



1979
Annual Report
and
Accounts

QATAR NATIONAL BANK

(S. A. O.)

QATAR NATIONAL BANK, S.A.Q.

Established 1965

*Fifteenth Annual Report of the Directors
and Balance Sheet for the year ended
31st December 1979*

With the Compliments of
The Chairman and Board of Directors
of

Qatar National Bank, S.A.Q.

DOHA - QATAR





H. H. Sheikh Khalifa bin Hamad al - Thani, Emir of the State of Qatar.





H. H. Sheikh Hamad bin Khalifa al-Thani, Heir Apparent, Minister of Defence.



QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

BOARD OF DIRECTORS

His Excellency Sheikh Abdul Aziz Bin Khalifa Al-Thani <i>Minister of Finance & Petroleum</i>	Chairman
Mr. Ahmad M. Suwaidi	Member
Mr. Abdullah Abdulghani	”
Mr. Yousuf Jasem Darweesh	”
Mr. Ahmad Mannai	”
Mr. Haider S. Haider	”
Mr. Abdulkadir Qadi	”
<hr/>	
Mr. Hamdi Alami	General Manager



QATAR NATIONAL BANK. S.A.Q.

DOHA - QATAR

BRANCHES

GENERAL MANAGEMENT

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QATARBANK
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Telephone Number 321055

MAIN BRANCH

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QATARBANK
Telex 4212 QATBNK DH.
4357 QATBNK DH.
4064 QATBNK DH.
4635 QBKFEX DH.
Telephone Number 321055

MUSHAIREB BRANCH

Telegraphic Address P. O. Box 1818, Doha
QATARBANK
Telex 4845 QATBNK DH.
Telephone Number 23464

AIRPORT ROAD BRANCH

Telegraphic Address P. O. Box 3252, Doha
QATARBANK
Telephone Number 328868

UMM-SAID BRANCH

Telegraphic Address P. O. Box 10050, Umm Said
QATARBANK, UMM SAID
Telephone Number 771529



QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

AL KHOR BRANCH

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QATARBANK, AL KHOR

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AIRPORT BRANCH

Telephone Number

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QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

FINANCIAL HIGHLIGHTS

	1978	1979	
	Qatar Riyals		%
NET PROFIT	52,293,053	57,901,561	+11
CAPITAL & RESERVES	231,482,654	280,984,215	+21
STATUTORY & FINANCIAL RESERVES	189,458,610	238,500,000	+26
TOTAL ASSETS	3,385,615,527	5,121,018,888	+51
DEPOSITS	2,290,798,262	3,659,904,861	+60
ADVANCES-LOANS	1,270,281,803	1,617,519,851	+27

5 YEARS OF PROGRESS

	Qatar Riyals (000)				
	1975	1976	1977	1978	1979
Net Profit	35,118	40,486	45,485	52,293	57,901
Capital & Reserves	112,818	147,704	187,589	231,482	280,984
Statutory & Financial Reserves	84,725	119,704	159,589	189,458	238,500
Total Assets	1,100,825	1,874,464	2,042,769	3,385,615	5,121,018
Deposits	754,309	1,404,583	1,518,907	2,290,798	3,659,904
Advances-Loans	266,340	339,598	625,947	1,270,281	1,617,519
Dividend	15%	20%	20%	20%	20%



QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

ANNUAL REPORT

For the Year ended 31st December 1979

CHAIRMAN'S STATEMENT :

I am pleased to present to you the Annual Report for the year ended 1979.

The report which follows discloses another successful year in the history of the Bank. The increase in the Bank's volume of business is a measure of the confidence placed in us by our customers, and a tribute to greater efficiency and better service.

I firmly believe that, despite of all the difficulties that may arise as a result of world economic conditions in the period ahead, Qatar National Bank will continue to grow and prosper, both domestically and internationally

I take this opportunity to record my appreciation for the dedication and the unstinted efforts that have been displayed by the Board of Directors and for the ability, enthusiasm and the loyalty of the Bank's staff.

ABDUL AZIZ BIN KHALIFA AL-THANI

Chairman, Board of Director



QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in presenting the Fifteenth Annual Report of the Bank together with the balance sheet and Profit and Loss account for the year ended 31st December, 1979.

