 Carrying amount	3,500,000	750,000

¹ Based on the institutions' responses to follow-up questions, cf. 10th working group meeting held on 7 February 2017, there will always be an agreed order of priority if a protection item secures multiple instruments in multiple institutions.

4.6... Other attributes in dataset 6 ...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Car fleet 1	Car fleet 300
4.7.2 Type of protection	Other physical collaterals	Other physical collaterals
4.7.3 Protection value	5,000,000	5,000,000

4.7... Other attributes in dataset 7 ...

**Dataset 8. Instrument-protection
received data**

4.2.1 Contract identifier	Contract 9	Contract 10
4.2.2 Instrument identifier	Instrument 9	Instrument 10
4.7.1 Protection identifier	Car fleet 1	Car fleet 300
4.8.1 Protection allocated value	3,500,000	750,000
4.8.2 Third party priority claims against the protection	0	3,500,000
4.8.3 General protection indicator	No	No

Note: Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Counterparty-reference data, etc., is not specified in the example, given that the allocation model described in Box 3 is not applied.

3. Protection item that is *not* registered in the Land Registry, but is linked to multiple specific instruments reported by three institutions

In this example, the protection item is not registered in the Land Registry; the protection item is provided as protection with multiple credit providers with an agreed order of priority². In attribute 4.8.1 Protection allocated value, a value is allocated to each instrument, and attribute 4.8.2 Third party priority claims against the protection is reported, cf. Table 3. Third party priority claims against the protection are excluded in the allocation process.

² Based on the institutions' responses to follow-up questions, cf. 10th working group meeting held on 7 February 2017, there will always be an agreed order of priority if a protection item secures multiple instruments in multiple institutions.

Example: Protection item that is *not* registered in the Land Registry, but is linked to multiple specific instruments reported by three institutions

Table 3

Assume that an institution, A, has reported two instruments to the credit register, both of which are secured by the same protection item. The value of the protection item is kr. 4 million, and the protection item is *not* registered.

The institution has allocated kr. 0.5 million of the protection item to instrument1A in attribute 4.8.1 Protection allocated value and kr. 0.5 million to instrument2A in attribute 4.8.1 Protection allocated value; this sum does not exceed kr. 4. million.

Now assume that two other institutions, B and C, each report an instrument secured by the same protection item, instrumentB and instrumentC. InstrumentB may claim kr. 2 million against the protection item, and InstrumentC may claim kr. 1 million against the protection item.

In attribute 4.8.1 Protection allocated value, the following is reported for each of the four instruments:

- Instrument1A: kr. 0.5 million
- Instrument2A: kr. 0.5 million
- InstrumentB: kr. 2 million
- InstrumentC: kr. 1 million

The following order of priority applies to the protection item:

1. InstrumentB
2. Instrument1A
3. InstrumentC
4. Instrument2A

In attribute 4.8.2 Third party priority claims against the protection, the following is to be reported for each of the four instruments:

- InstrumentB: 0
- Instrument1A: kr. 2 million
- InstrumentC: kr. 2 million + kr. 0.5 million = kr. 2.5 million
- Instrument2A: kr. 2 million + kr. 1 million = kr. 3 million

In the reporting of 4.8.2 Third party priority claims against the protection for Instrument2A, Instrument1A's third party priority claim against the protection of kr. 0.5 million is not to be included, as this third party priority claim against the protection is not related to a third party, but is an intragroup claim.

4. Protection item that is *not* registered in the Land Registry, and which is *not* linked to one or multiple specific instruments from the same reporter, where the debtor is a natural person

In this example, the debtor is assumed to be a natural person and is thus reported with the sector code "Employees, etc." in attribute 4.1.8 Institutional sector in dataset 1 with counterparty reference data, cf. Table 4. To enable linking of the borrower to the instrument, data in dataset 4. Counterparty-instrument data is also included in the example. In addition, data from dataset 2. Instrument data is also included in the example, as data on attributes 4.2.7 Inception date and 4.2.18 Purpose is

reported in this dataset (data which is included in the protection allocation method in Box 3).

