

**Report of the Board of Directors
of the**

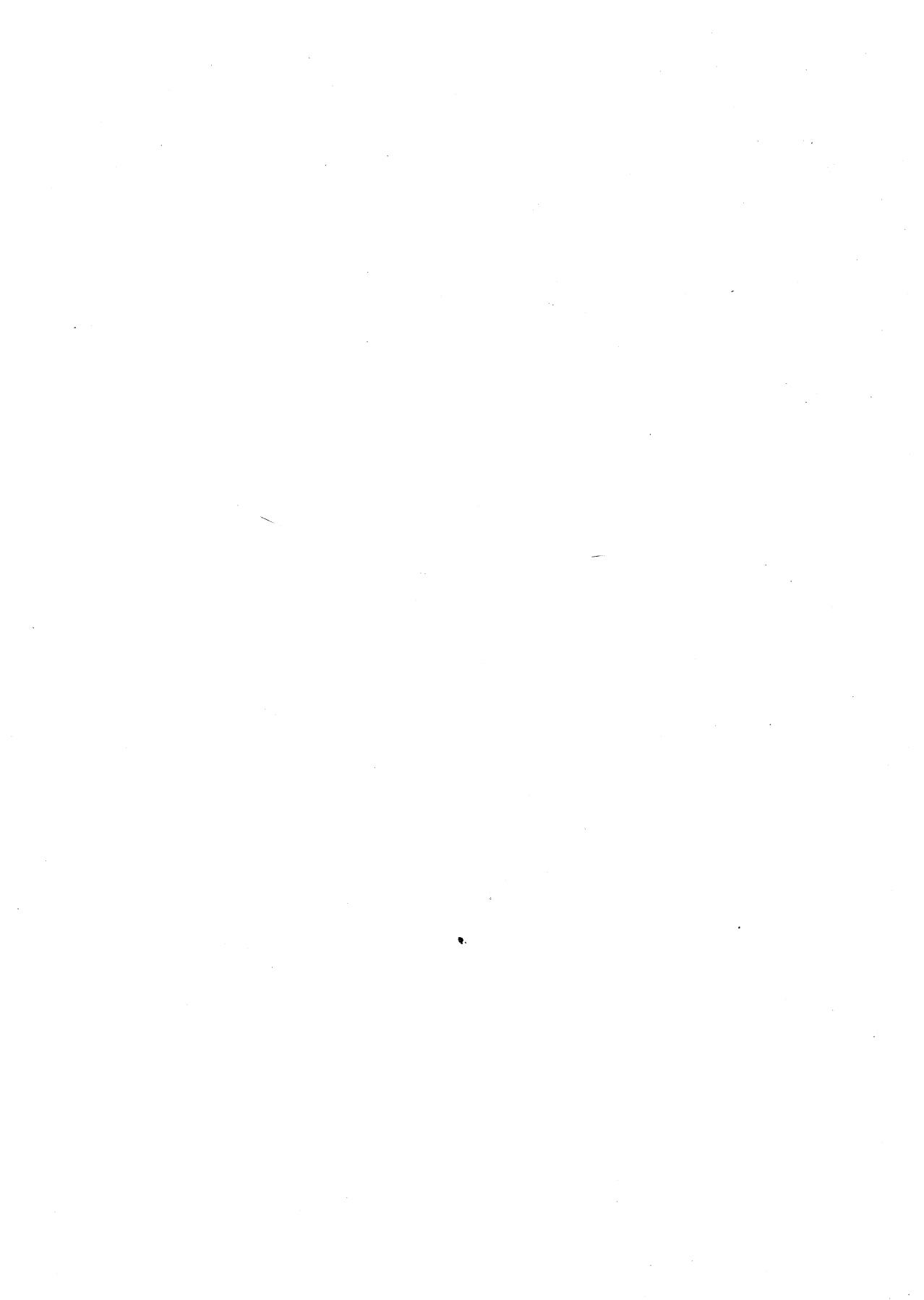
QATAR NATIONAL BANK
(Societe Anonyme)

For the year ending 31st December, 1966,
as presented to the Shareholders.

**Report of the Board of Directors
of the**

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QATAR NATIONAL BANK
(Societe Anonyme)

BOARD OF DIRECTORS

| | |
|---|-----------------|
| His Highness Sheikh Khalifeh Ben Hamad Al-Thani (Deputy Ruler and Minister of Finance) | Chairman |
| Es-Sayyed Ahmad M. Suwaidi | Member |
| Es-Sayyed Abdullah Abdulghani | ” |
| Es-Sayyed Yosuf Jasem Darweesh | ” |
| Es-Sayyed Ahmad Mannai | ” |
| Es-Sayyed Mohammad I. Jaidah | ” |
| Es-Sayyed Marzooq Shamlan | ” |
| Es-Sayyed Haidar S. Lari | ” |
| Es-Sayyed Abdulkadir A. Qadi | ” |

AUDITORS
MESSRS SABA & CO.

