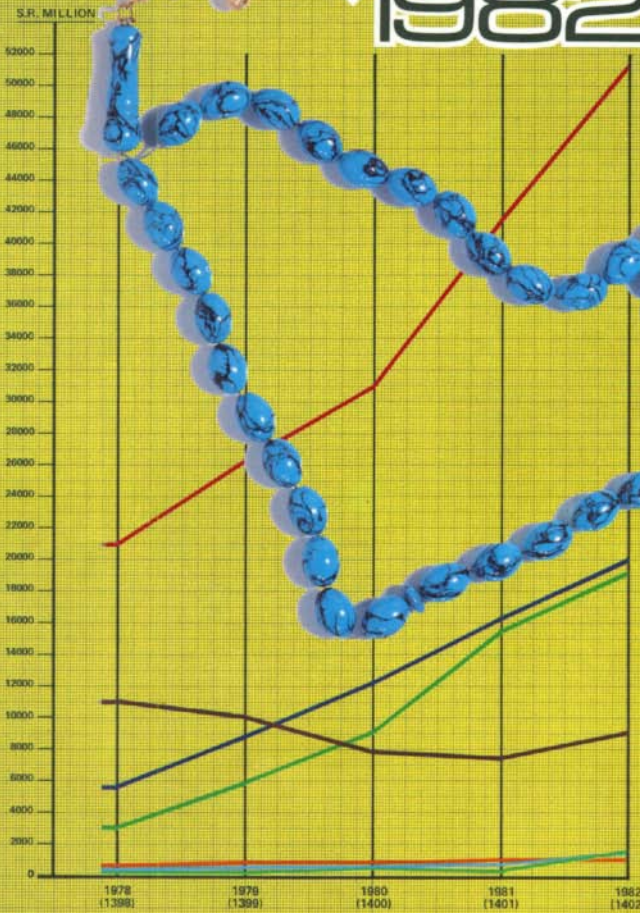




Annual Report year ending October 1982  
in English

# Annual report 1982



البنك الأهلي التجاري  
THE NATIONAL COMMERCIAL BANK



H. M. KING FAHD BIN ABDUL AZIZ



H. R. H. CROWN PRINCE ABDULLAH BIN ABDUL AZIZ

## GENERAL MANAGER'S MESSAGE

بسم الله الرحمن الرحيم

On behalf of the partners, it is my privilege to present the Annual Report of the National Commercial Bank for the financial year 1402H - 1982. The report is a comprehensive account of the bank's overall performance and progress made during the past year.

Last year witnessed a worldwide economic recession, the adverse effects of which shook many of the World's economies. With the grace of God, the wise policies of our leaders steered the Saudi economy through the troubled times safely and in good health.

The continued prosperity in the Kingdom's economy resulted in the expansion of National Commercial Bank's network of branches and representative offices now numbering 150. Naturally, this increase made available to the public and business community, a greater access to the bank's wide range of facilities.

The rapid growth of the National Commercial Bank is attributed to a number of factors without which we would not be where we are today.

First and foremost, the inspiring leadership of H.M. King Fahd Bin Abdulaziz and H.R.H. Crown Prince Abdullah Bin Abdulaziz whose continued support and guidance to the financial institutions have inspired our efforts. We are greatly indebted to them for their encouragement.

We acknowledge the cooperation of our correspondents and customers with sincere appreciation and wish to thank them for their confidence in us.

And last but not least, I wish to thank all the employees of National Commercial Bank for their efforts in making this institution a reputable one.

We look forward to the New Year as one with greater challenges. As we hold high the banner of the Kingdom, we look to the future with the firm determination of the past years.

May God guide us, always.



**SALIM AHMED BIN MAHFOOZ**  
Jeddah, January 1, 1983.

## THE NATIONAL COMMERCIAL BANK

### THE FOUNDERS:

Saleh And Abdullah Mousa Kaaki  
Abdul Aziz Mohammed Kaaki  
Salim Ahmed Bin Mahfouz

