

QATAR NATIONAL BANK

(Societe Anonyme)

Established 1965

7th

A N N U A L R E P O R T

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HIS HIGHNESS SHEIKH KHALIFEH BEN HAMAD AL - THANI

AMIR OF STATE OF QATAR

QATAR NATIONAL BANK

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Established 1965

7th

ANNUAL REPORT

1971

QATAR NATIONAL BANK,

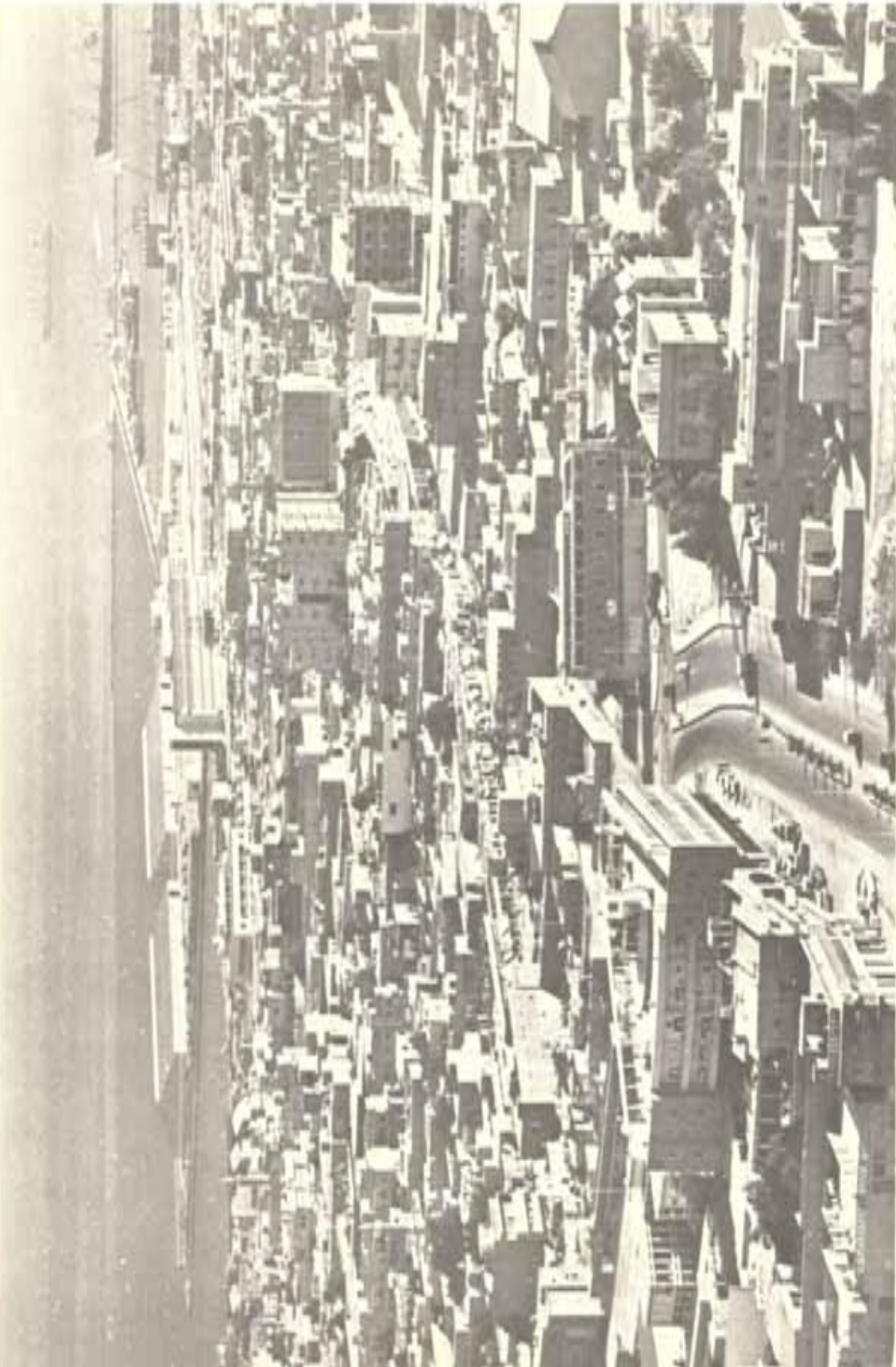
(Societe Anonyme)