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 second year of operation
which ended on 31st December, 1966.*

The Board of Directors of the Qatar National Bank has pleasure in presenting to you its second annual report, together with the Balance Sheet and Profit and Loss Account for the year.

Despite the fact that the year 1966 was beset by unforeseen difficulties in the currency field, the economy of the Country has continued to flourish, and your newly-established Bank to make progress in its efforts to expand its business activities.

1. The Government of Qatar, for the benefit of the People, showed exemplary courage and speed in deciding to support the parity value of the Gulf Rupee, when on 5th June the Indian Government announced its devaluation from the old parity of Rs. 13.33 to Rs. 21 per £ 1.

Immediate steps were taken to introduce the Saudi Riyal, as a temporary expedient, to replace the Gulf Rupee until arrival of the new Qatar & Dubai Riyal Currency in September.

The Qatar Dubai Riyal is fully backed by Sterling,

except for 25% which is held in gold, and at 31st December the newly established Currency Board advised the total value of notes and coin in circulation to stand at QDR. 85,466,306.67. Your Bank is the appointed Agent for the Currency Board.

2. The New Port in Doha, the dredging for which was completed towards the end of 1965, came into operation in June.

Freighters with draughts up to 27 feet have since been discharging at Doha, to the almost total exclusion of Umm Said, thereby accelerating deliveries and minimising costs.

The tender for construction of a Jetty was won by a Belgian firm, work has already commenced, and completion is scheduled for June 1969.

3. Work on the Qatar National Company for the manufacture of Cement is proceeding steadily, and it is hoped that production will commence by August of 1968.

4. The Qatar Petroleum Company has again maintained its annual production, whilst Shell Company of Qatar exported five million tons from Halul Terminal.

As a result of Continental Oil Company's off-shore survey carried out last year, Global Marine Inc. have been drilling during the past few months, but the results are not yet known.

5. The construction of a fine new Air Terminal Building was completed during the year.

The opening is expected shortly.

6. Tenders are already out for the construction of two Distillation Plants, the projected output of which is one million gallons each per day.

It is planned to bring in from sweet water wells in the North a further 1.1 million gallons a day for admixture with the Distilled water, the whole project to be in effect by the summer of 1969.

7. A major road is planned to cover the 60 miles from Doha to Salwa, and to link up with the highway from that area to Huf Huf; within this design will be a spur to connect with Umm Bab, at the site of the Cement Factory.

8. A new township at the extreme northern tip of the Peninsular is in the blue print stage; a Hospital and School are in the scope of this plan.

The centre will be designed directly to serve a community of some 500, and provide facilities for a further 1500 inhabitants of outside fishing villages.

9. Medical services are to be extended by a new Isolation Hospital, to be sited South West of Doha on the new Dukhan Road, and by the expansion of Rumaillah Hospital to provide accomodation for an additional 80 beds.

10. Foundations for a fine new Government House have been laid, contracts have been let out and completion is expected within 18 months.

11. Qatar National Fishing Company, a joint venture between Government and the Ross Group for the fishing,

freezing and exportation of shrimp, should be in full operation by August.

Basic foundations on the jetty have been laid, steel-works have arrived and construction is under way.

BALANCE SHEET

The Grand Total of the Bank's Assets as at 31st December, 1966, was QDR. 176,442,578, an increase of 68% over the December, 1965, figure of Rs. 105,013,117.

Comparative increases of Assets and Liabilities, and of Profit and Loss items are commented upon below.

Cash on hand and at Local and Foreign Banks

At QDR. 124,684,259 - up by QDR. 52,500,628

Bills Discounted

At QDR. 856,395 - up by QDR. 367,798

Advances to Customers

At QDR. 14,766,742 - up by QDR. 6,808,178

Documentary Credits and Guarantees

At QDR. 30,853,321 - up by QDR. 8,213,504

Deposits and other Accounts

At QDR. 123,208,492 - up by QDR. 57,613,584

Profit and Loss Accounts

Expenditure for salaries, interest, stationery, depreciation and other expenditures :-

At QDR. 7,651,800 - up by QDR. 4,473,186

(Interest paid on Deposits alone amounted to QDR. 5,158,006, against Rs. 2,228,012 in the previous year).

Income for the year 1966 amounted to QDR. 9,654,397, as against Rs. 5,023,859 in 1965.

Net profit, before deducting allocation for Statutory Reserve, payment of Dividend etc., amounted to QDR. 2,002, 597 by comparison with QDR. 1,845,245, in the preceding year.

It should be pointed out that the 1965 result included the sum of Rs. 283,877 being interest derived on the accumulating Capital of the Bank during 1964, before opening for business on 3rd January 1965.