### THE MANAGEMENT

**Mohammed Bin Salim Bin Mahfouz**  
Deputy General Manager and  
Chairman of Executive Committee



**Khalid Bin Salim Bin Mahfouz**  
Deputy General Manager  
International Relations and Investments



**Abdullah Ahmed Bagabas**  
Deputy General Manager  
Inspection and Collection



**Abdul Elah Bin Salim Bin Mahfouz**  
Deputy General Manager  
Regional Management, Riyadh



**Mahfouz Bin Salim Bin Mahfouz**  
Deputy General Manager  
Regional Management, Jeddah





## THE YEAR IN PERSPECTIVE 1982



### INTRODUCTION

In contrast to the Saudi economy, the world economic order in 1402H was in disarray. Globally, the year endured a disturbing mixture of unprecedented recession; competitive deflation and devaluations; restrictions to trade; balance-of-payments and trade disequilibria; ever-rising unemployment; continuing inflation; bankruptcies, insolvencies, and illiquidity; and dangerously rising levels of sovereign and corporate debts. The Saudi economy experienced none of these maladies, nor did it contribute to any of them.

In fact, the Saudi economy was almost insulated from these destabilising elements, while at the same time it continued to grow vigorously with a minimal inflation rate and a moderate rise in the money supply. These developments, of course, indicated that balanced economic growth policies and prudent financing could sustain a rational economic order in an economy that is young though quickly maturing. Consequently, the economy's real growth rate remained high; personal real income advanced and business prospered; with banks demonstrating healthy increases in profit and asset formation.

### THE FISCAL BUDGET

At its unveiling last April, the Kingdom's Fiscal Year 1402/03H budget might have marked the advent of fiscal restraint in Saudi Arabia. The budget was indeed cautious and moderate. Total spending was balanced with expected revenues of SR 313.4 billion, representing an actual rise of 5% over the earlier year and the smallest planned increase in government expenditure since FY 1397/98H.

The budget did not disturb the overall balance of the economy; rather, it reaffirmed a period of consolidation that would allow the planners to take a fresh look at what has been achieved since the mid period of the Kingdom's first development plan. Such consolidation and review would indeed be in conformity with the underlying principles of the Kingdom's current five year development plan which stresses quality and composition, rather than mere pace, of economic growth.

This determination to temper public spending growth is healthy, and will certainly not throw the economy in reverse. In fact, even during FY 1397/98H and FY 1398/99H when expenditure cuts were instituted there was minimal effect on the economy's expansion.



sion rate of the non-oil gross domestic product (GDP) and the private sector. On the contrary, the Government has hinted more than once that the cost of the current five year plan may have to be revalued upward from its initial estimate of 230 billion dollars; that expenditure during the current fiscal year will not be cut; and that in the unlikely event that annual oil revenues are not enough, the Kingdom's reassuringly large foreign reserves could be tapped. Consequently, business confidence has remained high at a period of return to normal economics which will bring more moderate growth in public spending and GDP.

A careful evaluation of the Kingdom's FY 1402/1403H budget reveals that the share of spending for construction and manufacturing will in fact rise from 60% last year, as a percentage of total spending, to 65% this year. Consequently, the effect of any suspected restriction on expenditure should be much less than the aggregates suggest. Defence expenditure was highest with a 30% share of the total budget. Health and Social Services and Human Resources were allocated 24% and 21% shares of the total, respectively. The Health Ministry will be a big spender with SR 8.8 billion or 29% over last year; so will the Ministry of Education with an SR 13.2 billion allocation or 35% over last fiscal year's. Infrastructure, in contrast will be cut by 17%, reflecting completion of some major projects and the beginning of a shift to the manufacturing sector.

#### MONEY, BANKING AND TRADE

The Year 1402H has been an eventful year for this sector of the economy. Early in the year new regulations were published imposing strict controls on the activities of moneychangers whose assets have been variably estimated upward of one quarter of the total of the Kingdom's commercial banks. The regulations stipulated that moneychangers had one year to stop taking deposits, restrict their business to currency exchange, keep a proportion of their assets as reserves with SAMA, and subject their balance sheets to checks by the Agency. This new control on the moneychangers was welcomed by the Kingdom's commercial banks and indicated the growing maturity of the banking system.

The formal banking system during the year became increasingly able to deal with the demands of the Kingdom's dynamic economy. Further growth and the increasing

sophistication of the Saudi banks were reflected in a marked increase in their activities on the domestic and international fronts, as Saudi banks were able to loan-manage over 24% of Arab syndicated lending on the international market in the first three quarters of the year, up from last year's 12 percent. Within the Kingdom these same banks accounted for over 62% of the total 2.8 billion dollar publicized syndicated loans and guarantees market for the same period. Nevertheless, given the increasing complexity of the Saudi economy, Saudi banks continued to face a number of challenges which will require constant refinement and additions to the repertoire of services that can be offered to a wide range of clients.

