

Data Entry – Provisions of Non-Performing Credit Facilities
(Substandard/Doubtful/Bad) and Suspended Interests/Their Interests

First

Disclosure of the of the customers' non-performing credit facilities (Substandard/doubtful/bad) for which doubtful debt provision has been calculated and for which the calculated interests of due debts have been suspended until private numbers are given to these customers, no matter what the balance value is (fifty thousand Qatari Riyals and less).

Second

Disclosure of amount of credit facilities related to every customer of those who have gives credit facilities and value and type of the guarantee offered in return of credit facilities provided.

Third

The data entry related to provisions calculated and interests/returns suspended for customer accounts rated during a year of study as non-performing credit facilities through specific program for this listed under name of provision processing/item of entry of new provisions according to the following:

First window:

The data entry of secret number of customer whose data is required to be entered, and after the appearance of his name and the bank's classification category for him, the following customer data shall be entered:

- 1- The validity date of the credit facilities granted to the customer.
- 2- Date of the bank's rating of the credit facility under the following categories: Substandard/doubtful/bad (the system shall not accept data for any customer whose credit facility is rated under categories other than the mentioned ones).
- 3- The date on which the bank started to calculate for the provision for the doubtful debt of the customer's non-performing credit facilities.
- 4- The date on which the bank began to suspend the interest calculated on the customer's due debts.
- 5- Identifying the interest rate calculated on the minimum and maximum of loan account and overdraft starting from the date on which the credit facilities are rated under one of the three categories mentioned until 31st of October of the study year (Islamic banks set the minimum and maximum of profit rates for the recent investment operation with the customer before Islamic banks shall rate his credit facility. This is only if the bank did not make any investment operation with any customer after the date the bank rated his credit facility).

Second and Third Windows:

The balance of discounted papers and loans is rated separately according to number of the discounted papers and installments of loans according to maturity dates, provided that total amount of credit facilities is equal balance of this facility as mentioned through banking risk system on 31st of October of the study year.

Fourth Window:

The overdraft shall be rated as following:

- 1- The data entry of credit facility's balance on the date on which the the bank started rating the facility under any of the above-mentioned three categories.
- 2- The entry of total interests calculated on the balance of due debts to this credit facility from the date on which the bank started rating the facility until end of December of the year prior to the study year.
- 3- The entry of total amounts drawn from the credit facility's account and amounts or commissions due from the customer from the starting date of rating the facility until the end of December of the year prior to the study year.
- 4- The entry of amounts paid to the credit facility's account from the starting date of rating until the end of December of the year prior to the study year.
- 5- The entry of total interests calculated from the beginning of the study year until 31st of October of the same year.
- 6- The entry of both, total amounts drawn, and due amounts and commissions, from the beginning of the study year until 31st of October of the same year.
- 7- The entry of total amounts paid from the beginning of the study year until 31st of October of the same year.

The total of all these entered items must be equal to the balance of the current account as mentioned through banking risk system on 31st of October of the study year.

Fifth Window:

The entry data of provisions and suspended interests/returns shall be conducted as following:

- 1- The entry of suspended interests/returns and loan provision calculated separately at the end of December of the year prior to the study year.
- 2- Adding the value of the interests calculated during the study year or deducting the value of decrease from the balance value of the previously suspended interest.
- 3- Adding the calculated increase/decrease during the study year of the provision value.
- 4- The total of the previous three items (1+2+3) should be equal to the value of provision and interests/returns required to be charged on the customer account during the study year.

Sixth Window:

Mentioning the customer's payment sources in detail if found.

Seventh Window:

Choosing the causes for which the bank composes provision and suspend interests/returns on the customer account through the options specified for this purpose by QCB.

Eighth Window:

Choosing the procedures taken by the bank for collecting due debts of the customer through the options specified for this purpose by QCB.

Ninth Window:

The entry of the bank's external auditor opinion regarding the value of the provision calculated for the customer by the bank.