The results for the year reflect a satisfactory increase in profit, a substantial growth in assets, and a large addition to reserves.

Net profit increased by 11% to QR. 57,901,561 after making adequate provision for contingencies but before transfers to statutory and special reserves of QR. 49,041,390. The increase may be considered satisfactory bearing in mind the narrower spreads on both local and international business during 1979.

Balance sheet totals increased from QR. 3,385,615,527 to QR. 5,121,018,888 a percentage increase of 51%. The substantial increase in deposits, up from QR. 2,290,798,262 to QR. 3,659,904,861 was well spread between demand and time. In the main the increase reflects the benefits of the first full year of operating from our new Doha premises where the pleasant and relaxed atmosphere combined with improved efficiency and better customer service, have proved attractive to the public. Improvements in the quality and scope of our services at our other branches in Qatar also contributed to the increase.

Total capital and published reserves including the balance of profit and loss account carried forward increased to QR. 280,984,215 at the close of 1979 compared with QR. 231,482,654 at the end of 1978.

Advances and Loans increased by 27% over 1978 and the Bank continued to meet demand for credit to local trade and project financing on a selective and diversified basis, thereby ensuring a balanced expansion of assets. In pursuance of its prudent policy the Bank continued to maintain a strong liquidity position.



QATAR NATIONAL BANK, S.A.Q.

DOHA - QATAR

The volume of exchange and money market transactions remained at a high level throughout the year and despite the wide fluctuations in foreign exchange markets the income from this source made a satisfactory contribution to profits.

Although contingency outstandings at the closing date showed a small decrease compared with the previous year the volume of business transacted throughout the year greatly increased. The Bank was actively involved in the issue of bid, tender and performance bonds, while the number and value of import letters of credit opened, increased.

Our branches in London and Paris continued to expand their business, and made a useful contribution to profits. London City branch increased its commercial business and was of considerable value in expanding the Bank's international business, while Curzon Street branch continued to provide a much appreciated service to visitors from the Middle East. 1979 was a year of consolidation for Paris branch with business increasing steadily.

Based on the satisfactory results of 1979 a dividend of 20% has been approved for payment.

The Directors have also decided to make a bonus share issue at the rate of one additional share for every three shares held. This will result in the Bank's share capital being increased from QR. 42,000,000 to QR. 56,000,000. These bonus shares will rank *pari passu* with all other issued shares for all future dividends and distributions.

We look forward with confidence to the year ahead and are proud of the prominent position we hold in the banking industry in Qatar.

The Board wishes to record its gratitude for the interest and support displayed in the activities of the Bank by His Highness The Emir **Sh. Khalifa Bin Hamad Al-Thani** and His Highness The Crown Prince **Sh. Hamad Bin Khalifa Al-Thani** and for their continued wise leadership in guiding the progress and development of the State.

The Board also wishes to express its thanks and appreciation of the management and staff for their contribution to the Bank's improved performance during the year under review.



QATAR NATIONAL BANK. S.A.O.

DOHA - QATAR

BALANCE SHEET AS AT

ASSETS	1979	1978
	Q. Riyal	Q. Riyal
Cash and deposits with banks	3,220,487,849	1,876,216,685
Marketable securities (at the lower of cost and market value)	197,951,894	164,022,641
Investments in associated companies and others - at cost	10,584,975	19,274,579
Bills discounted	41,023,475	28,115,876
Advances (Net) and other accounts	1,036,432,509	1,086,258,746
Interest receivable and prepaid expenses	45,846,691	22,580,902
Long term loans	540,063,867	155,907,181
Fixed assets - at cost, net of depreciation	28,627,628	33,238,917
TOTAL ASSETS	5,121,018,888	3,385,615,527
Customers' liabilities on confirmed credits, acceptances and guarantees	1,528,408,461	1,598,449,059
	6,649,427,349	4,984,064,586