Assume that the protection item secures all of the debtor's instruments; hence, "Yes" is reported in attribute 4.8.3 General protection indicator. The reporter has applied the protection allocation method described in Box 3, and the protection item is initially allocated to "Instrument 1" with the purpose specified as "Residential real estate" and subsequently to "Instrument 2" with the purpose specified as "Consumption". The protection value (kr. 3,000,00) is higher than the sum of values allocated by the reporter to the protection item (kr. 500,000 + kr. 250,000 = kr. 750,000).

As the protection item does not secure other instruments with other institutions, 0 is reported in attribute 4.8.2 Third party priority claims against the protection.

Example: Protection item that is *not* registered in the Land Registry, and which is *not* linked to one or multiple specific instruments from the same reporter, where the debtor is a natural person

Table 4

Dataset and attribute

Dataset 1. Counterparty reference dataset

4.1.1 Counterparty identifier	XXXXXXXXXX	
4.1.8 Institutional sector	Employees, etc.	
4.1 Other attributes in dataset 1	...	...

Dataset 2. Instrument dataset

4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.2.7 Inception date	20020331	20150622
4.2.18 Purpose	Residential real estate	Consumption
4.2... Other attributes in dataset 2	...	...

Dataset 4. Counterparty-instrument data

4.1.1 Counterparty identifier	XXXXXXXXXX	XXXXXXXXXX
4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.4.1 Counterparty role	Debtor	Debtor

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.6.14 Carrying amount	500,000	250,000
4.6... Other attributes in dataset 6	...	...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Protection item 3
4.7.3 Protection value	3,000,000
4.7... Other attributes in dataset 7	...

Dataset 8. Instrument-protection received data

4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.7.1 Protection identifier	Protection item 3	Protection item 3
4.8.1 Protection allocated value	500,000	250,000
4.8.2 Third party priority claims against the protection	0	0
4.8.3 General protection indicator	Yes	Yes

Note: Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Counterparty data on the reporter is not displayed either in dataset 1 or 4.

5. Protection item that is *not* registered in the Land Registry, and which is *not* linked to one or multiple specific instruments from the same reporter, where the debtor is a legal entity

In this example, the debtor is assumed to be a legal entity and is thus reported with a sector code different from "Employees, etc." in attribute 4.1.8 Institutional sector in dataset 1 with counterparty reference data, cf. Table 5. To enable linking of the borrower to the instrument, data in dataset 4. Counterparty-instrument data is also included in the example. In addition, data from dataset 2. Instrument data is included in the example, as data on attribute 4.2.7 Inception date is reported in this dataset (data which is included in the protection allocation method in Box 3 where the debtor is a legal entity).

In relation to Example 1, two rows are reported in datasets 6 and 8 – one row for each instrument to which the protection item is linked, cf. Table 5.

Assume that the protection item secures all of the debtor's instruments; hence, "Yes" is reported in attribute 4.8.3 General protection indicator. The protection item is allocated using the method described in Box 3, and is thus initially allocated to the instrument with the oldest inception date, i.e. "Instrument 5", where the carrying amount of "Instrument 5" of kr. 3,500,000 is allocated in attribute 4.8.1 Protection allocated value. Subsequently, kr. 500,000 is allocated to "Instrument 6", given that the inception date of this instrument is later than that of "Instrument 5". This amount is not equivalent to the carrying amount of "Instrument 6" of kr. 750,000, as the summed value of the protection allocated values cannot

exceed the protection value of kr. 4,000,000. If the protection value was kr. 4,250,000, kr. 750,000 could be allocated to "Instrument 6", equivalent to the carrying amount of the instrument.

As the protection item does not secure other instruments with other institutions, 0 is reported in attribute 4.8.2 Third party priority claims against the protection.

Example: Protection item that is *not* registered in the Land Registry, and which is *not* linked to one or multiple specific instruments from the same reporter, where the debtor is a legal entity

Table 5

Dataset and attribute

Dataset 1. Counterparty reference dataset

4.1.1 Counterparty identifier		YYYYYYYY
4.1.8 Institutional sector	Private non-financial corporations	
4.1 Other attributes in dataset 1	...	

