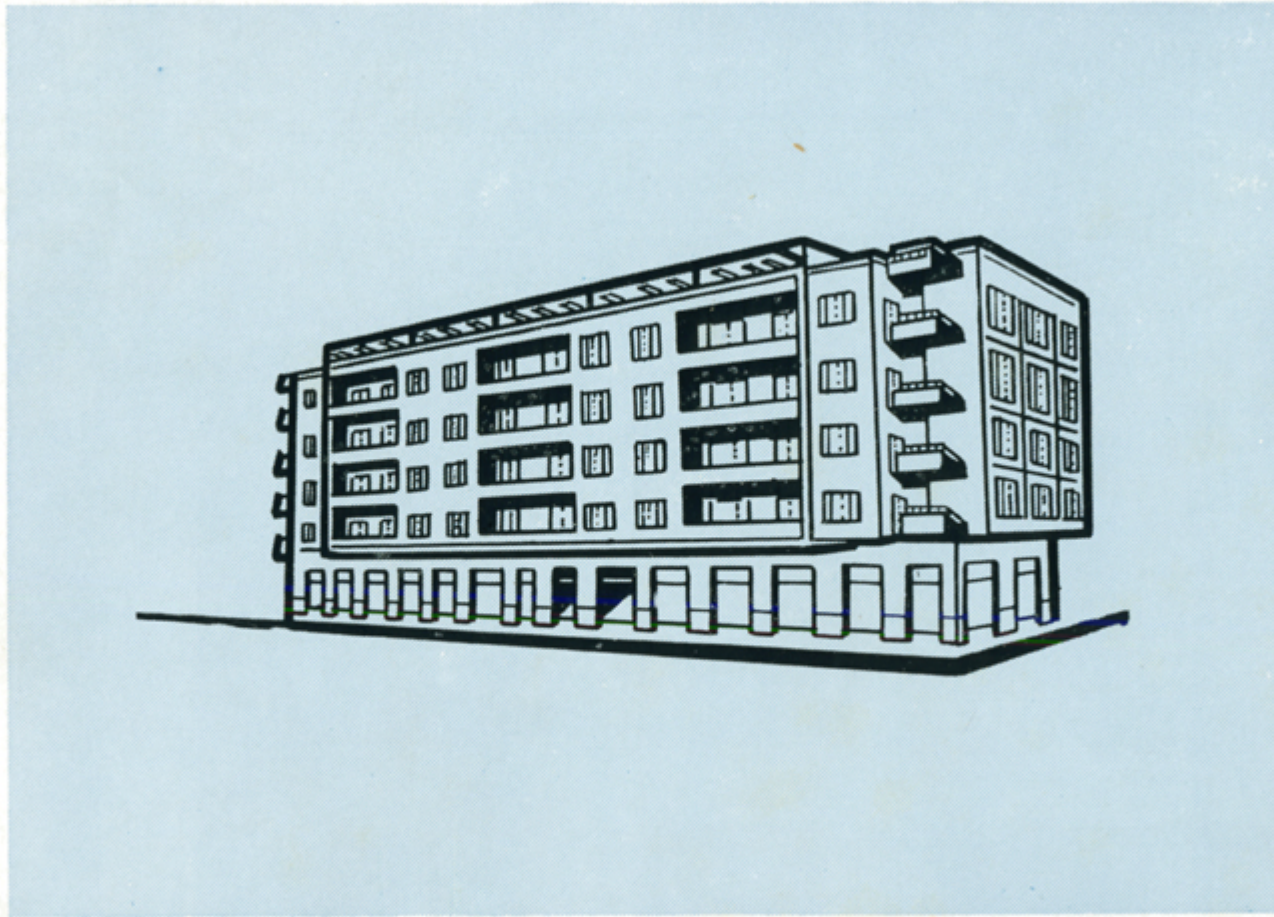

Annual Report
FOR THE YEAR 1380 (HIJERA)
(1960-1961)



A VIEW OF THE NEW BUILDING OF OUR ALKHOBAR BRANCH.



