

QATAR NATIONAL BANK

(S. A. Q.)



8TH ANNUAL REPORT
AND
REPORT OF THE DIRECTORS
31st December, 1972.



HIS HIGHNESS SHEIKH KHALIFEH BEN HAMAD AL - THANI

AMIR OF STATE OF QATAR

QATAR NATIONAL BANK

(S. A. Q.)

ESTABLISHED 1965

8TH ANNUAL REPORT AND REPORT OF THE DIRECTORS

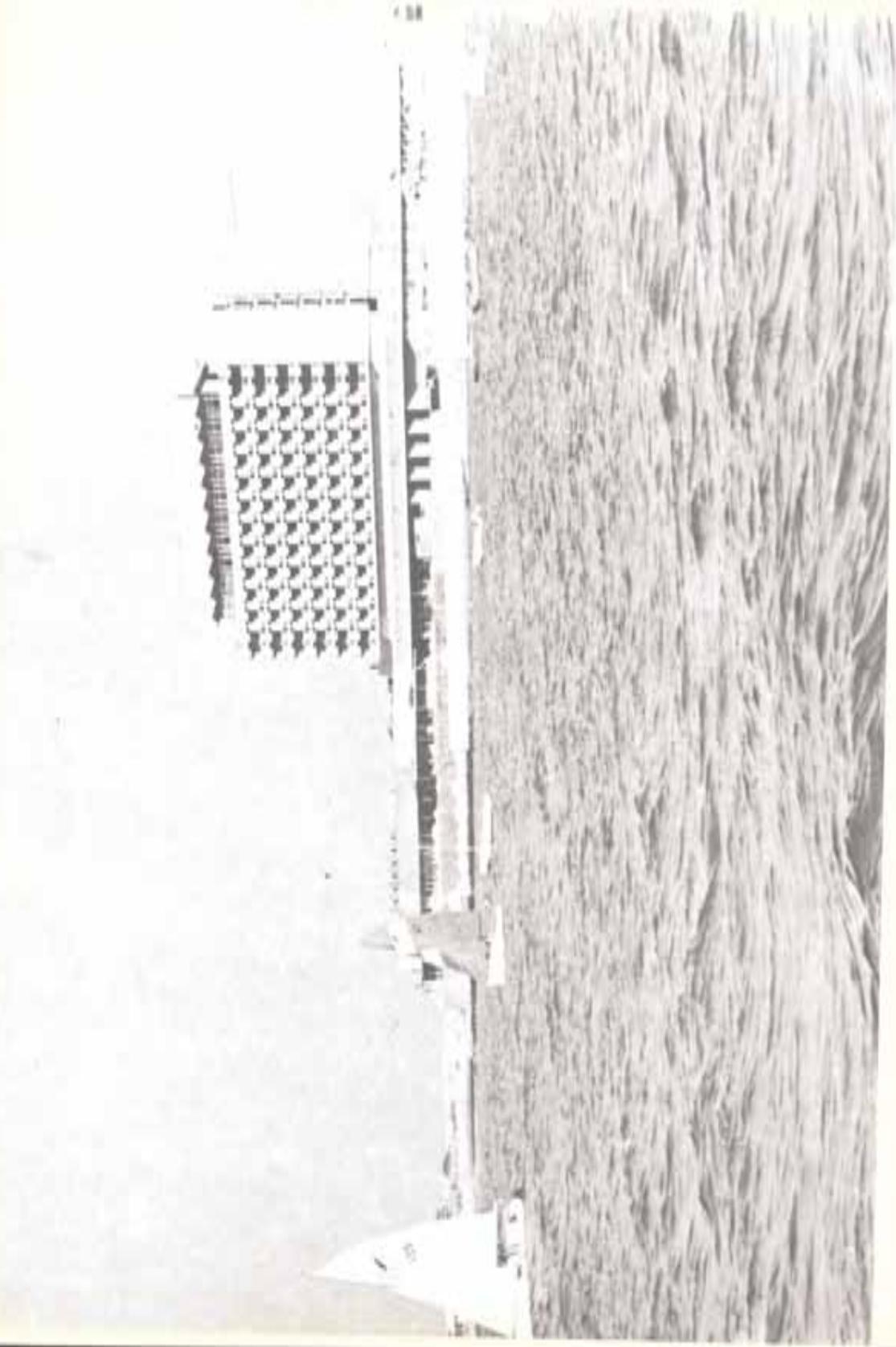
31st December, 1972.

