Filling up Instructions of Forms no. (ت س/1-1) and (ت س/1)

Please refer to definitions of credit concentrations in page no. (185). When filling in forms no. (ت س/1-1) and (ت س/1), concerning credit concentrations for a single customer and his borrower group of the parties of conflicting interests, banks should comply with the following instructions:

1- **Form No. (ت س/1), annex no. (15):**

1/1 This form is to be filled in with the following accounts:

1/1/1 All credit facilities granted to any customer and his borrower group, which has a total equal to 10% or more of the bank's capital and reserve or QR 200 millions, whichever is less.

1/1/2 All credit facilities granted to each member of the bank's board of directors and his borrower group which represents the related accounts or conflicting interests, and to relatives and members of his family whatever the value of the facilities granted. Even if this member has not been granted any personal facilities for himself.

1/2 The customer's relation with the bank means that he may be a regular customer/member of board/major shareholder/senior employee/subsidiary or sister company/others. The nature of the customer's relation with the bank should be determined according to the stated principles included in the executive instructions on definition of the credit facilities granted to parties of conflicting interests in page no. (188).

1/3 When describing the customer's relation with the credit facilities granted to his borrower group, the following points should be taken into account:

1/3/1 If the customer is an individual, the relation should be determined according to the following options:

1- Owner of the individual institution  2- partner
3- Partner and guarantor  4- Guarantor
5- Personal joint account  6- Natural guardian of minors
7- Others

1/3/2 If the customer is a company, the relation should be determined according to the following options:

1- Parent Company  2- Branch
3- Subsidiary or sister company  4- Partner
5- Partner and guarantor  6- Guarantor
7- Others

1/3/3 If the customer is a member of the board of directors, the following options should be taken into account along with the above-mentioned ones:

1- Father  2- Mother
3- Spouse  4- Minors and adults
5- Brother  6- Sister
14 When rating any credit facilities granted to the customer's borrower group, the instructions on the credit facility rating mentioned in page no. (171) should be taken into account.

15 The concentration ratio shall be calculated by dividing the value of direct and indirect facilities granted to or used by the customer and his borrower group, whichever is larger, by bank's total capital base and reserves.

16 The total value of the calculated provisions and suspended interests should be mentioned for the related accounts of customer and his borrower group, if available.

17 A separate periodical report should be prepared (every 6 months) for the attached form of this circular about the facilities granted to the customer and his borrower group, and these forms are to be attached to form no. (171).

2- Form No. (ت س/1-10-16/ت س), annex no. (16):

2\1 All customer's general information should confirm to the following:

2\1\1 Personal Identification Card, if the customer is an individual.

2\1\2 Valid commercial registry, if the customer is a company or an individual institution.

2\2 Limits of responsibility means whether the partner as a natural personal or a corporate body guarantees the credit facilities (The latest copy of the personal guarantee contract of partners who are guaranteeing the credit facilities shall be attached).

2\3 The nature of customer's relation with the bank shall be determined according to principles included in the instructions on definitions of credit facilities granted to parties of conflicting interests in page no. (188).

2\4 Value of direct and indirect facilities (investments in the Islamic banks) granted to or used by the customer and his borrower group, mentioned in item no. (8), shall be determined.

2\5 If the validation date of the granted credit has been expired, reasons for not renewing these facilities should be mentioned.

2\6 Purpose of granting the credit facility should be accurately mentioned in details.

2\7 Full and complete details of repayments sources that can be transferred to customer account as agreed with the customer should be mentioned.

2\8 Full details of the types of tangible guarantee, their current market values, and principles on which their values are determined, should be mentioned.

(a copy of documentations of the collaterals provided by the customer should be attached, such as a copy of the real estate mortgage contract, letter of deposit lien, assignments of claim, or personal guarantee contract, etc. These collaterals should be provided once and if any changes in the such guarantees are made, QCB should be notified through the next periodical report and the related documentations should be also attached).
2\9 The customer's last audited balance sheet should be attached. The last financial analysis statement prepared by the bank about the customer's balance sheet should be also attached to this form.

2\10 The bank's manager should explain his opinion about the customer and the facilities granted according to the following points:

2\10.1 Soundness of the customer's financial structure and solvency, as well as principles, indicators and financial ratios on which the manager's opinion is based.

2\10.2 Capital adequacy of the partners and guarantors, as well as principles on which the opinion is based.

2\10.3 The manager's opinion on the customer's efficiency, as well as with principles on which the opinion is based.

2\10.4 Reasons and principles on which the bank depends its ratings for the customer (excellent/standard/substandard/doubtful/bad).

2\10.5 Procedures taken by the bank to collect the due commitments of any customer whose credit facilities are rated under excellent/standard/substandard/doubtful/bad categories.

(In case of concluding a repayment agreement, a copy of this agreement shall be attached with an illustration for customer's commitment).

2\10.6 If the balances of the customer's accounts exceed the granted limits, reasons of such excess must be mentioned accurately and correctly. Procedures taken by the bank to make the customer pay the value of this excess must be also mentioned.

2\10.7 Bank's reasons for not obtaining sufficient tangible guarantees from the customer against the credit facilities granted to him.

2\10.8 Bank's reasons for not obtaining personal guarantees from all partners of the limited liability partnership or of the bank's satisfaction for obtaining the personal guarantees of some partners and not all of them in such type of companies.