Dataset 2. Instrument dataset

4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.2.7 Inception date	20020331	20150622
4.2.18 Purpose	NA	NA
4.2... Other attributes in dataset 2	...	...

Dataset 4. Counterparty-instrument data

4.1.1 Counterparty identifier	YYYYYYYY	YYYYYYYY
4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.4.1 Counterparty role	Debtor	Debtor

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.6.14 Carrying amount	3,500,000	750,000
4.6... Other attributes in dataset 6	...	...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Protection item 2
4.7.3 Protection value	4,000,000
4.7... Other attributes in dataset 7	...

Dataset 8. Instrument-protection received data

4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.7.1 Protection identifier	Protection item 2	Protection item 2
4.8.1 Protection allocated value	3,500,000	500,000
4.8.2 Third party priority claims against the	0	0

protection

4.8.3 General protection indicator	Yes	Yes
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Note: Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Counterparty data on the reporter is not displayed either in dataset 1 or 4.

6. Protection item registered in the Land Registry, linked to one specific instrument

When the protection item is linked to one specific instrument in an agreement, "No" is reported in attribute 4.8.3 General protection indicator, cf. Table 6. In attribute 4.8.1 Protection allocated value, kr. 500,000 is allocated to the protection item, which is equivalent to the carrying amount of the instrument, reported in attribute 4.6.14 Carrying amount in dataset 6. Accounting dataset. As the protection item is registered in the Land Registry, attribute 4.8.2 Third party priority claims against the protection is not to be reported, but will be enriched with data from the Land Registry. As the mortgage deed does not secure other instruments, attribute 4.8.2 Third party priority claims against the protection will be 0 from the Land Registry.

Example: Protection item registered in the Land Registry, linked to one specific instrument Table 6

Dataset and attribute	Value
Dataset 6. Accounting dataset	
4.2.1 Contract identifier	Contract 1
4.2.2 Instrument identifier	Instrument 1
4.6.14 Carrying amount	500,000
4.6... Other attributes in dataset 6	...
Dataset 7. Protection received dataset	
4.7.1 Protection identifier	Mortgage deed 1
4.7.3 Protection value	5,000,000
4.7.19 Registered protection identifier	Document Alias or Document Identifier of Mortgage deed 1
4.7... Other attributes in dataset 7	...
Dataset 8. Instrument-protection received data	
4.2.1 Contract identifier	Contract 1
4.2.2 Instrument identifier	Instrument 1
4.7.1 Protection identifier	Mortgage deed 1
4.8.1 Protection allocated value	500,000

4.8.2 Third party priority claims against the protection	"Not required"
4.8.3 General protection indicator	No

Note: Data on 4.8.2 Third party priority claims against the protection will be enriched with data from the Land Registry. The prerequisite for this enrichment is that 4.7.19 Registered protection identifier is reported either as Document Alias or Document Identifier and can thus be linked to data from the Land Registry. Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example.

7. Protection item registered in the Land Registry, linked to two specific instruments from the same reporter

A mortgage deed secures two specific instruments with the same reporter, and is reported as "No" in attribute 4.8.3 General protection indicator, cf. Table 7.

In attribute Protection allocated value, the institution is to allocate a protection value to each of the debtor's instruments for which the protection can be used and each protection value allocated to one instrument reduces the protection value allocatable to any subsequent instruments. In this example, based on its own allocation model, the institution allocates the carrying amount to instrument 1 (kr. 500,000) and correspondingly the carrying amount of instrument 2 (kr. 250,000). The sum of the allocated value does not exceed the protection value of kr. 4,000,000.

As the protection item is registered in the Land Registry, attribute 4.8.2 Third party priority claims against the protection is not to be reported, but will be enriched with data from the Land Registry. As the mortgage deed is not used as a protection item with other institutions, attribute 4.8.2 Third party priority claims against the protection will be 0 from the Land Registry.