BOARD OF DIRECTORS

His Highness Sheikh Khalifeh Ben Hamad Al-Thani	
Amir of State of Qatar	Chairman
Es-Sayyed Ahmad M. Suwaidi	Member
Es-Sayyed Abdullah Abdulghani	"
Es-Sayyed Yousuf Jasem Darweesh	"
Es-Sayyed Ahmad Mannai	"
Es-Sayyed Mohammad I. Jaidah	"
Es-Sayyed Marzook Shamlan	"
Es-Sayyed Haidar S. Lari	"
Es-Sayyed Abdulkadir Qadi	"

AUDITORS

MESSRS SABA & CO.



Doha, General View

منظر عام للدوحة

R E P O R T
of the Board of Directors
of the
QATAR NATIONAL BANK,
(Societe Anonyme)

*On the activities of the Bank
during its Seventh year of operation
which ended on 31st December 1971.*

The Board of Directors has pleasure in presenting its seventh annual report together with the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1971.

Net Profit for the year at QDR. 7,619,210, as against QDR. 8,178,036, in the previous year, was lower by QDR. 558,826. The decline in interest rates in world centres during the year resulted in lower earnings on funds on deposit abroad, whereas, deposit rates in Qatar remained at an abnormally high level. In the latter part of the year operating conditions were difficult owing to the unsettled state of international currencies. However, the business of the Bank continued to expand and the result may be considered most satisfactory.

The net profit of QDR. 7,619,210, together with the sum of QDR. 56,203, brought forward from 1970, makes a total of QDR. 7,675,413, available for distribution. A sum of QDR. 1,450,680, has been transferred to Statutory Reserve raising the total of this reserve to QDR. 7,000,000, or 50% of the Capital, and no further provision is required.

QDR. 4,500,000, has been transferred to Special Reserve and a dividend of 12% costing QDR. 1,680,000, is proposed, leaving a balance of QDR. 44,733, to be carried forward.

Deposits and Sundry Accounts increased by QDR. 42,031,199 or 39.8% over the previous year, whilst cash on hand and in Banks increased by QDR. 29,497,848, or 36.7%. Advances rose by QDR. 19,062,972 or 30.4% again reflecting the continuing role which the Bank is playing in the economic development of Qatar.

Currency in circulation in Qatar & Dubai at 31st December, 1971 totalled QDR. 174,597,531 compared to QDR. 152,097,531 at the end of 1970.

In September Qatar became a fully independent Sovereign State. Application has been made for membership of the International Monetary Fund and of the International Bank for Reconstruction & Development.

The value of imports in 1971 was QDR. 516 million an increase of QDR. 210 million over 1970. This large increase is indicative of the rapid pace of development in the country. The U. K. remained the largest supplier with 37.45% of total imports followed by Japan and the U. S. A. with 10.48% and 9.70% respectively.

