HONG KONG MONETARY AUTHORITY
香港金融管理局

Circulars

28 May 1999

Amendments to the Quarterly Analysis of Loans and Advances and Provisions

Our Ref.: B9/55C and B1/15C

28 May 1999

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Amendments to the Quarterly Analysis of Loans and Advances and Provisions

The Hong Kong Monetary Authority (HKMA), after consulting with the two industry associations, has refined the loan classification framework and amended the Quarterly Analysis of Loans and Advances and Provisions (MA(BS)2A) (Return). A copy of the revised Return together with the completion instructions is enclosed. Amendments are shown in ***bold italics*** in the revised Return package.

The amendments to the Return include:

a. additional line items in Note 3 of the Return for the reporting of overdue and rescheduled loans to avoid overstatement of the aggregate of such loans as measure of non-performing loans; and
b. a new item (Note 4) in the Return to collect information on non-accruing loans according to the HKMA's guideline on Recognition of Interest (attached at Appendix 3 of the completion instructions of the Return).

The loan classification framework which was introduced in 1994 has been separated from the completion instructions as a guideline (attached at Appendix 2 of the completion instructions of the Return). The only major change to the framework is the inclusion of investment debt securities in the loan classification system. A new section for collecting information on investment debt securities has been inserted at Part II (D) of the Return.

The amendments will take effect as at 30 June 1999. We will inform you of the arrangements for collection of the STEM or STET templates for the revised Return in due course.

Should you have any queries on the attached, please do not hesitate to contact Mr Gary Leung (2878 1879) or Mr P M Koo (2878 1536).

Yours faithfully,

Raymond Li

Executive Director

(Banking Policy)

Encl

c.c. President of the Hong Kong Society of Accountants

Attachments:
The Return
Completion instructions
Appendix 2
Appendix 2.1
Appendix 3

Last revision date : 01 August 2011