**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	"

AUDITORS
MESSRS SABA & CO.



Gulf Hotel

فندق الخليج

QATAR NATIONAL BANK, S.A.Q.
REPORT
OF THE DIRECTORS

For the year ended 31st December, 1972.

The Directors take pleasure in presenting their eighth annual report for the year ended 31st December 1972.

Net profit amounted to QDR. 8,525,724, an increase of QDR. 906,514, over 1971, after making all necessary provisions. With the amount of QDR. 44,733 brought forward from 1971 a total of QDR. 8,570,457 is available for distribution which has been allocated as follows:-

Transfer to Special Reserve	QDR.	6,700,000
Dividend of 13% payable on 1st April 1973		1,820,000
Balance carried forward		50,457
	Total	<u><u>8,570,457</u></u>

There has been a further significant increase in both deposits and advances during the year. Deposits at almost QDR. 200 million increased by 35% over the previous year whilst advances totalling QDR. 116 million at year end are up by 42%.

Total assets, excluding contra accounts, at QDR. 252 million, increased by 30% over 1971. The liquidity position remains high.

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Qatar / Dubai Currency Board

At 31st December 1972 currency in circulation in Qatar & Dubai amounted to QDR. 232.1 million an increase of QDR. 57.5 million or 32.9% over the previous year. The parity of the Qatar / Dubai Riyal was maintained unchanged in terms of gold following the decision of the U. K. to float the pound in June 1972. The bank continues to act as agents for the Currency Board.

A new currency, the Qatar Riyal, will be issued in 1973 at par to replace the Qatar / Dubai Riyal as Dubai will join the United Arab Emirates in the issue of their own new currency, the Dirham.

Foreign Trade

Imports :- Qatar's continued rapid economic growth is reflected in the import figures for 1972 which totalled QDR. 607 million. Import figures for the past four years are as follows :-

Total Imports	QDR. Million
1969	252
1970	305
1971	516
1972	607

The U. K. retained its place as the largest supplier with 26.4% of total imports but its share fell from 37.4% in 1971. The U. K. was followed by Japan with 12.6% (1971 - 10.5%), U. S. A. with 10.4% (1971 - 9.7%), France with 8.4% (1971

2.4%), Lebanon with 6.9% (1971 - 5.5%) and West Germany with 5.3% (1971 - 4.6%).

Exports :- Apart from oil, Qatar's exports are negligible and in 1972 amounted to QDR. 66 million mainly re-exports to neighbouring countries of which 50% was to Saudi Arabia. When the Qatar Fertiliser Company commences exports of urea & ammonia during 1973 this figure will increase considerably as the plant's production capacity is 900 metric tons of ammonia and 1000 metric tons of urea daily practically all of which will be exported.

Oil Production & Exports

Crude oil production and exports have risen substantially over the past four years as the following figures show :-

	Production (million long tons)	Exports (million long tons)
1969	17.07	16.65
1970	16.98	17.12
1971	20.30	20.22
1972	22.90	22.83

Revenue from oil in 1972 totalled US \$ 240 million against US \$ 198 million in 1971. 69% of oil exports were to Western Europe, almost exactly the same percentage as in the previous year.

Following an agreement entered into between the Government of Qatar and two major oil producing companies, Qatar

Petroleum Company Ltd., and Shell Company of Qatar Ltd., the Government will acquire a 25% interest in ownership of the operations of the two companies over a period of three years rising to 51% by 1980.