During the year also, the currency's parity was changed twice from SR 3.42 per U.S. dollar to SR 3.44 per dollar in view of the sharp rise in value of the dollar against most other currencies. The Riyal was 3.32 per dollar in 1980. On the other hand SAMA has managed to reduce the exchange-rate speculation to a tolerable level by retaining an element of unpredictability regarding the Riyal value in relation to the U.S. Dollar, and the SDR, to which it is theoretically pegged.

Since banking in the Kingdom began as a corollary to trade, it is worth pointing out that banks continued increasingly to finance this trade, especially internationally. During the first half of 1402H the Kingdom imported SR 71.5 billion worth of goods, or an increase of about SR 16 billion over the same period last year. But the mix of trade appears to have shifted, reflecting in part the extent of economic development in the Kingdom. For example, both cement and flour importation dropped by 18% and 51% respectively, while chicken, meat, milk, fruit and vegetables, canned food, medicine, and vegetable oil imports all rose. The importation of motor vehicles registered the highest rise for the period, increasing by 91,000 units or by SR 2.8 billion in value.

Of course, such a high level of imports, coupled with escalating foreign aid now running at an annual average of 5 billion dollars, either through bilateral agreements or via various development institutions, will inevitably reduce the Kingdom's balance of payments current account surplus from last year's SR 126 billion level, especially because of the sharp fall in oil exports. On the

other hand, the expansion of the Kingdom's monetary aggregates (M3) did grow moderately, and will perhaps show a lower growth than last year's level of 20%.

Another important development during the year was a government edict reducing from 20% to 10% the advance payments made to contractors awarded government projects. This was consistent with its finding that most countries do not make such large advance payments. The action itself could conceivably make these contractors resort more frequently to local banks for larger interim financing.

The Kingdom's specialised development funds/banks which extend interest-free loans continued to operate actively. Up to mid year 1402H and for the period they have been operating, they managed to lend over SR 100 billion. Of this total about SR 50 billion was extended by the Real Estate Development Fund. About SR 41 billion of the remainder was loaned by the Saudi Industrial Development Fund of which SR 10 billion was used for the construction of seventy-three industrial projects. The balance was allocated for the eleven newly merged major electrical power companies which originally numbered eighty-six. Additionally, and for the same period the Public Investment Fund, which specialises in concessionary financing of huge industrial and public projects, (for which private funds may not be available), had extended about SR 40 billion and committed an additional SR 30 billion in loans.

#### OIL AND PETROCHEMICALS

In October 1981, the Kingdom cut its crude oil production ceiling from 9.3 million Barrels Per Day to 8.5 million BPD, and in March 1982 again lowered it to 7.5 million BPD while the current official level stands at about 6.5 million BPD. The official price throughout has remained \$4 dollars per barrel. The current weak demand may last for several more months and this lower level of production has had an inevitable effect on the Kingdom's revenues. The latter's impact on development expenditures has not become evident, and should in part be offset by existing world deflationary forces as well as by the considerable rise in the value of the dollar.

Most of the designated petrochemical and petrochemical-related industries contracted out for construction in earlier years, at

both Jubail and Yanbu, are at an advanced stage of construction, and several will go on stream in early to mid 1403H. The East-West crude oil pipeline has become operational; so has the parallel gas (NGL) pipeline to Yanbu. The Kingdom's Master Gas System, the linchpin of Jubail's industrial development, is now complete and by 1985 it is hoped that 95% of all Saudi gas will be gathered for treatment.

A significant development during the year in this sector was the discovery of a 15,000 foot deep sweet gas well in Haradh in the Ghawar field. It is the largest of its kind in the world with an estimated output of 50 million cubic feet per day which will ensure the supply of gas naturally without the need to separate it from oil. It will thus free the Kingdom from any pressure to produce oil in order to obtain natural gas.

#### AGRICULTURE AND FOOD

During the year there has been an increasing emphasis to develop this vital sector of the economy. Consequently, the success story of the five year development plan could come from this quarter and because the Government has become increasingly and acutely aware of the Kingdom's vulnerability to importing 90% of its food. Hence government subsidies, the latest of which is reduced electric tariff to farms, are beginning to revolutionise attitudes. Moreover, large commercial farms have begun to enjoy a boom. Agriculture is becoming such an attractive investment that self-sufficiency in certain categories of food such as grains, dates, vegetables and dairy products appears to be a distinct possibility in a relatively short time. In fact, the growth rate of the agricultural sector in 1402H may have exceeded 10%.