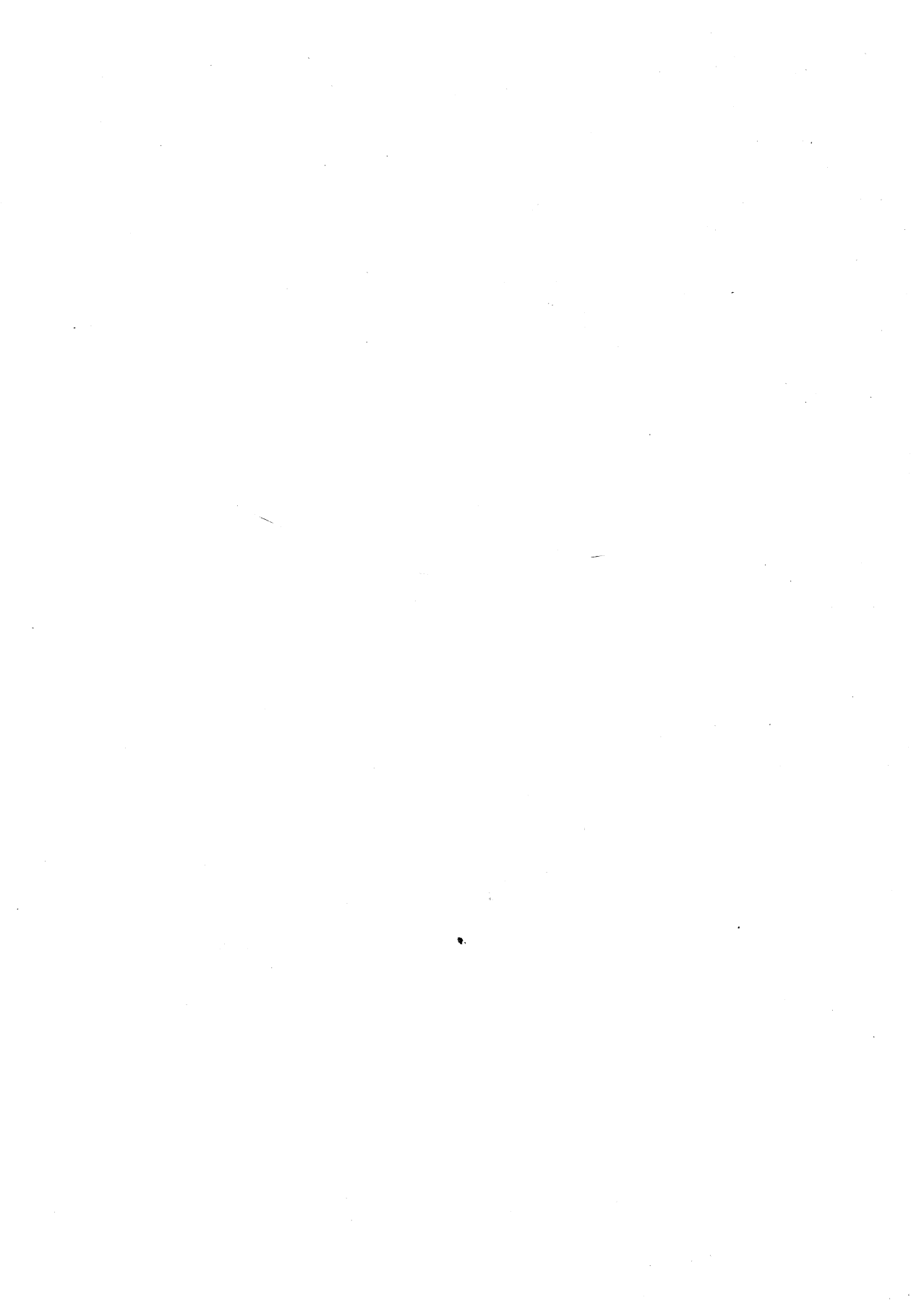
Also to be noted is that your Bank has operated for the second year in succession under the Government of Qatar Decree, by which it is exempted from Profit Tax for a period of five years.

RECOMMENDATIONS OF THE BOARD OF DIRECTORS

The Board of Directors recommend the following :-

1. That QDR. 400,519 be transferred to the Statutory Reserve Fund.
2. That the Directors take their remuneration for the year 1966, as provided under Article 46 of the Memorandum and Articles of Association.
3. That a dividend at the rate of 5% in respect of the year 1966, amounting to QDR. 700,000, should be distributed to the shareholders, the sum of QDR. 2,333,170 to be carried forward into the next financial year.

The Board wishes again to express its thanks to the Government and Public of Qatar for their continued support given to your Bank, and to the employees of the Bank for their loyal and hard work in the carrying out of their duties.