Fourth

In case of unavailability of the data of any customer of the bank (institutions\individuals) for whom the provisions are calculated, and the charged interests were suspended on their accounts, and after the bank gives rational reasons in this regard to the central bank, the data related to those customers could be entered through a specific program listed under the name of entering provisions for undefined accounts and this is done as follows:

- 1- Number of customer's account at the bank.
- 2- Customer name.
- 3- Balance of the due debts in thousand Qatari Riyals on the 31st of October of the study year.
- 4- Balance of each calculated provision and total value of suspended interests on the account separately each in its specified cell.

Fifth

In case the bank entered part of any of its customer data without continuing such data, the bank could continue it later through the program listed under the name of incomplete provisions.

Sixth

The data, of any customer, which was previously entered through the program listed under the name of complete provisions could be amended, could be amended (the data of any customer whose data was entered for the first time (new customers), could be deleted through the program listed under the name new and incomplete/complete provisions which could be amended or deleted.

Seventh

Each bank should photocopy and send the following documents, if available, through the program specified for this which is listed under the name of document program (sending documents) according to the following classification:

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- 1- The contractual agreement of payment between the bank and the customer.
- 2- Retained deposits, the letter of retained deposit signed by the customer is photocopied together with a photocopy of the latest notice for renewing this deposit.
- 3- A photocopy of banking guarantee issued for the bank and which guarantees facilities for the customer.
- 4- A photocopy of the real estate property bond, mortgage contract, and the latest appraisal of the mortgaged real estate value.
- 5- A photocopy of the stock mortgage contract signed with the customer and of a letter from Doha security market showing that these stocks are mortgaged.
- 6- A photocopy of assignments of right signed between the customer and the bank.
- 7- A photocopy of any other material collaterals (mortgage contracts for pledging machines and equipments/photocopies of ownership bonds for cars, heavy machines which contain proof of being mortgaged for the bank---etc).

Through document presentation program, the bank could verify that the photocopied documents are correct and accurate.

Eighth

Upgrading or settling all the data of non-performing credit facilities granted to the customer and which was previously entered through this system in the previous years at the end of October of each year and this is as follows:

- A- Reentry of analytic data related to due indebtness to the account of securities discounted, and the account of advances and loans according to the developments of these two kinds of facilities during the study year.
- B- The entry of total activities occurred in customer's overdraft account during the year.
- C- The entry of amendments made to the account of doubtful debt provision and the account of suspended interest or return either increasing or decreasing during the study year.
- D- Upgrading procedures taken by the bank for collecting due indebtness from the customer.
- E- Settling provisions and the account of interest suspended to the following customer accounts:

1-	Customer accounts which were rerated to become Standard or Excellent Accounts.
2-	Accounts in which the due debts were fully or partly paid and the remaining part was settled
3-	Accounts in which the due indebtness value were totally written-off because of the customer's default.

- F- Once more, reentering the data of undefined accounts of all customers and which were not settled, provided that the total value of calculated provision and of suspended interests/returns

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cover all the value of due debts of each of the account which, as we see, must be settled by the banks because the bank does not have any available specific data or documents for them.

Ninth

The entry of balances of all debts written-off during the study year, and also balances of customers rated under undefined accounts item which were cancelled at the same time through the system prepared for this purpose for each of them. This is because the settling procedures for any of those accounts in the provision system will not be continued unless the amount of written-off debt of this account is transferred to written-off debt system.

Tenth

Entering and upgrading data related to provisions calculated on the non-performing credit facility granted to the customer after all banks finish the entry of customer's facilities balances as at the end of October of the study year and this is through banking risk system whose data should be entered not later than the fifth of November of the study year.

Eleventh

Through the report system, the bank could get out a complete report of all customer accounts for whom provisions are calculated for revising the data, entered by the bank and making sure its soundness (report no. (1)).

Twelfth

After the bank finishes entering and revising all the required data, and making sure of its soundness, and after photocopying all the required documents, the bank shall sends this data to QCB through a the program specified for this purpose and listed under the name (treatment and sending provisions to QCB).

Thirteenth

The bank could inquire on the condition of the provisions sent to the bank, regarding the QCB's study of this provision and its resending such provision to the bank through the general inquiry system/inquiry system on the condition of the provision.

Fourteenth

The bank shall not make any amendments to the provision accounts or add any new accounts after sending provision accounts to QCB.