

**QATAR NATIONAL BANK S.A.Q.**

DOHA - QATAR

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**REPORT OF THE DIRECTORS  
AND BALANCE SHEET**

**31st December, 1974.**





**HIS HIGHNESS SHEIKH KHALIFEH BEN HAMAD AL - THANI**

*AMIR OF STATE OF QATAR*



# **QATAR NATIONAL BANK**

(S. A. Q.)

**ESTABLISHED 1965**

**10TH ANNUAL ACCOUNTS  
AND  
REPORT OF THE DIRECTORS  
31st December, 1974.**

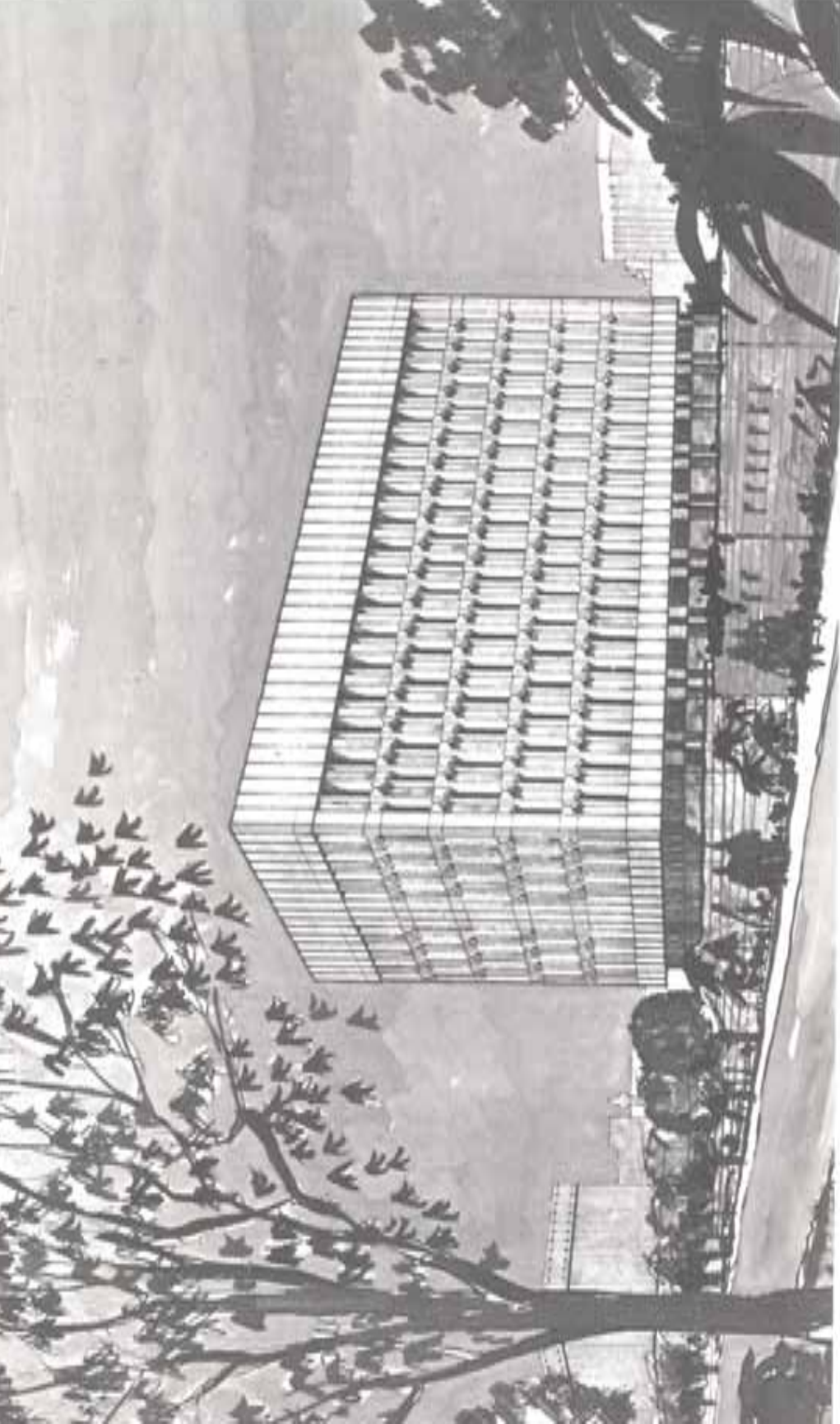


**QATAR NATIONAL BANK,**  
S. A. Q.

**BOARD OF DIRECTORS**

His Excellency Sheikh Abdul Aziz Ben Khalifa Al-Thani		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		Executive Director
Mr. A. A. Norrie,	<hr/>	General Manager

*AUDITORS*  
**MESSRS SABA & CO.**



مبنى المركز الرئيس لبنك تحت التطية

The new Head Office of the Bank, now under construction.



