

Statement of Financial Position

Year ended 31 December 2009

| | Notes | 2009 QAR '000 | 2008 QAR '000 |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| Cash and balances with Qatar Central Bank | 4 | 1,571,234 | 685,523 |
| Due from banks and other financial institutions | 5 | 6,704,589 | 6,696,818 |
| Loans, advances and financing activities to customers | 6 | 12,977,408 | 13,177,044 |
| Financial investments | 7 | 1,368,993 | 1,573,823 |
| Property, furniture and equipment | 8 | 155,778 | 137,949 |
| Other assets | 9 | 157,445 | 140,069 |
| Total Assets | | 22,935,447 | 22,411,226 |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Due to banks and other financial institutions | 10 | 6,874,087 | 8,134,132 |
| Customer deposits | 11 | 12,466,782 | 11,388,407 |
| Other liabilities | 12 | 222,428 | 219,208 |
| Total Liabilities Excluding Unrestricted Investment Accounts | | 19,563,297 | 19,741,747 |
| Unrestricted investment accounts | 13 | 600,011 | 76,184 |
| Total liabilities including unrestricted investment accounts | | 20,163,308 | 19,817,931 |
| Equity | | | |
| Share capital | 14 | 1,000,000 | 1,000,000 |
| Legal reserve | 14 | 1,125,884 | 1,125,884 |
| Risk reserve | 14 | 190,498 | 176,555 |
| Cumulative changes in fair value | 14 | (4,789) | (111,389) |
| Proposed dividends | 14 | 320,000 | 270,000 |
| Retained earnings | | 140,546 | 132,245 |
| Total equity | | 2,772,139 | 2,593,295 |
| Total liabilities and equity | | 22,935,447 | 22,411,226 |

The financial statements for the year ended 31 December 2009 were authorized for issue in accordance with a resolution of the Board of Directors on 19 January 2010.



H.E. Sheikh Hamad Bin Jassim Bin Jabor Al Thani
Chairman



George Nasra
Managing Director

The accompanying notes 1 to 28 form an integral part of these financial statements.

Statement of Income

Year ended 31 December 2009

| | Notes | 2009 QAR '000 | 2008 QAR '000 |
|--|-------|------------------|------------------|
| Interest income | 15 | 1,018,724 | 761,865 |
| Interest expense | 16 | (534,699) | (387,122) |
| Net interest income | | 484,025 | 374,743 |
| Income from Islamic financing and investment activities | 17 | 45,093 | 1,465 |
| Less: Unrestricted investment accounts holders' share of profit | | (6,678) | (1,038) |
| Net income from Islamic financing and investment activities | | 38,415 | 427 |
| Fee and commission income | | 134,285 | 105,810 |
| Fee and commission expense | | (27,793) | (17,286) |
| Net fee and commission income | 18 | 106,492 | 88,524 |
| Dividend Income | | 21,834 | 3,655 |
| Net gain from foreign exchange | 19 | 38,760 | 71,800 |
| Net (loss) / gain on sale of investments | | (24,518) | 38,487 |
| NET OPERATING INCOME | | 665,008 | 577,636 |
| General and administrative expenses | 20 | (236,616) | (174,534) |
| Depreciation | 8 | (24,557) | (10,468) |
| Net allowance for impairment on loans, advances and financing to customers | | (36,365) | (15,938) |
| Impairment loss on financial investments | | (25,226) | (71,618) |
| PROFIT FOR THE YEAR | | 342,244 | 305,078 |
| Earnings per share | | | |
| Basic and diluted – (QAR) | 21 | 3.42 | 6.32 |

Statement of Comprehensive Income

Year ended 31 December 2009

| | Notes | 2009 QAR '000 | 2008 QAR '000 |
|--|--------|------------------|------------------|
| PROFIT FOR THE YEAR | | 342,244 | 305,078 |
| Other comprehensive income | | | |
| Net movement in fair value of available for sale investments | 14 (e) | 106,600 | (138,068) |
| Other comprehensive income (expense) for the year | | 106,600 | (138,068) |
| Total comprehensive income for the year | | 448,844 | 167,010 |