HAMDI ALAMI

General Manager

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT



QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

31st DECEMBER 1979

LIABILITIES AND SHAREHOLDERS' EQUITY	1979	1978
	Q. Riyal	Q. Riyal
LIABILITIES :		
Current, savings, deposits and other accounts (including contingencies)	3,659,904,861	2,290,798,262
Due to banks	1,139,622,632	840,062,808
Proposed dividends	8,400,000	8,400,000
Provisions and accrued expenses	32,107,180	14,871,803
Total liabilities	4,840,034,673	3,154,132,873
SHAREHOLDERS' EQUITY :		
Capital : 420,000 authorised, issued and fully paid shares of QR. 100 each	42,000,000	42,000,000
Statutory reserve	42,000,000	38,458,610
Special reserve	196,500,000	151,000,000
Profits after appropriation	484,215	24,044
Shareholders' equity	280,984,215	231,482,654
Total Liabilities and Shareholders' Equity	5,121,018,888	3,385,615,527
Liabilities on confirmed credits, acceptances and guarantees	1,528,408,461	1,598,449,059
	6,649,427,349	4,984,064,586

ABDUL AZIZ BIN KHALIFA AL-THANI

Chairman, Board of Directors



QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

Statement of Profit and Loss and Appropriation for the Year Ended 31st December 1979

	1979	1978
	Q. Riyal	Q. Riyal
INCOME :		
Interest earned, commission received, profit on exchange and other income	465,871,969	265,331,696
EXPENSES :		
Interest paid, general and administra- tive expenses, provisions and other expenses	407,970,408	213,038,643
Net profit for the year	57,901,561	52,293,053
Balance of profit - January 1, 1979	24,044	89,601
Total profit available for appropriation	57,925,605	52,382,654
Appropriated as follows :		
Transfer to statutory reserve	3,541,390	10,458,610
Transfer to special reserve	45,500,000	33,500,000
Proposed dividends	8,400,000	8,400,000
Total appropriations	57,441,390	52,358,610
Profit after appropriation	484,215	24,044

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT



NOTES TO FINANCIAL STATEMENTS

1. INCOME TAX EXEMPTION

The Bank has been exempted from income tax in Qatar, for the five years commencing March 23, 1976 in accordance with the Cabinet decision No. 4 of May 23, 1976.

2. LAND AND BUILDINGS

The Bank's main office and branch buildings are built on land granted to the Bank by the Government of Qatar.

3. CONTINGENCIES AND COMMITMENTS

The following contingencies and commitments were outstanding as at 31st December 1979.

	1979	1978
	Q. Riyal	Q. Riyal
Bills held for collection	57,533,657	33,763,201
Forward exchange contracts	69,020,003	39,133,379

4. FOREIGN CURRENCIES

Foreign currency exchange rates in each currency were taken at the lower of buying and selling rates at the year end. Gains or losses resulting from changes in exchange rates during the year are credited or charged to current income.

5. The accompanying financial statements incorporate the assets and liabilities, and include the results of the operations of all the branches of the Bank in Qatar as well as in the United Kingdom and France.



QATAR NATIONAL BANK, S.A.Q.

DOHA - QATAR

THE AUDITORS' REPORT

**To 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, 1979 and the related statement of Profit and Loss and Appropriation 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 financial statements present fairly the financial position of Qatar National Bank, S.A.Q., Doha - Qatar, as at December 31, 1979 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles as adapted by banking practices in Qatar, applied on a basis consistent with that of the preceding year, and give all the information required by the Law and the Bank's Bye-Laws. We are also of the opinion that proper books of account were kept by the bank and that the stocktaking was carried out in accordance with recognised principles. To the best of our knowledge and belief, and according to the information given to us, no contraventions of the Law 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,
2, April 1980.

SABA & Co.