**QATAR NATIONAL BANK S. A. Q.**  
**ANNUAL REPORT**  
**OF THE BOARD OF DIRECTORS**

*For the Year ended 31st December, 1974*

The Directors have pleasure in presenting their tenth annual report for the year ended 31st December, 1974.

**BALANCE SHEET**

Despite the troubles which seem to have beset most of the international banks, the Qatar National Bank nevertheless experienced a very satisfactory year, and the fundamental position of the Bank remains extremely sound.

The Bank's growth during the year under review was commensurate with the extensive development taking place throughout the State of Qatar, and this is borne out by the Balance Sheet figures, which again show significant increases under practically every heading. The combined Balance Sheet total as at 31st December, 1974 amounted to Q. R. 1,414,468,290 as against Q. R. 474,491,355 at the end of the previous year, while total Assets, excluding contra accounts, rose by Q. R. 283.7 million or 86.4%.

Net Profit at Q. R. 26,508,706, after providing for all contingencies, shows a very favourable increase of 147.96% over that for the year 1973. With the sum of Q. R. 140,661 brought forward from the previous year, a total of Q. R. 26,648,737 is available for distribution, which has been allocated as follows:-

Distribution to Shareholders as 15% dividend	Q. R. 2,100,000
Bonus issue to Shareholders (One free share for every share held)	14,000,000
Transfer to Statutory Reserve	5,301,615
Transfer to Special Reserve	5,150,000

After deduction of these amounts, a balance of Q.R. 97,122 remains to be carried forward. With the bonus issue to Shareholders of one free share for every share held, the Capital of the Bank, at Q. R. 28 million, is now doubled.

### RESERVES

The Bank continues to build up its reserves and the figure for Published Reserves has now reached over Q. R. 53 million, nearly twice the new capital and revealing a very strong financial position indeed.

### FOREIGN TRADE

#### IMPORTS :

The total value of Qatar's imports for 1974 was Q. R. 1,069 million, an increase of Q. R. 291 million over the figure for 1973. Import figures have steadily increased during the last five years, as shown by the following:-

Year	Q. R. Million
1970	305
1971	516
1972	607
1973	778
1974	1069

Countries among the leading suppliers were as follows:-

	1973	1974
United Kingdom	27.5%	14%
Japan	11.2%	17.8%
U. S. A.	10.3%	10.2%
Lebanon	5.7%	6.2%
West Germany	5.4%	6.1%

#### EXPORTS :

Crude Oil exports totalled 24 million long tons, a decrease of 3 million tons compared with the figures for 1973, most of which went to Western Europe. Last year

Government acquired a 60% equity holding in the Oil producing companies, Qatar Petroleum Co. Ltd. and Shell Company of Qatar Ltd., and negotiations are now proceeding for the remaining 40% of the equity of these two companies, which will eventually result in Oil production being wholly owned by Government.

Exports for both ammonia and urea by the Qatar Fertilizer Company have greatly increased during 1974 and the Company have benefitted accordingly from the high world prices now obtaining for fertilizer, as a result of the droughts and famines which have been prevalent in various parts of the world.

Shrimp exports by the Qatar National Fishing Company were valued at over Q. R. 1 million, all of which went to Japan and the U. S. A.

#### **BUDGET 1975/76**

The budget for 1975/76 is the largest produced by the State since the dawn of independence.

Income for the fiscal year 1975/76 is estimated at Q. R. 7,900 million, an increase of some Q. R. 2,400 million over the 1974/75 estimates.

Expenditure is estimated at approximately Q. R. 4,000 million, most of which is for major public projects and include the erection of a Steel Mill, Petro-Chemical and Natural Gas projects, an Export Refinery, and extensions to the present Cement and Fertiliser Factories. In addition, construction of a new International Airport at Doha has been provided for, while various social, cultural and public service projects have also been catered for.

#### **NEW BANK BUILDING**

Construction has recently commenced of the new Qatar National Bank seven-storey building which is planned to be completed and ready for occupancy in October, 1976. When finished, the building's graceful design will lend itself admirably to the other modern structures now almost daily appearing on Doha's skyline.

## **BRANCHES**

During the year, branches of the Bank were opened in Umm Said and Al-Khor, while another Doha branch has recently been opened in Airport Road. Plans are in operation to open further branches in Ruwais and Doha, and also a banking office in the Gulf Hotel.