Wheat output during the year increased to over 300,000 from just over 3000 tons five years ago. Grain silos in Riyadh were being expanded by 80,000 tons and in Qassim by 75,000 tons at a cost of SR 223 million. Several livestock and poultry projects and dairy farms were licensed and/or expanded at a cost exceeding SR 140 million, and budgeted and dispersed loans to farmers by the Agricultural Bank exceeded SR 550 million.

At this time two objectives seem to have evolved: (1) to increase food production both horizontally through extensive farming as well as vertically through intensive high-yield techniques and methods of cultivation, and (2) to make domestic farm produce more

competitive by improving infrastructure, marketing systems, and other support activities.

The Government also concentrated more than ever before on the problems of water management and control, and took the necessary steps to achieve its objectives in this endeavour. To that end over SR 200 million were contracted out to implement irrigation and drainage schemes around the country, and an additional SR 500 million worth of contracts were signed to construct several dams of varying capacities for flood control and water storage.

#### HOUSING AND MUNICIPAL AFFAIRS

Although housing and municipal affairs were major targets for development in the last two development plans, they have begun to be even more visible during the current third five year plan. There is further evidence that activities in this sphere have begun to shift in the last year to smaller towns and rural areas, now that most of the infrastructure and development of the big cities have taken place.

During the year several major housing projects were launched as evidenced by, (1) the public housing contracts to build a total of 7,832 villas, with all the necessary infrastructure in Riyadh, Buraide, Madinah and Makkah at a total cost of over SR 6 billion, (2) the Ministry of Interior housing contracts to construct numerous housing units with infrastructure for the Internal Security Forces and the Frontier Corps in Jeddah, Najran, Shourah, Tabuk, Arar, Dhahran, Riyadh, Mjine, Jacidat and Issawiyya at an estimated cost of SR 4.4 billion.

As for municipal affairs, the FY 1402/03H budget allocated to the following major municipalities their respective increased budgets from last year: Makkah (SR 1.6 billion), Jeddah (SR 2.2 billion), Dammam (SR 825 million), Abha (SR 700 million) and Riyadh (SR 2.9 billion). In addition a SR 793 million contract was signed for the cleaning of Riyadh, and an identical one for over one billion for the cleaning of Jeddah over the next five years. In Riyadh also, two contracts worth over SR 300 million were signed for the construction of an international school complex and a kindergarten at the new Diplomatic Quarter and a third for SR 430 million was signed to construct the first phase of the Hikum palace area in Riyadh.

In the various municipalities of the King-

dom, such as in the cities of Riyadh, Dammam, Abqaila, Taif, Makkah and Madinah, several contracts were awarded in 1402H to construct and/or expand sewage treatment plants, sewage connections, and storm water drainage facilities at a cost exceeding SR 850 million. No doubt these schemes will enhance the efforts of the health authorities and contribute to pleasant living in population centres.

#### EDUCATION AND YOUTH AFFAIRS

The Government realised a long time ago that investing in youth through education is its best opportunity to guide the country's destiny. It has taken extraordinary measures to ensure that the industries currently being built will eventually, and sooner rather than later, be managed by its youth and trained individuals. The 1402/03H fiscal year budget allocated over 21% in additional funds over last year for human resource development of which the education sector alone experienced an increase in excess of 34%. This together with the number and value of contracts for the purpose let out during 1402H bear testimony to that realisation.

During the year the Ministry of Education was in the process of implementing some 780 education schemes in the Kingdom at an estimated cost of SR 3.5 billion. Of the above, over 245 projects were awarded within a period of two months. In the field of higher learning the Kingdom has commenced the building of Phase II of the Imam Mohamed Ibn Saud Islamic University at a cost of SR 1.6 billion, and has made strides towards the completion of the King Saud University in Riyadh, not to mention the expansion underway at the University of Petroleum and the mobilisation to build the new King Abdul Aziz University in Jeddah. It should be noted also that many of the educational institutions are being implemented away from the known major population centres such as, Hail, Abha, Rass, Alajj, Zulfi, Bisha, Leith, Hareeq, Qassim, Jizan, Qunfuda, Unaiza, etc. Significantly, the educational institutions in 1402H totalled 11,360 or an increase of 310 over the previous year, whereas enrolment in those institutions exceeded 1.5 million, or over 100,000 more than the year before. There were also 86,000 teaching staff.