Example: Protection item registered in the Land Registry, linked to two specific instruments from the same reporter Table 7

Dataset and attribute

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.6.14 Carrying amount	500,000	250,000
4.6... Other attributes in dataset 6	...	...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Mortgage deed 1
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4.7.3 Protection value	5,000,000	
4.7.19 Registered protection identifier	Document Alias or Document Identifier of Mortgage deed 1	
4.7... Other attributes in dataset 7	...	
Dataset 8. Instrument-protection received data		
4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.7.1 Protection identifier	Mortgage deed 1	Mortgage deed 1
4.8.1 Protection allocated value	500,000	250,000
4.8.2 Third party priority claims against the protection	"Not required"	"Not required"
4.8.3 General protection indicator	No	No
<p>Note: Data on 4.8.2 Third party priority claims against the protection will be enriched with data from the Land Registry. The prerequisite for this enrichment is that 4.7.19 Registered protection identifier is reported either as Document Alias or Document Identifier and can thus be linked to data from the Land Registry. Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example.</p>		

8. Protection item registered in the Land Registry, linked to two specific instruments from different reporters

An owner's mortgage deed secures two specific instruments from two reporters, and is reported as "No" in attribute 4.8.3 General protection indicator, cf. Table 8. As the protection item is registered in the Land Registry, the order of priority and data on commitment amounts (principals), etc., are enriched with data from the Land Registry, and, consequently, attribute 4.8.2 Third party priority claims against the protection is not reported, cf. also Box 4. In this example, the Land Registry provides the information that Instrument 1 is senior to Instrument 2³.

The institutions must *still* exclude the value of third party priority claims against the protection in attribute 4.8.1 Protection allocated value, although this may, in most cases, be enriched with data from the Land Registry, cf. footnote 3. Therefore, in attribute 4.8.1 Protection allocated value, institutions are to allocate a protection value to each instrument secured by the protection item. In the example, creditor 2 has received information (by creditor 1) on the outstanding nominal amount of the

³ The commitment amount (principal) of the mortgage is equivalent to the commitment amount (principal) of the owner's mortgage deed. In this case, with both creditors reporting to the credit register, the commitment amount (principal) of senior debt can be enriched with data from the credit register, cf. Box 4. If senior debt has been granted by a creditor who does not report to the credit register, it is not possible to enrich with data about the size of the senior debt (it will be shown only that a senior creditor exists, the debt could be 0).

senior instrument 1, on the credit decision date. As the aggregate value of instrument 1 and instrument 2 (calculated by creditor 2 on the credit decision date) is less or equal to the value of the protection item, creditor 2, in the first relevant reference period, allocates and reports a protection value equal to the carrying amount of instrument 2 (reported in attribute 4.6.14) in attribute 4.8.1 (taking into account the outstanding nominal amount of instrument 1 at the credit decision date). Creditor 2 has no information on the outstanding nominal amount of instrument 1 on the reporting reference date; only on the credit decision date. This means that one institution allocates the carrying amount of instrument 1 (kr. 500,000), while the other institution also allocates precisely what is equivalent to the carrying amount of instrument 2 (kr. 250,000).

Example: Protection item registered in the Land Registry, linked to two specific instruments from different reporters

Table 8

Dataset and attribute

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.6.14 Carrying amount	500,000	250,000
4.6... Other attributes in dataset 6	...	...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Owner's Mortgage Deed 1	Owner's Mortgage Deed 1
4.7.3 Protection value	5,000,000	5,000,000
4.7... Other attributes in dataset 7	...	...

Dataset 8. Instrument-protection received data

4.2.1 Contract identifier	Contract 1	Contract 2
4.2.2 Instrument identifier	Instrument 1	Instrument 2
4.7.1 Protection identifier	Owner's Mortgage Deed 1	Owner's Mortgage Deed 1
4.8.1 Protection allocated value	500,000	250,000
4.8.2 Third party priority claims against the protection	"Not required"	"Not required"
4.8.3 General protection indicator	No	No

Note: Data on 4.8.2 Third party priority claims against the protection will be enriched with data from the Land Registry. The prerequisite for this enrichment is that 4.7.19 Registered protection identifier can be linked to data from the Land Registry. Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Counterparty-reference data, etc., is not specified in the example.

* As the other institution also reports to the credit register, the protection item can be matched across the two reports and be enriched with data on senior outstanding nominal amounts from the credit register, cf. Box 4 and footnote 3.