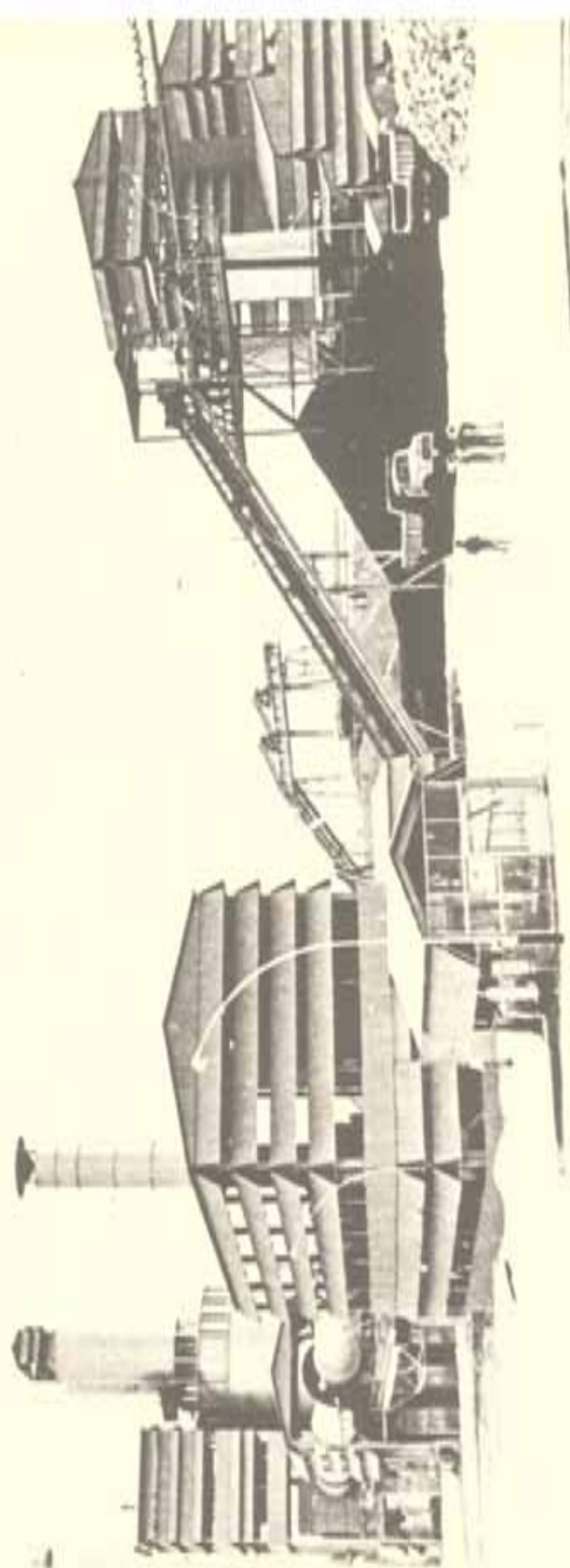
The Budget estimates for the financial year 1972/73 allow for total expenditure of some QDR. 700 million of which QDR. 300 million has been allocated for capital projects, as against QDR. 200 million in the preceding year. The main allocations are as follows :

Public Works Projects.	QDR. 74 million
Compensation to property owners for re-development of Doha.	QDR. 40 million

Electricity Department Projects.	QDR. 37 million
Water Department Projects.	QDR. 33 million
Umm Said Industrial Area Infrastructure.	QDR. 31 million

The Qatar Fertiliser Company complex at Umm Said is nearing completion and is expected to be in production about mid 1972. A flour mill is also under construction at Umm Said which will meet the entire requirements of the country for flour.

セメント工場



Cement Factory

BALANCE SHEET

The Balance Sheet Total at the end of 1971 was QDR. 270,586,466 as against QDR. 218,892,162 at 31st December, 1970, an increase of 23.6%.

Comparative figures of Assets and Liabilities and of Profit and Loss Items are as follows :

Cash on Hand and at Local and Foreign Banks :

At QDR. 109,788,538 — up by QDR. 29,497,848

Advances and Bills Discounted.

At QDR. 81,765,180 — up by QDR. 19,062,972

Guarantees and Confirmed Credits (Per Contra).

At QDR. 78,037,449 — up by QDR. 3,211,974

Deposits and Sundry Accounts.

At QDR. 147,603,534 — up by QDR. 42,031,199

Profit and Loss Accounts.

Expenditure for interest paid, salaries, stationery, depreciation and other expenditure :

At QDR. 11,011,302 — up by QDR. 1,027,671

Income for the year 1971.