BANKING HALL, MAIN BRANCH, DOHA

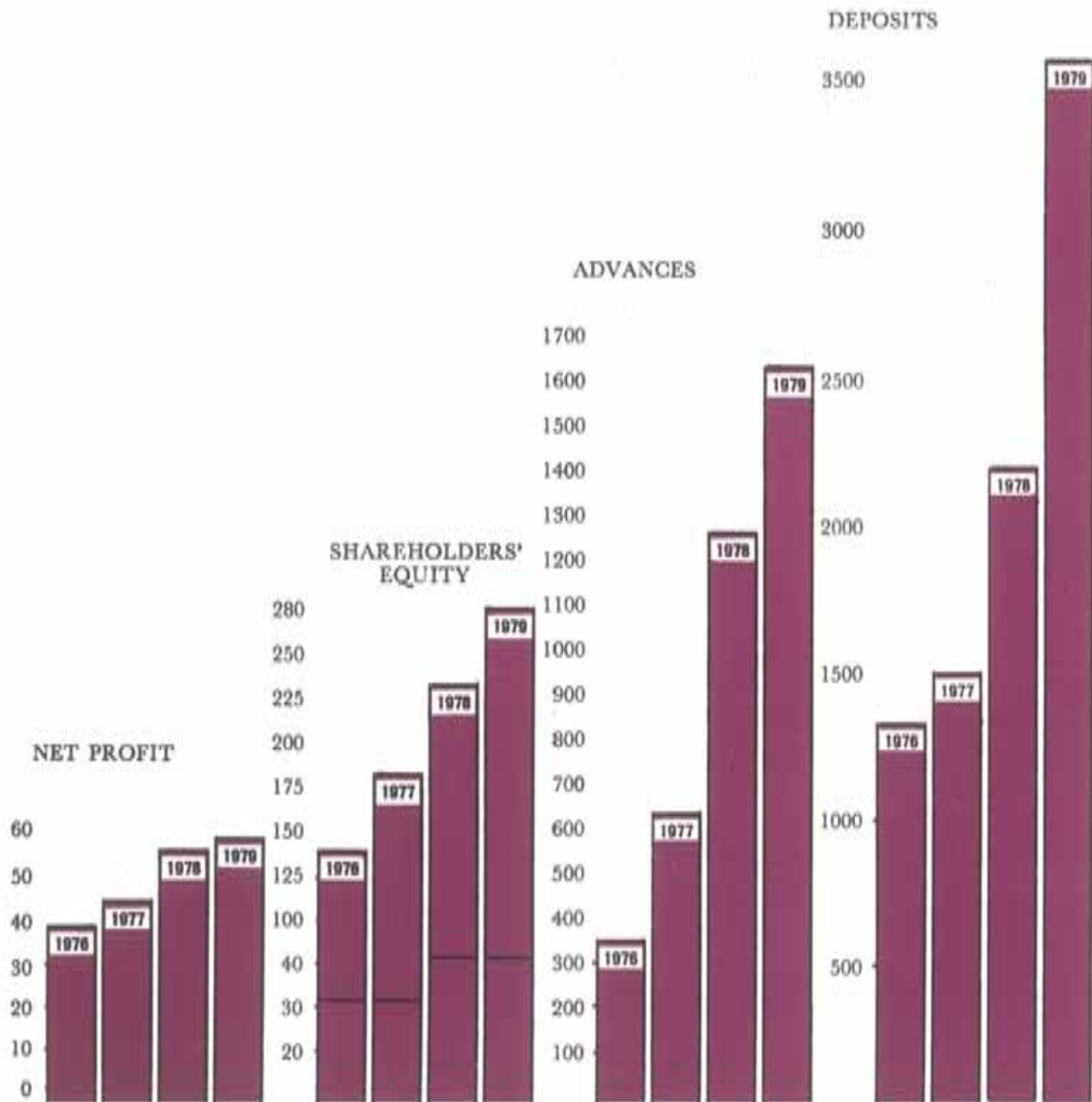


QATAR NATIONAL BANK, S.A.O.

DOHA - QATAR

ANNUAL RESULTS CHART FROM 1976 TO 1979

MILLIONS OF RIYALS





THE BANKING SYSTEM

The Qatar Monetary Agency, which carries out many of the functions of a Central Bank, continued to develop and extend its activities particularly in an advisory and supervisory role.

The number of Banks operating in Qatar remains at thirteen of which three are locally incorporated.

As at the end of December 1979 deposits of all the commercial banks totalled QR. 3.371 million compared with QR. 3.281 million at the end of the previous year. During this same period advances rose slightly from QR. 2.889 million to QR. 3.278 million.

The following table shows the growth in private sector deposits with the commercial banks over a three year period :-

	1977	1978	1979
	QR. Million		
Sight Deposits	1,582.1	1,733.2	1,776.4
Time & Saving Deposits	1,200.3	1,548.7	1,595.4
TOTAL	2,782.4	3,281.9	3,371.8

The following table gives a breakdown of advances by sector of the national economy for the past three years :-

SECTORS	1977	1978	1979
	QR. (000's)		
General Trading	1,415,232	1,268,905	1,389,282
Industry	135,599	180,164	483,379
Agriculture	2,152	5,354	4,401
Housing and Construction	408,369	527,277	534,791
Land	35,050	36,328	55,377
Transportation	41,130	49,101	45,455
Personal	248,123	199,870	521,274
Other	178,031	622,242	244,515
TOTAL	2,463,686	2,889,241	3,278,474





THE ECONOMY OF QATAR

During 1979 economic growth continued at a steady and methodical pace.