The accompanying notes 1 to 28 form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 December 2009

| | Notes | 2009 QAR '000 | 2008 QAR '000 |
|---|-----------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit for the year | | 342,244 | 305,078 |
| Adjustments for: | | | |
| Allowance for impairment on loans and advances and financing to customers | | 55,334 | 22,070 |
| Recoveries of allowance for impairment on loans and advances and financing to customers | | (18,969) | (6,132) |
| Depreciation | 8 | 24,557 | 10,468 |
| Amortisation of premium on financial investments | | 4,005 | 4,749 |
| (Gain)/loss on sale of property, furniture & equipment | | 515 | (34) |
| Provision for employees' end of service benefits | 12a | 3,540 | 4,784 |
| Net loss/(gain) on sale of financial investments | | 24,518 | (38,487) |
| Impairment loss on financial investments | | 25,226 | 71,618 |
| Cash flows from operations before changes in operating assets and liabilities | | 460,970 | 374,114 |
| Net decrease (increase) in operating assets | | | |
| Cash reserve with Qatar Central Bank | | (122,622) | (313,413) |
| Due from banks and other financial institutions | | 466,380 | (413,600) |
| Loans, advances and financing activities to customers (net) | | 163,271 | (6,676,221) |
| Other assets | | (17,376) | (63,426) |
| Net increase (decrease) in operating liabilities | | | |
| Due to banks and other financial institutions | | (1,260,045) | 6,362,876 |
| Customer deposits | | 1,078,375 | 4,436,298 |
| Other liabilities | | 1,836 | 95,351 |
| Unrestricted investment accounts | | 523,827 | 76,184 |
| Cash generated from operations | | 1,294,616 | 3,878,163 |
| Employees' end of service benefits paid | 12a | (2,156) | (484) |
| Net cash from operating activities | | 1,292,460 | 3,877,679 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of financial investments | | (584,181) | (1,006,987) |
| Proceeds from sale/redemption of financial investments | | 841,862 | 249,379 |
| Proceeds from disposal of property, furniture & equipment | | 224 | 297 |
| Purchase of property, furniture & equipment | 8 | (43,125) | (54,908) |
| Net cash from / (used) in investing activities | | 214,780 | (812,219) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of new shares | 14a & 14b | - | 678,570 |
| Dividends paid during the year | 14f | (270,000) | (180,000) |
| Net cash (used) / from financing activities | | (270,000) | 498,570 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at 1 January | | 6,396,520 | 2,832,490 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 26 | 7,633,760 | 6,396,520 |
| Operational cash flow from interest and dividend | | | |
| Interest paid | | 557,806 | 351,186 |
| Interest received | | 1,013,467 | 730,538 |
| Dividend received | | 21,834 | 4,018 |

The accompanying notes 1 to 28 form an integral part of these financial statements.

Statement of Changes In Equity

Year ended 31 December 2009

| | Notes | Share capital QAR '000 | Legal reserve QAR '000 | Risk reserve QAR '000 | Cumulative changes in fair value QAR '000 | Proposed dividends QAR '000 | Retained earnings QAR '000 | Total QAR '000 |
|--|-------|---------------------------|---------------------------|--------------------------|---|--------------------------------|-------------------------------|-------------------|
| Balance at 1 January 2009 | | 1,000,000 | 1,125,884 | 176,555 | (111,389) | 270,000 | 132,245 | 2,593,295 |
| Total comprehensive income for the year | | - | - | - | 106,600 | - | 342,244 | 448,844 |
| Transfer to risk reserve during the year | 14d | - | - | 13,943 | - | - | (13,943) | - |
| Dividends paid during the year | 14f | - | - | - | - | (270,000) | - | (270,000) |
| Proposed dividends | 14f | - | - | - | - | 320,000 | (320,000) | - |
| Balance at 31 December 2009 | | 1,000,000 | 1,125,884 | 190,498 | (4,789) | 320,000 | 140,546 | 2,772,139 |
| Balance at 1 January 2008 | | 321,430 | 1,125,884 | 94,337 | 26,679 | 180,000 | 179,385 | 1,927,715 |
| Total comprehensive income for the year | | - | - | - | (138,068) | - | 305,078 | 167,010 |
| Transfer to risk reserve during the year | 14d | - | - | 82,218 | - | - | (82,218) | - |
| Shares issued and fully paid | 14a | 678,570 | - | - | - | - | - | 678,570 |
| Dividends paid during the year | 14f | - | - | - | - | (180,000) | - | (180,000) |
| Proposed dividends | 14f | - | - | - | - | 270,000 | (270,000) | - |
| Balance at 31 December 2008 | | 1,000,000 | 1,125,884 | 176,555 | (111,389) | 270,000 | 132,245 | 2,593,295 |

The accompanying notes 1 to 28 form an integral part of these financial statements.