Data Entry - Provisions for Non-Performing Credit Facility Accounts (Substandard/Doubtful/Bad) and Suspended Interests/Calculated Interests

First

Disclosure of the customers’ non-performing credit facilities (Substandard/doubtful/bad) for which provision has been calculated and for which the calculated interests due on debts have been suspended until secret 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 who was provided 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 classification of the credit facility under the following categories: Substandard/doubtful/bad (the system will not accept data of any customer whose credit facility is rated under categories other than the mentioned ones).

3- The date on which the bank started to calculate 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 instruments and loans is rated separately according to number of the discounted instruments and installments of loans according to maturity dates, provided that total amount of credit facilities is equal to 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 as on the date on which the the bank started classifying 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 classifying 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 classifying 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 classifying 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 data entry of provisions and suspended interests/returns shall be made as follows:

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 available.

Seventh Window:

Choosing the causes for which the bank is computing provisions 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 for entering provisions for undefined accounts and this is done as follows:

1- Customer's account number at the bank.
2- Customer name.
3- Balance of the debts due 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 under each in its specified cell.

Fifth

In case a bank has entered only part of any of its customer data without completing 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, (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 of “new and incomplete/complete provisions” which could be amended or deleted.
Seventh

Each bank should scan 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:

1- The contractual agreement for payment between the bank and the customer.

2- Lien deposits, the letter of lien on deposit signed by the customer is scanned together with a scanned copy of the latest notice for renewing this deposit.

3- A scanned copy of bank guarantee issued for the bank and which guarantees facilities for the customer.

4- A scanned copy of the real estate property bond, mortgage contract, and the latest appraisal of the mortgaged real estate value.

5- A scanned copy of the securities mortgage contract signed by the customer and a letter from Qatar Exchange showing that these securities are mortgaged.

6- A scanned copy of assignments of rights signed between the customer and the bank.

7- A scanned copy of any other material collaterals (mortgage contracts for pledging machines and equipments/ scanned copies of ownership bonds for cars, heavy machines which contain proof of being mortgaged to the bank---etc).

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

Eighth

Upgrading or settling all the data of non-performing credit facility accounts 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 shall be as follows:

A- Updating the analytical data related to indebtedness of 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 that has taken place 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- Updating the procedures taken by the bank for collecting due indebtedness from the customer.

E- Settling provisions and the account of interest suspended to the following customer accounts:
Customer accounts which were upgraded to become Standard or Excellent Accounts.

Accounts in which the debts due were fully or partly paid and the remaining part was settled.

Accounts in which the dues were totally written-off because of the customer's default.

Due to non-availability of data and documentation at the bank, the data of the customers’ unknown accounts that have not been settled should be re-entered, provided that the total value of the computed provision and interest/suspended interest covers the whole value of the debts due on each of the these accounts that the bank is required to settle.

Ninth

The entry of balances written off during the study year and the balances of customers rated under unknown accounts will be cancelled by the system, 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

Entry and updating of data relating to provisions on the non-performing credit facilities granted to customers should be made after data entry of the customers’ facilities balance, as at the end of October of the study year and this should be through the banking risk system whose data should be entered not later than the fifth of November of the study year.

Eleventh

Through this reporting system, the bank can get a complete report of all the customers’ accounts for whom provisions are calculated while revising the data, entered by the bank and making sure its accurateness (report no. (1)).

Twelfth

After the bank completes the data entry and updating of all the required data, and making sure of its soundness, and after attaching the scanned copies of all the required documents, the bank shall send this data to QCB through a 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 QCB, 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.