In keeping with all oil producing countries Qatar enjoyed a substantial increase in oil revenues. With production running at around 500,000 barrels a day, an increase of slightly under 5% compared with 1978, income from this source was just short of US \$ 5 billion.

Despite substantial increases in the cost of imported machinery, materials, goods etc. and in the cost of services, inflation in Qatar was well contained, and was estimated to be running at 9.5% compared with 40-45% some few years ago. This figure also compares favourably with trends in most other countries in the world where persistent inflation linked with unusually high interest rates, dominated the economic scene.

The current year's budget shows an increase of 27 % in expenditure on public and industrial projects. The distribution of expenditure is as under:-

	<u>Last Year</u>	<u>Current Year</u>
	<u>In Million QR.</u>	
Industry & Agriculture	271.1	377
Housing & Public Buildings	753.9	958
Social Projects	198.8	229.5
Education	370.4	527.2
Health	224	167.1
Utilities	1224.8	1292
Transportation & Communication	390.1	490
Other activities	448.9	887.2
Allocations to Finance Industrial Projects and Land Loans	1064	1765.2
TOTAL :	4946	6693.2



QATAR NATIONAL BANK, S.A.Q.

DOHA - QATAR

No new major industrial projects have been announced for the present and growth will centre round the expansion of existing industries, and the establishment of light industries. Work has commenced on the US \$ 25m ship repair yard of Qatar National Navigation and Transport Co. at Umm Said, and a new fifty thousand barrels per day oil refinery is to be built which should cater for Qatar's consumption for many years to come.

All heavy industries at Umm Said performed well during 1979 and registered a satisfactory increase in production.

An indication of the continued upsurge in trade can be seen from the increase in the number of ships which called at Qatar during 1979. These totalled 713 compared with 675 the previous year, and cargo discharged rose from 1,518,924 shipping tons to 1,690,338 an increase of 11%.

Imports by Countries of Origin were as follows:-

Country	1976	1977	1978	1979	1979
		Qatar Riyal - Million			%
Japan	933,697	1,293,864	906,473	998,869	18.57
W. Germany	252,100	344,138	851,364	903,496	16.80
U. Kingdom	547,596	915,338	721,270	832,455	15.48
France	143,918	277,462	333,831	535,815	9.96
U. S. A.	257,807	463,816	460,879	465,783	8.66
Italy	127,583	135,490	213,326	309,631	5.76
Holland	96,148	167,223	188,392	130,312	2.42
Australia	36,169	39,660	54,372	106,170	1.97
India	54,803	106,709	98,980	91,264	1.70
U. A. E.	157,183	224,551	59,471	84,364	1.57
China	35,043	55,880	57,846	71,595	1.33
Sweden	20,900	18,940	40,181	63,890	1.19
Pakistan	30,586	17,554	20,894	56,651	1.05
Denmark	20,437	18,329	31,940	54,205	1.01
Belgium	17,595	18,573	23,695	54,065	1.01
Others	568,810	752,568	526,809	619,135	11.52
TOTAL	3,300,375	4,850,095	4,589,723	5,377,700	100



QATAR NATIONAL BANK. S.A.O.

DOHA - QATAR

Work on the new University and the Sheraton Hotel cum conference centre is proceeding satisfactorily, and the expected completion during 1980 of the new Ministry of Information offices will further enhance the skyline of Doha. The extension and modernisation of the existing airport facilities is well advanced, and when completed the airport will be capable of handling all traffic requirements for a number of years.

Medical and welfare programmes were extended, and the new six hundred bed Hamad General hospital is expected to become fully operational in the near future. Education continues to receive top priority, and 1979 saw a further increase in the facilities available, and in the numbers of students attending courses at all levels.

Of particular significance for the future of the economy is the existence of enormous offshore gas reserves, the estimated quantities of which vary widely. However, any decision to develop and commercialise these seems likely to be some time into the future.