9. Protection item registered in the Land Registry which is *not* linked to two specific instruments from the same reporter, where the debtor is a natural person

In this example, the debtor is assumed to be a natural person and is thus reported with the sector code "Employees, etc." in attribute 4.1.8 Institutional sector in dataset 1 with counterparty reference data, cf. Table 9. To enable linking of the borrower to the instrument, data in dataset 4. Counterparty-instrument data is also included in the example. In addition, data from dataset 2. Instrument data is also included in the example, as data on attributes 4.2.7 Inception date and 4.2.18 Purpose is reported in this dataset (data which is included in the protection allocation method in Box 3).

The mortgage deed secures all of the debtor's instruments; hence, "Yes" is reported in attribute 4.8.3 General protection indicator. The reporter has applied the protection allocation method described in Box 3, and the protection item is initially allocated to "Instrument 1" with the purpose specified as "Residential real estate" and subsequently to "Instrument 2" with the purpose specified as "Consumption".

If the protection allocation guidelines are followed, the reporter initially reports a value for "Instrument 3" of kr. 3,500,000 (in this example equivalent to the carrying amount) in attribute 4.8.1 Protection allocated value, as the purpose of this instrument is reported as "Residential real estate". Then kr. 500,000 is allocated to "Instrument 4", as the summed value of the allocated values cannot exceed the protection value of kr. 4,000,000. If the protection value was kr. 4,250,000, the institution could allocate the carrying amount of kr. 750,000 of "Instrument 4" to the mortgage deed.

As the mortgage deed is registered in the Land Registry, attribute 4.8.2 Third party priority claims against the protection is not to be reported, but will be enriched with data from the Land Registry. As the mortgage deed is not used as a protection item with other institutions, attribute 4.8.2 Third party priority claims against the protection will be 0 from the Land Registry.

Example: Protection item registered in the Land Registry which is *not* linked to two specific instruments, where the debtor is a natural person

Table 9

Dataset and attribute

Dataset 1. Counterparty reference dataset

4.1.1 Counterparty identifier		XXXXXXXXXX
4.1.8 Institutional sector		Employees, etc.
4.1 Other attributes in dataset 1	...	
Dataset 2. Instrument dataset		
4.2.1 Contract identifier	Contract 3	Contract 4
4.2.2 Instrument identifier	Instrument 3	Instrument 4
4.2.7 Inception date	20020331	20150622
4.2.18 Purpose	Residential real estate	Consumption
4.2... Other attributes in dataset 2	...	...
Dataset 4. Counterparty-instrument data		
4.1.1 Counterparty identifier	XXXXXXXXXX	XXXXXXXXXX
4.2.1 Contract identifier	Contract 3	Contract 4
4.2.2 Instrument identifier	Instrument 3	Instrument 4
4.4.1 Counterparty role	Debtor	Debtor
Dataset 6. Accounting dataset		
4.2.1 Contract identifier	Contract 3	Contract 4
4.2.2 Instrument identifier	Instrument 3	Instrument 4
4.6.14 Carrying amount	3,500,000	750,000
4.6... Other attributes in dataset 6	...	...
Dataset 7. Protection received dataset		
4.7.1 Protection identifier	Owner's Mortgage Deed 1	
4.7.3 Protection value	5,000,000	
4.7... Other attributes in dataset 7	...	
Dataset 8. Instrument-protection received data		
4.2.1 Contract identifier	Contract 3	Contract 4
4.2.2 Instrument identifier	Instrument 3	Instrument 4
4.7.1 Protection identifier	Owner's Mortgage Deed 1	Owner's Mortgage Deed 1
4.8.1 Protection allocated value	3,500,000	500,000
4.8.2 Third party priority claims against the protection	"Not required"	"Not required"
4.8.3 General protection indicator	Yes	Yes

Note: Data on 4.8.2 Third party priority claims against the protection will be enriched with data from the Land Registry. The prerequisite for this enrichment is that 4.7.19 Registered protection identifier can be linked to data from the Land Registry. Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Counterparty data on the reporter is not displayed either in dataset 1 or 4.