At QDR. 18,630,512 — up by QDR. 468,845

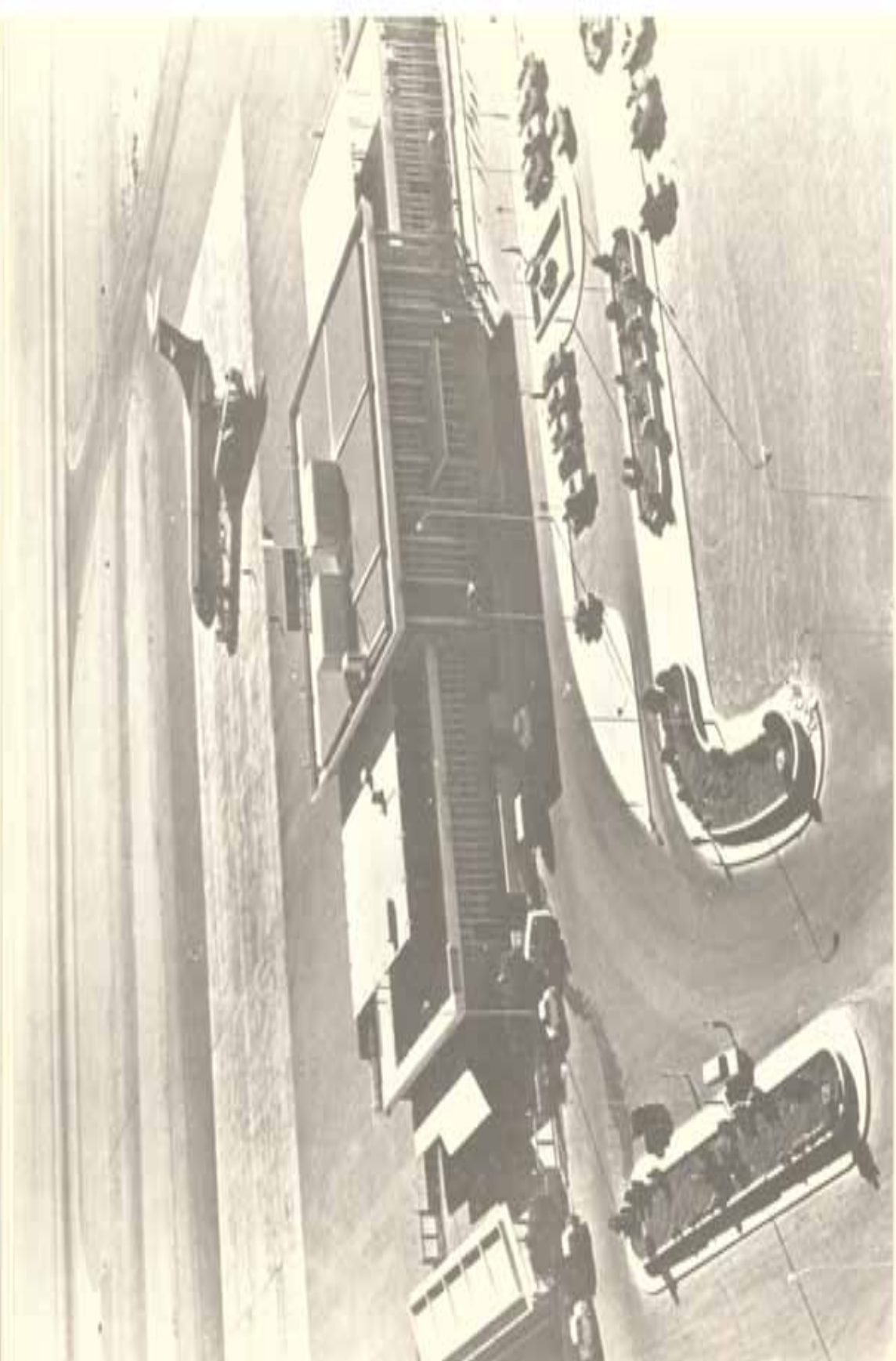
Net profit before deductions for Statutory Reserve, Special Reserve and payment of dividend amounted to QDR. 7,619,210 as against QDR. 8,178,036 in the previous year.

**RECOMMENDATIONS
OF THE BOARD OF DIRECTORS**

The Board of Directors recommends the following :-

1. That QDR. **1,450,680** be transferred to the Statutory Reserve Fund.
2. That QDR. **4,500,000** be transferred to Special Reserve.
3. That a dividend at the rate of **12%** in respect of the year 1971, amounting to QDR. **1,680,000** should be distributed to the shareholders, the accumulated sum of unappropriated profits QDR. **44,733** to be carried forward to the next financial year.

In conclusion the Board wishes to express its appreciation of the support given to the Bank by the Government and Public of Qatar and to thank the staff for their loyalty and efficient service which have contributed in no small measure to the continued development of the Bank during the year.



Doha International Airport

مطار الدوحة الدولي

BALANCE SHEET

as at 31st December 1971

&

STATEMENT OF PROFIT & LOSS

for the year ending 31st December

1971

together with

THE AUDITORS REPORT

AUDITORS' REPORT

The Shareholders,
Qatar National Bank, S.A.Q.,
Doha — Qatar

We have examined the Balance Sheet of Qatar National Bank, S.A.Q., Doha — Qatar, as at December 31, 1971, and the related Profit and Loss and Appropriation Statements for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, and we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our examination.