Financial assistance to students was also increased. Total aid amounted to SR 215

million by way of rewards and stipends. There were some 74,000 beneficiaries who received education away from home. The youth were also rewarded through an official Kingdom-wide programme to build for them sport centres. During the year contracts worth over SR 650 million were signed to commence building such centres and clubs in Tabuk, Jeddah, Riyadh and Zulfi. These provisions were carried out by the Presidency of Youth Welfare whose current fiscal year budget stands at SR 2.9 billion - an increase of over 7% from last year.

#### HEALTH CARE

The budget of the Health Ministry was increased from last year to SR 8.8 billion or by 23% and the Government has never ceased to reassert the importance of the quantity and quality of health services to the citizenry. It has even broken new ground as this and the related field of occupational hazards insurance which, as of April 1982, covered over 250,000 employees in 250 firms in Jeddah, Riyadh, Dammam and the nearby areas.

More specifically, the long-awaited 1400-bed Riyadh medical complex comprising four specialised hospitals which could cost upwards of SR 1.5 billion, was put out to tender. The first phase 50-bed section of a 350-bed eye hospital was opened, and a contract for the seven sur-stroke centres at the hospitals in Makkah, Madinah, Mina and Arafat was awarded at a cost of SR 95 million. In addition, a SR 1.35 billion contract for the construction, equipment and maintenance of three hospitals in each of Abha, Buxaida and Makkah was awarded. In its additional effort to encourage the development of the medical profession in the Kingdom, the Government decreed that an annual housing allowance of SR 120,000 would be paid to Saudi doctors working in government hospitals and clinics, retrospective to 1400H.

#### TRANSPORTATION AND COMMUNICATION

This field of services no doubt ranks among the prime contributors to the process of industrialisation and growth in any country. It assumes even greater significance in the Kingdom due to the country's remote geographical extremities, as well as its urgent needs to mould together all factors of production. The year appeared to have witnessed greater strides in the effort to build and/or ex-

pand road networks, port facilities, airports and telecommunication facilities. Some of the major contracts signed for the purpose included: (i) SR 5.2 billion for the construction of primary and secondary roads and the asphalt and maintenance of others; (ii) the supply of about 600 rail road freight cars, 40 passenger wagons, and the building of three passenger stations in Dammam, Hasa and Riyadh; (iii) SR 180 million for the construction of four berths with supporting marine facilities at Yanbu, as well as an additional SR 310 million for refrigerated warehouses and two livestock docks at Jeddah's Islamic Port; (iv) SR 500 million for the supply and installation of 18,000 motor vehicle telephones to be completed before 1984.

#### WATER AND ELECTRICITY

This sector of the economy dedicated to the provision of electrical power and water to all areas of the Kingdom experienced expansive activities, and was (as in all recent years), a pivotal factor in the building of the country's infrastructural facilities.

Of major importance in 1402H was the inauguration of Phase IV Jeddah dual purpose desalination plant for the supply of 50 million gallons of water and 500,000 kwt of electricity per day; bringing total water output in the city to 88 million gallons per day. Also of significance was the final experimentation with the sixteen desalination units in Jubail for the production of 80 million gallons per day which will be pumped to Riyadh. This project is self-contained and has its SR 1.7 billion dedicated housing facilities of which 463 units were completed in Al-Khobar and an additional 2,500 units will be finished soon. An additional major undertaking was initiated also, which calls for the supply and installation of a pipeline that will carry water from the Shu'ayba desalination plant on the Red Sea to Makkah and Taif at a cost of 455 million dollars.

In the technical cooperation field a five-year SR 37 million Saudi-Japanese agreement was signed providing for the set-up of two desalination and training centres for consultation, experimentation and research in the field, which would train 300 Saudis annually.

Regarding electric power generation, transmission and distribution, the Ministry of Industry and Electricity together with the provincial power authorities initiated contracts worth about SR 3 billion for the construction

and/or expansion of power generation plants, and for transmission and distribution facilities in Riyadh, Hail, Bisha, Jizan, Najran, Rabigh, and Qassim. In addition, the Saudi Industrial Development Fund approved loans amounting to over SR 4.5 billion for the Saudi Consolidated Electric Companies in the different provinces to help them launch their massive and ambitious electric generation schemes.