## **STAFF**

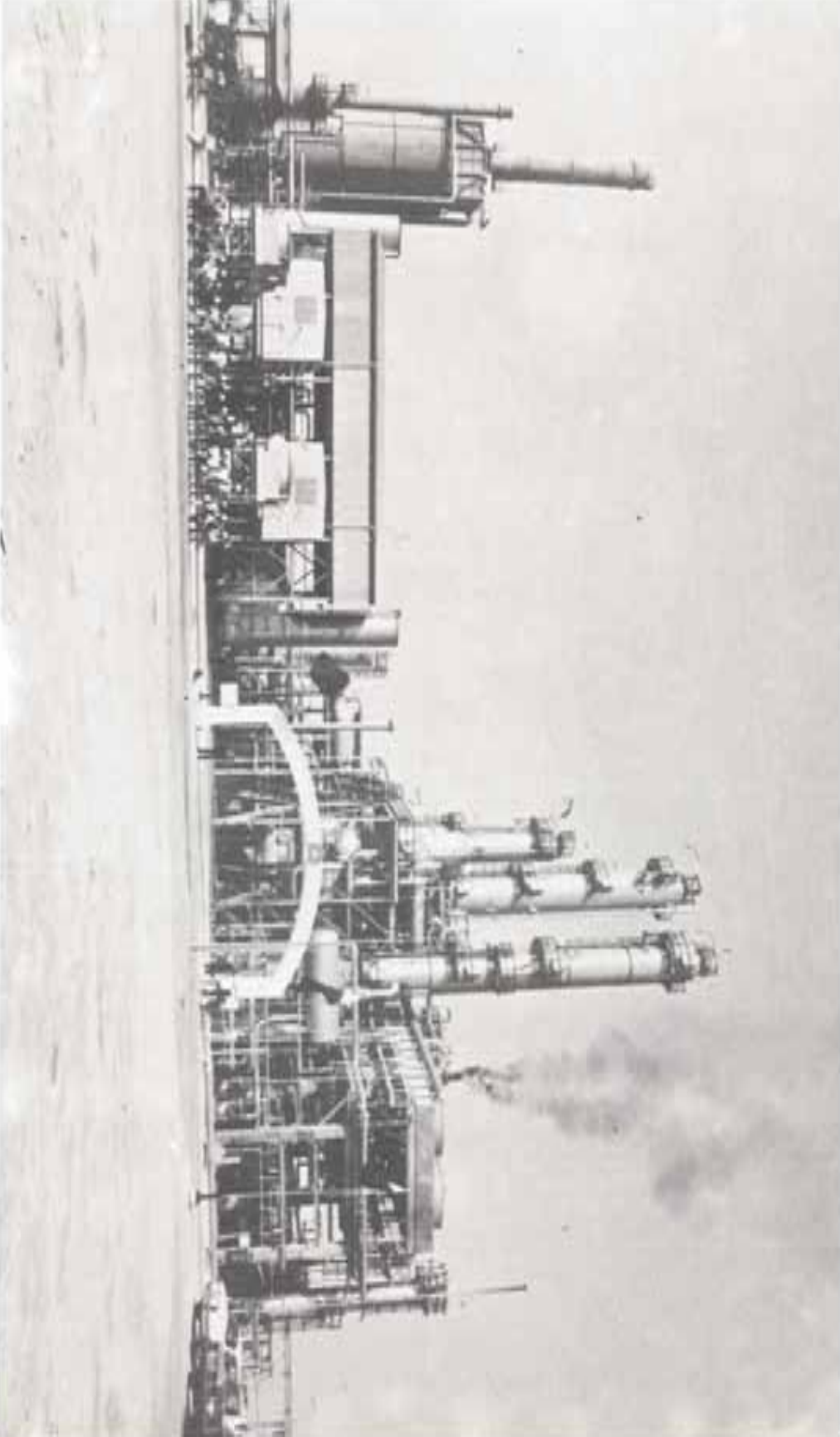
All members of the Staff are warmly thanked by the Board of Directors for their unstinting efforts in helping to attain the splendid results in what has been a difficult year. These could not have been achieved without the continued loyalty and enthusiastic support of Management and Staff.

## **GENERAL**

The year 1974 was characterised by a complex series of events, both in Qatar and abroad, and are so well-known and fully documented that we refer to them only so far as is necessary to illustrate our operations in the Banking System.

Our Foreign Exchange operations were very satisfactory inspite of the unsettled foreign exchange markets and the floating of various currencies.

With regard to economic prospects in 1975, in view of the present uncertainty concerning both the political and economic outlook, it would be unwise to forecast the immediate future, but we are confident of the strength and viability of the Bank and are optimistic regarding the long-term prospects of the State of Qatar which we feel sure will continue to expand and prosper. Rapid strides have been made in practically every field throughout the State under the wise leadership and counsel of His Highness Shaikh **Khalifa Bin Hamad Al-Thani**, for whose continued support and interest in the Bank's development, we are deeply grateful. As bankers to the Government, we are very conscious and proud of being an active participant in national aspirations and of helping to achieve national goals.