Budget 1973 / 74

Income during the fiscal year 1973 / 74 is estimated at QDR. 1,400 million and expenditure at QDR. 1,200 million of which QDR. 360 million will be for capital projects, the main allocations being as follows :-

Social Services	QDR. 114 million
Economic Development	95 million
Electricity & Water	43 million

General

The Directors wish to record their gratitude to His Highness Shaikh **Khalifa Ben Hamad Al-Thani**, Amir of the State of Qatar, and founder Chairman of the Bank, for his wise counsel and unfailing interest in the affairs of the Bank during his Chairmanship, and affirm their intention to devote the full resources of the Bank towards the economic development of the country under the enlightened leadership of His Highness for the benefit of the people of Qatar.

In conclusion the Directors express their thanks to all members of the Staff who have worked hard and loyally throughout the year under review.



A herd of Oryx

قطيع من اليا العربي

BALANCE SHEET
as at 31st December 1972
&
STATEMENT OF PROFIT & LOSS
for the year ending 31st December
1972
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, 1972, 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, 1972, 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 1973

SABA & CO.
Associated Accountants

QATAR NATIONAL

DOHA

BALANCE SHEET AS AT

ASSETS	1972 Q. D. Riyal	1971 Q. D. Riyal
Current Assets		
Cash on hand and in Banks - Note 1	133,896,119	109,788,538
Advances and bills discounted (after deducting provision for bad and doubtful debts)	116,249,162	81,765,180
Interest receivable and prepaid expenses	1,412,020	815,534
Total Current Assets	251,557,301	192,369,252
Fixed assets (at cost) net of depreciation	162,956	179,765
Customers liability on guarantees and credits (per contra)	90,362,932	78,037,449
Total Assets	342,083,189	270,586,466

THE NOTES ON PAGE 19 CONSTITUTE AN INTEGRAL PART

BANK, S. A. Q.

- QATAR

DECEMBER, 31st 1972.

LIABILITIES AND SHARE- HOLDER'S EQUITY	1972 Q. D. Riyal	1971 Q. D. Riyal
Current, savings, time and fixed deposits and sundry accounts - Note 2	199,695,552	147,603,534
Dividend Payable	1,820,000	1,680,000
Provisions and accrued expenses	1,304,248	1,070,750
Total Current Liabilities	202,819,800	150,354,284
Shareholder's Equity :		
Authorized and paid-up capital (140,000 ordinary nominal shares of QDR. 100 each)	14,000,000	14,000,000
Statutory reserve	7,000,000	7,000,000
Special reserve	27,850,000	21,150,000
Profit and loss balance carried forward to next year	50,457	44,733
Total Shareholders' Equity	48,900,457	42,194,733
Credits and Guarantees (per contra)	90,362,932	78,037,449
Total Liabilities and Shareholders' Equity	342,083,189	270,586,466

OF THIS STATEMENT AND MUST BE READ HEREWITH.

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

QATAR NATIONAL BANK S.A.Q.
DOHA - QATAR

Profit and Loss Account for the year ended 31st December, 1972

	1972 Q. D. Riyal	1971 Q. D. Riyal
Income: Interest earned and other income	17,415,205	18,630,512
Expenses: Interest paid, salaries, rent and other expenses	8,889,481	11,011,302
Profit for year	8,525,724	7,619,210

Appropriation Statement for the year ended 31st December, 1972

	1972 Q. D. Riyal	1971 Q. D. Riyal
Balance January 1st, 1972	44,733	56,203
Add : Net Profit for the year	8,525,724	7,619,210
Total Profits	8,570,457	7,675,413
Less : Transfer to Statutory Reserve	—	1,450,680
Transfer to Special Reserve	6,700,000	4,500,000
Proposed Dividend	1,820,000	1,680,000
Profit and Loss Account Balance	50,457	44,733

The notes on page No. 19 constitute an integral part of this statement and must be read herewith.

Abdul Aziz Ben Khalifa Al-Thani
Chairman, Board of Directors

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 QDR. **78,739,996.**

2. Current, savings, time and fixed deposits and sundry accounts include the amount of QDR. **13,449,859** 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, 1972, amounted to QDR. **6,770,001.**

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