BALANCE SHEET

as at 31st December, 1966

&

STATEMENT OF PROFIT & LOSS

for the year ending 31st December,

1966.

together with

THE AUDITORS' REPORT

QATAR NATIONAL

BALANCE SHEET AS AT

(To the nearest QD. Riyal). One QD.

| ASSETS | <u>1966</u> QD Riyal | <u>1965</u> QD Riyal |
|--|---------------------------|---------------------------|
| Cash on hand and in Banks | 124.684.259 | 72.183.631 |
| Bills discounted | 856.395 | 488.597 |
| Interest receivable and prepaid expenses | 5.154.990 | 1.671.369 |
| Loans to customers and other assets | 14.766.742 | 7.958.564 |
| Fixed assets (less depreciation) | 126.871 | 71.139 |
| Customer's liability on Guarantees and Credits (Per contra) | 30.853.321 | 22.639.817 |
| TOTAL ASSETS | <u><u>176.442.578</u></u> | <u><u>105.013.117</u></u> |

Abdulla Abdul Ghani
Director.

AUDITORS'

We have examined the Balance Sheet of Qatar National Bank and Loss for the year then ended. Our examination was made in fully included such tests of the accounting records and such other

We have obtained all the information and explanations which the Statement of Profit and Loss are in agreement with the books and Association. In our opinion proper books of account have been kept of Directors are in agreement with the Bank's books. In our opinion and explanations given to us, there were no contraventions to the materially affect the position of the Bank or its operations. In our fairly the position of Qatar National Bank, S. A. Q. as at 31st ended, and were prepared in conformity with generally accepted

BANK, (S.A.Q.)

31st DECEMBER 1966,

Riyal = One and a half Shillings Sterling)

| CAPITAL AND LIABILITIES. | <u>1966</u> QD Riyal | <u>1965</u> QD Riyal |
|--|---------------------------|---------------------------|
| Authorised and Paid Capital (140000 ordinary Shares QD Riyal 100 each fully paid up) | 14.000.000 | 14.000.000 |
| Statutory reserve | 769.568 | 369.049 |
| Profit and loss Account | <u>2.333.170</u> | <u>1.476.196</u> |
| Total | 17.102.738 | 15.845.245 |
| Provisions and accrued charges | 4.578.027 | 933.147 |
| Dividend payable | 700.000 | — |
| Deposits | 122.075.724 | 64.656.348 |
| Other Liabilities | 1.132.768 | 938.560 |
| Guarantees and Credits (Per contra) | 30.853.321 | 22.639.817 |
| TOTAL CAPITAL AND LIABILITIES | <u><u>176.442.578</u></u> | <u><u>105.013.117</u></u> |

Khalifeh Ben Hamad Al-Thani

Chairman, Board of Directors.

REPORT.

S. A. Q. as at 31st December, 1966, and the related Statement of Profit accordance with generally accepted auditing standards, and accord-auditing procedures as we considered necessary in the circumstances.

were necessary for the purpose of the audit. The Balance Sheet and give the information required by the Companies Law and Articles of by the Bank and the Statements exhibited in the report of the Board and to the best of our knowledge and belief and from the information Companies Law and Articles of Association during the fiscal year, which opinion the Balance Sheet and the Statement of Profit & Loss present December, 1966, and the result of its operations for the year then accounting principles applied on a consistent basis.

SABA & Co.
AUDITORS.

QATAR NATIONAL STATEMENT OF PROFIT AND LOSS FOR

| | <u>1966</u> QD Riyal | <u>1965</u> QD Riyal |
|---|-------------------------|-------------------------|
| Salaries, interest paid, printed matter and stationery, travelling expenses, depreciation, provisions and other expenses. | 7.651.799 | 3.178.614 |
| Nett profit carried down | 2.002.597 | 1.845.245 |
| | <u>9.654.396</u> | <u>5.023.859</u> |
| Statutory reserve | 400.519 | 369.049 |
| Dividend payable | 700,000 | — — |
| Board remuneration | 45.104 | — — |
| Balance of Profits as per Balance Sheet | 2.333.170 | 1.476.196 |
| | <u>3.478.793</u> | <u>1.845.245</u> |

Abdulla Abdul Ghani
Director.

BANK (S.A.Q.)

THE YEAR ENDED DECEMBER 31st 1966.

| | <u>1966</u> QD Riyal | <u>1965</u> QD Riyal |
|--|-------------------------|-------------------------|
| Income for the year | 9.654.396 | 5.023.859 |
| | <u>9.654.396</u> | <u>5.023.859</u> |
| Profits carried forward from last year | 1.476.196 | — — |
| Nett Profit as above | 2.002.597 | 1.845.245 |
| | <u>3.478.793</u> | <u>1.845.245</u> |

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