مصنع تسليط الغاز بأم سويد  
N. G. L. Plant, Umm Said



BALANCE SHEET

as at 31st December 1974.

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STATEMENT OF PROFIT & LOSS

for the year ending 31st December

1974

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 31 st December 1974 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 31 st December 1974 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,  
15 th February 1975.

**SABA & Co.**  
*Associated Accountants*

# QATAR NATIONAL

D O H A

## BALANCE SHEET AS AT

ASSETS	1974 Q. Riyal	1973 Q. Riyal
Cash on hand and in banks (Note 1)	436,965,808	167,694,678
Advances and bills discounted ( after deducting provision for bad & doubtful debts )	167,603,043	156,723,145
Interest receivable and prepaid expenses	5,618,774	2,743,537
<b>Total</b>	<b>610,187,625</b>	<b>327,161,360</b>
Unquoted investments ( At cost )	790,300	790,365
Fixed assets (At cost) net of depreciation	1,084,139	402,668
Customers liability on guarantees and credits ( per contra )	802,406,226	146,136,962
<b>TOTAL ASSETS</b>	<b>1,414,468,290</b>	<b>474,491,355</b>

THE NOTES ON PAGE 21 CONSTITUTE AN INTEGRAL PART

**A. A. NORRIE**

*General Manager*

# BANK, S. A. Q.

Q A T A R

31st DECEMBER, 1974

<b>LIABILITIES AND SHARE- HOLDERS' EQUITY</b>	<b>Q. Riyal 1974</b>	<b>Q. Riyal 1973</b>
Current, savings, time and fixed deposits and other accounts ( Including contingency accounts ) ( Note 2 )	526,118,503	267,216,518
Dividend payable	2,100,000	2,100,000
Provisions and accrued expenses	1,944,824	1,547,214
<b>Total Current Liabilities</b>	<b>530,163,327</b>	<b>270,863,732</b>
<b>Shareholders' Equity :</b>		
Authorized and paid-up capital (140,000 ordinary nominal shares of Q. Riyal 100 each)	14,000,000	14,000,000
Increase of capital from Reserves	14,000,000	
Statutory reserve	12,301,615	7,000,000
Special reserve	41,500,000	36,350,000
Accumulated profits	97,122	140,661
<b>Total Shareholders' Equity</b>	<b>81,898,737</b>	<b>57,490,661</b>
Guarantees and credits (per contra)	802,406,226	146,136,962
<b>TOTAL LIABILITIES AND SHARE- HOLDERS' EQUITY</b>	<b>1,414,468,290</b>	<b>474,491,355</b>

OF THIS STATEMENT AND MUST BE READ HEREWITH.

**ABDUL AZIZ BEN KHALIFA AL-THANI**  
*Chairman, Board of Directors*

**QATAR NATIONAL BANK S. A. Q.**  
**D O H A - Q A T A R**

**Consolidated Statement of Profit and Loss for the Year  
Ended 31st December, 1974**

	1974 Q. Riyal	1973 Q. Riyal
<b>Income:</b> Interest earned and other income	82,597,934	34,101,257
<b>Expenses:</b> Interest paid, salaries, rent and other expenses	56,089,858	23,411,053
<b>Profit for the year</b>	<b>26,508,076</b>	<b>10,690,204</b>

**Appropriation Statement for the year ended - 31st Dec. 1974**

	1974 Q. Riyal	1973 Q. Riyal
Balance 1st, January 1974	140,661	50,457
<b>Add :</b> Net profit for the year	26,508,076	10,690,204
<b>Total Profit</b>	<b>26,648,737</b>	<b>10,740,661</b>
<b>Less :</b> Transfer to special reserve	5,150,000	8,500,000
Transfer to statutory reserve	5,301,615	
Transfer to capital from reserves	14,000,000	
Proposed dividend	2,100,000	2,100,000
<b>Profit and Loss Account Balance</b>	<b>97,122</b>	<b>140,661</b>

THE NOTES ON PAGE NO. 21 CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS AND MUST BE READ HEREWITH

**QATAR NATIONAL BANK, S.A.Q.**  
**DOHA — QATAR**

**NOTES TO FINANCIAL STATEMENTS**

1. The balance of cash on hand and in banks includes fixed deposits at banks amounting to Q.R. 85,659,831.

2. Current, savings, time and fixed deposits and sundry accounts include the amount of Q.R. 62,060,016 being due to banks on demand.

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. The bills for collection kept in the custody of the bank at December 31, 1974, amounted to Q.R. 11,174,085

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