In our opinion, the accompanying Balance Sheet and Profit and Loss and Appropriation Statements present fairly the financial position of Qatar National Bank, S.A.Q., Doha — Qatar, at December 31, 1971, and the results of its operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a consistent basis, giving all the information required by Law and the Bank's bye-laws. We are also of the opinion that proper books of account were kept by the Bank, that the stocktaking was carried out in accordance with recognized principles and that the information given in the Board of Directors' Report in so far as they are related to accounts are in agreement with the books. To the best of our knowledge and belief, and according to the information given to us, no contraventions of the Laws or the Bank's bye-laws were committed during the financial year in such a way so as to affect materially the Bank's activities or its financial position.

Doha — Qatar
31st, January 1972

SABA & CO.
Associated Accountants

QATAR NATIONAL

D O H A

Balance Sheet as at

ASSETS	1971	1970
	Q. D. Riyal	Q. D. Riyal
Cash on hand and in Banks	109,788,538	80,290,690
Advances and Bills discounted (after deducting provision for bad and doubtful debts)	81,765,180	62,702,208
Interest receivable and prepaid expenses	815,534	854,344
Total	192,369,252	143,847,242
Fixed assets (at cost) net of depreciation	179,765	219,445
Customers liability on guarantees and credits (per contra)	78,037,449	74,825,475
Total Assets	270,586,466	218,892,162

THE NOTES ON PAGE No. 21 CONSTITUTE AN INTEGRAL PART

BANK, S. A. Q.

Exhibit A

— Q A T A R

31st December, 1971

LIABILITIES AND SHAREHOLDERS' EQUITY	1971 Q. D. Riyal	1970 Q. D. Riyal
Current, Savings, Deposit and Sundry Accounts	147,603,534	105,572,335
Dividend Payable	1,680,000	1,400,000
Provisions and accrued expenses	1,070,750	838,829
Total	150,354,284	107,811,164
Shareholders' Equity :		
Authorized and paid up capital (140,000 ordinary nominal shares of Q D R. 100 each)	14,000,000	14,000,000
Statutory Reserve	7,000,000	5,549,320
Special Reserve	21,150,000	16,650,000
Accumulated Profits-Exhibit C	44,733	56,203
Shareholders' Equity	42,194,733	36,255,523
Guarantees and credits (per contra)	78,037,449	74,825,475
Total Liabilities and Shareholders' Equity	270,586,466	218,892,162

OF THIS STATEMENT AND MUST BE READ HEREWITH.

KHALIFEH BEN HAMAD AL-THANI*Chairman, Board of Directors*

QATAR NATIONAL BANK S.A.Q.

DOHA - QATAR

Statement of Profit and Loss for the year ended 31st December, 1971

	1971	1970
	Q. D. Riyal	Q. D. Riyal
Income : Interest earned and other income	18,630,512	18,161,667
Expenses : Interest paid, salaries, rent and other expenses	11,011,302	9,983,631
Profit for the year - Exhibit C	7,619,210	8,178,036

Exhibit C

Appropriation Statement for the year ended 31st December, 1971

	1971	1970
	Q. D. Riyal	Q. D. Riyal
Balance January 1st, 1971	56,203	63,774
Add : Net profit for the year - Exhibit B	7,619,210	8,178,036
Total Profits	7,675,413	8,241,810
Less : Transfer to Statutory Reserve	1,450,680	1,635,607
Transfer to Special Reserve	4,500,000	5,150,000
Proposed Dividend	1,680,000	1,400,000
Accumulated Profits - Exhibit A	44,733	56,203

The notes on page No. 21 constitute an integral part of this statement and must be read herewith.

Khalifeh Ben Hamad Al-Thani
Chairman, Board of Directors.

NOTES TO FINANCIAL STATEMENTS

1. The balance of cash on hand and in banks includes fixed deposits at banks amounting to QDR. **59,323,548.**

2. Current, savings, time and fixed deposits and sundry accounts include the amount of QDR. **4,441,945** being due to banks.

3. In accordance with a Governmental Decree issued on August 28, 1971, the Bank is exempted from income tax for five consecutive years starting March 24, 1971.

4. Bills for Collection kept in the custody of the Bank as at December 31, 1971, amounted to QDR. **5,689,203.**

5. The figures disclosed in the Financial Statements are rounded to the nearest Qatar Dubai Riyal.