Founders :-

Sheikh Saleh & Abdullah Moussa Al Kaaki

Sheikh Abdul Aziz Mohamed Al Kaaki

Sheikh Salem Ahmed Bin Mahsooz



General Manager :-

Sheikh Salem Ahmed Bin Mahsooz



HEAD OFFICE :

JEDDAH, SAUDI ARABIA
C. R. No. 1558

P. O. Box 104

Teleg. In Saudi Arabia : MOWAFFAK
Abroad : BANKSAUDI

BRANCHES

IN SAUDI ARABIA -

BAB SHEREIF (Jeddah)

MECCA

MEDINA

RIYADH

TAIF

ALKHOBAR

DAMMAM

AL AHSSA

BADANA «AR-AR»

JIZAN

TABOOK

ABHA

TURAIIF

BURAIDAH

IN SISTER ARAB COUNTRIES :-

BEIRUT

«Republic of Lebanon»

HODEIDAH.

TAIZ.

SANAA.

«The Kingdom of Yemen»

UNDER ESTABLISHMENT

HAYIL, AL-KATEEF In Saudi Arabia
KHARTOUM, ADEN, MUKALLA, In Sister Arab Countries

CORRESPONDENTS IN ALL PARTS OF THE WORLD

AUDITORS

Messrs. ISSA EL-AYOUTI & Co.
Accountants & Auditors

REPORT
OF
THE GENERAL MANAGEMENT

FOR THE YEAR
ENDED 29TH ZULHIJJA 1380
CORRESPONDING 13TH JUNE 1961

ANNUAL REPORT FOR THE YEAR 1380 (1960 - 61)

ENDED THE 29th ZULHIJA 1380 (13th JUNE 1961)

The General Management of the National Commercial Bank, Saudi Arabia, has great pleasure in issuing this report reviewing the Bank's activities during the year ended 29th, Zul Hija 1380 together with the Balance Sheet.

It will be noticed from the particulars mentioned in the Balance Sheet that the Bank has recorded another year of continued progress in all departments of its activities. Before commenting on some of the important aspects of the Bank's operations, a brief reference may be made to the general economic background in which the Bank's steady progress has been maintained.

We had already commented in the previous report on the beneficial effects of the abolition of the Exchange Control and the fixation of the Riyal-Dollar parity rate, particularly the stability achieved in the monetary field and the stimulus given to the country's economic growth. Foreign currencies are now available at rates round about the official parity and there have been appreciable additions to foreign currency reserves held in the country.

The Government Budget for the year 1380/1381 has disclosed that Revenue Receipts are up by S. Riyals 150.000.000, an increase of 10 o/o on the previous year's receipts. This increase is mainly accounted for by the enhanced royalty on oil. A sum of S. Riyals 291.000.000 has been allocated for development projects in the public sector such as construction of new roads and ports which will give a fillip to the marketing of the local produce and ensure the distribution of goods over a wider area. The Government have also provided a sum of S. Riyals 10.000.000 representing their share of the construction cost of the Hedjaz Railway between Medina and Syria. Work on this project will now be resumed and, when completed, will stimulate trade between this country and the sister Arab countries to the North.

Another notable event of the year has been the issue of paper currency of larger denominations. The steadily increasing demand for these notes and their wide circulation are a measure of their popularity. The Royal Decree legalising this paper currency provides for the maintenance of cent per cent cover for the total issue in gold and convertible foreign currencies. The reserves of gold, silver and foreign currencies held by Saudi Arab'an Monetary Agency aggregate S. Riyals 255.000.000.

Industrialisation is proceeding at a steady pace. Among the country's major industries may be mentioned the production of cement, manufacture of gypsum, exploitation of natural gas, mining and generation of electric power.

His Majesty's Government have constituted an Economic Planning Council which is expected to give expert advice and technical guidance to enterprisers. The council will undertake surveys of the country's natural resources and draw up plans for their exploitation and adopt the necessary measures to expand and intensify agricultural production. Experts are being invited from various countries to assist the Council in their onerous tasks.