10. Protection item registered in the Land Registry which is *not* linked to multiple specific instruments from the same reporter, where the debtor is a legal entity

In this example, the debtor is assumed to be a legal entity and is thus reported with a sector code different from "Employees, etc." in attribute 4.1.8 Institutional sector in dataset 1 with counterparty reference data, cf. Table 10. To enable linking of the borrower to the instrument, data in dataset 4. Counterparty-instrument data is also included. In addition, data from dataset 2. Instrument data is included in the example, as data in attribute 4.2.7 Inception date is reported in this dataset (data which is included in the protection allocation method in Box 3).

Assume that the mortgage deed secures all of the debtor's instruments; hence, "Yes" is reported in attribute 4.8.3 General protection indicator. The protection item is allocated using the method described in Box 3, and is thus initially allocated to the instrument with the oldest inception date, i.e. "Instrument 5" and subsequently to "Instrument 6", which has a later inception date than "Instrument 5". The protection value (kr. 4,000,000) is higher than the sum of values allocated by the reporter to the protection item (kr. 500,000 + kr. 200,000 = kr. 700,000).

As the protection item is registered in the Land Registry, attribute 4.8.2 Third party priority claims against the protection is not to be reported, but will be enriched with data from the Land Registry. As the mortgage deed is not used as a protection item with other institutions, attribute 4.8.2 Third party priority claims against the protection will be 0 from the Land Registry.

Example: Protection item registered in the Land Registry which is *not* linked to multiple specific instruments, where the debtor is legal entity

Table 10

Dataset and attribute

Dataset 1. Counterparty reference dataset

4.1.1 Counterparty identifier	YYYYYYYY
4.1.8 Institutional sector	Private non-financial corporations
4.1 Other attributes in dataset 1	...

Dataset 2. Instrument dataset

4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.2.7 Inception date	20020331	20150622
4.2.18 Purpose	NA	NA
4.2... Other attributes in dataset 2	...	...

Dataset 4. Counterparty-instrument data

4.1.1 Counterparty identifier	YYYYYYYY	YYYYYYYY
4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.4.1 Counterparty role	Debtor	Debtor

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.6.14 Carrying amount	500,000	200,000
4.6... Other attributes in dataset 6	...	...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Mortgage deed 2
4.7.3 Protection value	5,000,000
4.7.19 Registered protection identifier	Document Alias or Document Identifier of Mortgage deed 2
4.7... Other attributes in dataset 7	...

Dataset 8. Instrument-protection received data

4.2.1 Contract identifier	Contract 5	Contract 6
4.2.2 Instrument identifier	Instrument 5	Instrument 6
4.7.1 Protection identifier	Mortgage deed 2	Mortgage deed 2
4.8.1 Protection allocated value	500,000	200,000
4.8.2 Third party priority claims against the protection	"Not required"	"Not required"
4.8.3 General protection indicator	Yes	Yes

Note: Data on 4.8.2 Third party priority claims against the protection will be enriched with data from the Land Registry. The prerequisite for this enrichment is that 4.7.19 Registered protection identifier is reported either as Document Alias or Document Identifier and can thus be linked to data from the Land Registry. Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example. Counterparty data on the reporter is not displayed either in dataset 1 or 4.

11. Two mortgage deeds registered in the Land Registry: one mortgage deed is secured by two jointly mortgaged real estate properties: real estate property 1 and real estate property 2. The other mortgage deed is secured by one real estate property: real estate property 1. The mortgage deeds are linked to one specific instrument

As the mortgage deeds are linked to a specific instrument, the reporter is to allocate a value to the instrument for each of the mortgage deeds, cf. Table 11, without using the method described in Box 3. When, in their use of data, Danmarks Nationalbank and the Danish Financial Supervisory Authority will calculate e.g. LTV for each of the underlying real estate properties, they are to allocate part of the instrument to each of the

properties, as protection allocation in reporting to the credit register is performed at mortgage deed level when the protection item is registered in the Land Registry, and not at underlying real estate property level.

Example: Two registered mortgage deeds: one mortgage deed is secured by two jointly mortgaged real estate properties: real estate property 1 and real estate property 2. The other mortgage deed is secured by one real estate property: real estate property 1. The mortgage deeds are linked to one specific instrument

Table 11

Dataset and attribute

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Contract 11
4.2.2 Instrument identifier	Instrument 11
4.6.14 Carrying amount	6,000,000
4.6... Other attributes in dataset 6	...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Mortgage deed 1	Mortgage deed 2
4.7.3 Protection value	5,000,000	3,000,000
4.7.19 Registered protection identifier	Document Alias or Document Identifier of Mortgage deed 1	Document Alias or Document Identifier of Mortgage deed 2
4.7... Other attributes in dataset 7	...	...

Dataset 8. Instrument-protection received data

4.2.1 Contract identifier	Contract 11	Contract 11
4.2.2 Instrument identifier	Instrument 11	Instrument 11
4.7.1 Protection identifier	Mortgage deed 1	Mortgage deed 2
4.8.1 Protection allocated value	4,000,000	2,000,000
4.8.2 Third party priority claims against the protection	"Not required"	"Not required"
4.8.3 General protection indicator	No	No

Note: Data on 4.8.2 Third party priority claims against the protection will be enriched with data from the Land Registry. The prerequisite for this enrichment is that 4.7.19 Registered protection identifier is reported either as Document Alias or Document Identifier and can thus be linked to data from the Land Registry. Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example.

12. Two owner's mortgage deeds registered in the Land Registry: one mortgage deed is secured by two jointly mortgaged real estate properties: real estate property 1 and real estate property 2. The other mortgage deed is secured by one real estate property: real estate property 2. The mortgage deeds are also secured by the family's car and a gold ingot. The protection items secure any outstandings, at the

reporting reference date comprising three instruments (one joint loan and two individual loans). The debtors are natural persons

The allocation of the protection items to the instruments follows the method in Box 3. cf. Table 12, and the following description. On an ongoing basis, the institution is to deduct third party priority claims against the protection relative to its own instruments secured by the same protection item. This entails that, in the allocation process, the institution is not to deduct the two third party priority claims against the protection, which have the same underlying assets (real estate property 1 and real estate property 2), but are secured by other mortgage deeds. It is assumed that there are no third party priority claims against the protection to the two owner's mortgage deeds in other institutions. Danmarks Nationalbank and the Danish Financial Supervisory Authority enrich with data on order of priority and commitment amounts (principals) of third party priority claims against the protection from the Land Registry. If there were any third party priority claims against the protection, these claims were to be excluded in the protection allocation, and they would thus reduce the protection value allocatable by the institution to its instruments.

Allocation to instrument Am

- The initial allocation is to the instrument Am, given that the purpose of this instrument is "Residential real estate" and the inception date of this instrument is earlier than that of instrument Cf.
- In this case, the institution decides to allocate Owner's Mortgage Deed A initially, where the institution can allocate the registered mortgage. Kr. 1,150,000 is allocated to the instrument, equivalent to the carrying amount of the instrument Am.
- As Owner's Mortgage Deed B, Mortgage Deed and Gold secure any outstandings, the institution allocates kr. 0 of Owner's Mortgage Deed B, Mortgage Deed and Gold to instrument Am (as the institution has already allocated the carrying amount of the instrument to Owner's Mortgage Deed A).

Allocation to instrument Cf

- Then the institution allocates the protection item to instrument CF (given that the purpose of this instrument is "Residential real estate" and the inception date of this instrument is later than that of instrument Am).
- Initially, the remaining amount of Owner's Mortgage Deed A of kr. 1,850,000 (=kr. 3,000,000 - kr. 1,150,000) is allocated.

- Then the remaining value of kr. 850,000 (=kr. 2,700,000 - kr. 1,850,000) of the carrying amount of instrument Cf is allocated to Owner's Mortgage Deed B.
- As Mortgage Deed and Gold secure any outstandings, the institution allocates kr. 0 of Mortgage Deed and Gold to instrument Cf (as the institution has already allocated the carrying amount of the instrument to Owner's Mortgage Deeds A and B).