BALANCE SHEET

The total business turnover disclosed by the Balance Sheet has registered a satisfactory improvement over that of the previous year. This improvement is a clear indication of the Bank's increasing contribution to the country's economic growth and of the appreciation of the Bank's services by the public.

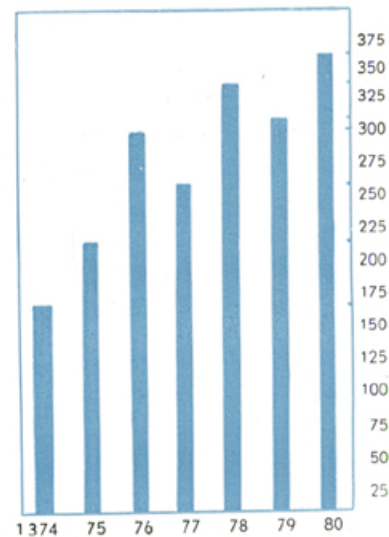
CASH

Cash in hand and with banks in the country and abroad amounted to S. Riyals. 125.501.219 representing 34 o/o of the Bank's total deposits. This high percentage has necessarily to be maintained for the purpose of liquidity.

DEPOSITS

The satisfactory increase of S. Riyals 52,854,820 in deposits over those of the previous year is an unmistakable pointer to the confidence of the public in the Bank's financial strength and stability. It is also an encouraging sign that our countrymen are gradually becoming bank-minded. The need for inculcating banking habits among the people cannot be over emphasised in the context of the planned industrial development. Private savings, if encouraged, will be available for investment in industry and ensure material prosperity to a larger number.

DEPOSITS
In Million of S. Riyals
1374-1380 Hijra Year

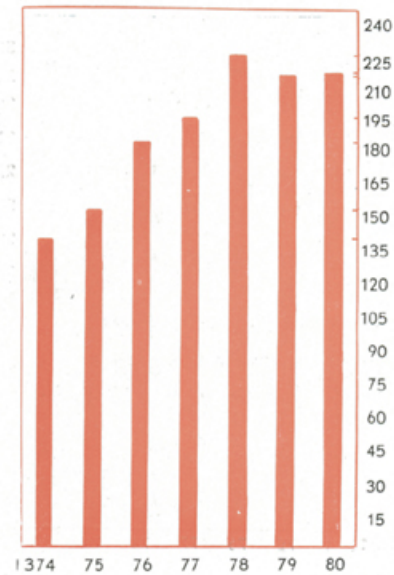


LOANS

There is no marked change under this head but the prospects of the Bank extending facilities in an increasing measure in the coming years are bright and the Management is fully alive to the need for augmenting the Bank's resources to meet the demand for greater financial assistance that will emerge from the private sector.

LOANS AND CURRENT ACCOUNTS

In Million of S. Riyals
1374-1380 Hijra Year



FOREIGN TRADE

The vital role that the Bank continues to play in financing imports is reflected in the volume of documentary credits established and bills collected during the year under review aggregating S. Riyals 259.025.000, (S. R. 212.225,000 Doc. Credits and S. R. 46.800.000 Bills Collected).

BRANCHES

Three more branches were opened during the year at Taiz and Sanaa in Yemen and at Beirut. The Management hopes to be able to carry out the expansion programme every year according to schedule,

STAFF

The Bank has deputed at its expense eight young men on its staff to various universities in the United Kingdom for higher studies in economics and for further training in banking. The Management is happy that this training programme has had the blessings of the Ministry of Education. The Management has also set up a training centre at Jeddah for imparting knowledge of practical and theoretical banking to young men and those successfully trained are absorbed in the Bank's establishment.

ANNUAL MEETING

The Bank's annual meeting was held on 14-15-16 Zul Hija 1380 under the presidentship of the General Manager, Mr. Salim Bin Mahfooz. The Bank's activities during the past year were reviewed and suggestions put forward by various members for increasing all classes of the Bank's business were discussed and adopted where practicable. Special attention was paid to further improving the quality of the Bank's services to its clientele.