Allocation to instrument Bk

- Finally, the institution allocates the protection item to instrument Bk (given that the purpose of this instrument is "Consumption").
- Once again, the institution allocates an amount equivalent to the carrying amount of the instrument of kr. 2,150,000.
- Initially, the remaining amount of kr. 650,000 (=kr. 1,500,000 - kr. 850,000) of Owner's Mortgage Deed B is allocated.
- Then the value of Gold of kr. 200,000 is allocated, and finally kr. 100,000 of the value of the mortgage deed.
- As Owner's Mortgage Deed A secures any outstandings, the institution allocates kr. 0 of Owner's Mortgage Deed A to instrument Cf, as the institution has already allocated the protection value to other instruments.

Example: Two owner's mortgage deeds registered in the Land Registry: one mortgage deed is secured by two jointly mortgaged real estate properties: real estate property 1 and real estate property 2. The other mortgage deed is secured by one real estate property: real estate property 2. The mortgage deeds are also secured by the family's car and a gold ingot. The protection items secure any outstandings, at the reporting reference date comprising three instruments (one joint loan and two individual loans). The debtors are natural persons

Dataset and attribute

Dataset 1. Counterparty reference

dataset

4.1.1 Counterparty identifier	XXXXXXXXXX	YYYYYYYYYY
4.1.8 Institutional sector	Employees, etc.	Employees, etc.
4.1 Other attributes in dataset 1	...	...

Dataset 2. Instrument dataset

4.2.1 Contract identifier	Am	Bk	Cf
4.2.2 Instrument identifier	Am	Bk	Cf
4.2.7 Inception date	01022018	01012019	01032019
4.2.18 Purpose	Residential real estate	Consumption	Residential real estate
4.2... Other attributes in dataset 2	...	...	...

Dataset 4. Counterparty-instrument data

4.1.1 Counterparty identifier	XXXXXXXXXX	YYYYYYYYYY	XXXXXXXXXX	YYYYYYYYYY
4.2.1 Contract identifier	Am	Am	Bk	Cf
4.2.2 Instrument identifier	Am	Am	Bk	Cf
4.4.1 Counterparty role	Debtor	Debtor	Debtor	Debtor

Dataset 6. Accounting dataset

4.2.1 Contract identifier	Am	Bk	Cf
4.2.2 Instrument identifier	Am	Bk	Cf
4.6.14 Carrying amount	1,150,000	2,150,000	2,700,000
4.6... Other attributes in dataset 6	...	...	...

Dataset 7. Protection received dataset

4.7.1 Protection identifier	Owner's Mortgage Deed A	Owner's Mortgage Deed B	Owner's Mortgage Deed B	Gold	Mortgage Deed
4.7.3 Protection value	5,000,000	5,000,000	3,000,000	200,000	225,000
4.7.12 Asset identifier	Real estate property 1	Real estate property 1	Real estate property 2	NA	NA
4.7... Other attributes in dataset 7	...	...	...	...	...

Dataset 8. Instrument-protection received data

4.2.1 Contract identifier	Am	Am	Am	Am	Cf	Cf	Cf	Cf	Bk	Bk	Bk	Bk
4.2.2 Instrument identifier	Am	Am	Am	Am	Cf	Cf	Cf	Cf	Bk	Bk	Bk	Bk
4.7.1 Protection identifier	Owner's Mortgage Deed A	Owner's Mortgage Deed B	Mortga ge Deed	Gold	Owner's Mortgage Deed A	Owner's Mortgage Deed B	Mortga ge Deed	Gold	Owner's Mortgage Deed A	Owner's Mortgage Deed B	Gold	Mortgage Deed
4.8.1 Protection allocated value	1,150,000	0	0	0	1,850,000	850,000	0	0	0	650,000	200,000	150,000
4.8.2 Third party priority claims against the protection	"Not required"	"Not required"	0	0	"Not required"	"Not required"	0	0	"Not required"	"Not required"	0	0
4.8.3 General protection indicator	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			Yes

Note: Data on 4.8.2 Third party priority claims against the protection for protection items registered in the Land Registry will be enriched with data from the Land Registry. The prerequisite for this enrichment is that 4.7.19 Registered protection identifier is reported either as Document Alias or Document Identifier and can thus be linked to data from the Land Registry. Attributes indicated by "..." are assessed as unnecessary to complete to illustrate the example.