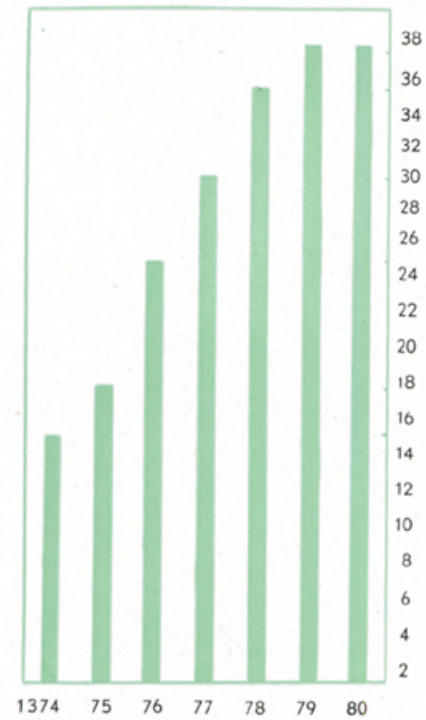
In conclusion the Management declares its loyalty and allegiance to His Majesty the King whose solicitude for the welfare of his subjects has earned the gratitude of one and all. This solicitude is apparent from the various measures adopted by His Majesty's Government from time to time for the amelioration of the people's lot in life.

The Management also gratefully acknowledges the great support and encouragement the Bank has received at the hands of HRH the Crown Prince and other

members of the Royal Family. Our thanks are no less due to Government Officers, Governments in sister Arab countries where the Bank is operating, our foreign correspondents and last but by no means the least our constituents who are in fact our patrons for their unstinted support and wholehearted cooperation without which the results achieved during the past year would not have been as happy.

In the end we pour our souls in gratitude to Almighty for His illimitable kindness and great favours and beseech Him in all humility to guide us along the right path as hitherto and to continue His favours.

RESERVES
In Million of S. Riyals
1374-1380 Hijra Year





BALANCE SHEET as on 29th ZULHIJA, 1380, CORRESPONDING to 13th June, 1961.

1379 S. Riyal	LIABILITIES	1380 S. Riyal.	1379 S. Riyal	ASSETS	1380 S. Riyal.
30,225,133	CAPITAL	30,225,133	86,526,812	Cash in Hand & at Banks	125,401,291
32,671,000	General Reserve	32,671,000	9,970,116	Bills Discounted	8,108,003
5,000,000	Special Reserve	5,000,000	17,237,511	Investments (at cost)	18,773,211
276,294,639	Deposits, Current & Other A/cs.	348,750,279	214,652,579	Loans & Advances	218,775,682
35,314,672	Banks & Correspondents A/Cs.	15,713,972	5,247,088	Sundry Debit Balances	6,660,349
1,291,592	Acceptances	2,767,458	45,292,414	Bank Premises, Lands and Buildings (less dep.)	55,475,261
100,587,324	Documentary Credits and Guarantees (per contra)	144,065,578	1,870,536	Furniture and Cars (less Depreciation)	1,934,045
31,044,441	Endorsers of Bills for Collection and in Guarantee (per contra).	35,053,014	100,587,324	Customers' liabilities for Documentary Credits and Guarantees (per contra)	144,065,578
			31,044,441	Bills for Collection & in Guarantee (per contra)	35,053,014
512,428,821		614,246,434	512,428,821		614,246,434

SALEM AHMED BIN MAHFOOZ
General Manager

MOHAMED AHMED BAGABAS
Deputy General Manager

AUDITORS' REPORT

We have examined the above Balance Sheet with the books and documents of the Head Office and with the final accounts of the branches, and certify it to be in accordance therewith.

In our opinion, the Balance Sheet, set above, is properly drawn up so as to exhibit a true and fair view of the state of the Bank's affairs as at 29th Zul Hija 1380 (13th June 1961) according to the best information and explanation given to us, and as shown by the books of the Bank.

JEDDAH, 2nd Jumadul Alawal 1381
12th October, 1961.

ISSA EL-AYOUTY & Co.
Accountants & Auditors