## THE BANK'S ACTIVITIES



### INTRODUCTION

With the blessing of Allah Almighty and due to the valuable efforts of its employees at all levels, the NCB continued its expansion aiming predominantly at the improvement of the personnel standards while providing them with the most modern banking equipment.

The year under review has witnessed a tremendous expansion in the network of NCB's branches and representative offices which now total 150. The computerization of the Bank's operations was also intensified and enlarged.

The new, outstandingly designed, 27 storey headquarters building will enhance the NCB's potential and will further its plans for continued expansion of its functions and activities.

While describing in detail, in the following paragraphs, the various achievements and functions of the bank and its regional administration, we also wish to reaffirm the NCB's strong inclination towards taking part in the nation's various collective and social activities such as the weeks observed for cleaning, traffic and tree plantation etc., for NCB is a part of this glorious nation and is committed to its progress and growth.

### PERSONNEL

The organisational structure of the personnel is made up of a central management with its head office in Jeddah, headed by the Vice President for Personnel. There are three divisions in each of the three regional offices (Western, Central and Eastern) and each division is headed by a personnel manager.

The rate of recruitment during the past year 1402H has witnessed significant growth as is highlighted by the opening of 17 branches of the bank Kingdomwide during this period; besides 35 opened in the previous year.

In order to meet the increasing growth and expansion, the labour force planning and training directorate in conjunction with the Bank's training centre, has provided the required staff. Thus the number of Bank employees rose from 4,092 in 1401H to 5,687 in 1402H with a 39% increase over the year 1401H.



*Students of Jeddah Commercial Secondary School visiting NCB*

To complement the various aspects of the services provided by the Bank to its personnel, automated systems were installed to modernise the Bank's operations with total programming of data relevant to personnel and outstanding loans to employees.

Pursuant to the Bank's policy aimed at attracting qualified employees, particularly among Saudis, to serve in the various branches of the Bank throughout the Kingdom, a new management development division was created last year within the central personnel department at NCB's Head Office. Its functions is to plan and formulate methods for recruiting and training the managing staff in accordance with the Bank's requirements. Outstanding trainees are provided with the necessary education and on-the-job experience both within and outside the Kingdom to prepare them for management level positions.

Personnel development programmes employ a number of incentive measures designed to improve employees' output and en-

courage them to join the training programmes of overseas banks to equip themselves with the latest know-how in the banking field.

A further improvement in employee benefits was made in the sphere of social insurance. The savings plan enables employees to save 5% of their salary with the Bank. After a minimum of three years' service, an employee is eligible for an additional 10% contribution from the Bank which goes on increasing throughout the service of the employee yielding up to 200%.

In appreciation for those employees who have been with the Bank since before the year 1386H, the Bank offered them an extra ten years to be retroactively computed to their funds.

During the year 1402H the Bank was designated along with other establishments in the Kingdom to implement the professional risk scheme. The monthly 8% contribution of the Bank into the employee insurance fund was increased by an extra 2% to cover professional risk which brings the Bank's contri-

bution to the employee insurance fund up to 10% starting from the month of Rajab 1402H.

In the area of medical treatment facilities, a clinic was established at the end of the year 1401H.

Free treatment is extended for all staff and their families, including hospitalisation in first-class hospitals and even treatment abroad upon special recommendation from an authorised physician.

The Bank's general policy is thus directed towards achieving a two fold objective; to establish first class banking services through constant improvement of the living conditions and the working standards of the staff.



## THE TRAINING CENTRE

Training is an essential requirement to keep up with progress and especially in view of the recent expansion being effected by the National Commercial Bank reflected in the wide range of services it extends to its clients throughout the Kingdom.

The year 1402H witnessed a concentrated effort further to develop the NCB training centre located at Kilo-10 on Makkah Road, Jeddah.

This remarkable progress is the result of continuous support and efforts toward improving and expanding the training centre's facilities aimed at supplying the Bank with qualified Saudi nationals well versed in the various aspects of banking operations and procedures, and also at upgrading the skills of personnel at all levels within the various departments of the Bank.

Constant in-service training of an employee throughout the period of his employment in the Bank not only improves his on-the-job performance but also prepares him for a more responsible position in addition to keeping him abreast of new trends in the banking field inside the country and abroad.

The Bank's management organised 17 special seminars, last year, aimed at encouraging Saudi youths to join the Bank's staff. From the various departments and branches of the Bank, 253 employees also attended these seminars as shown below.

- a - Eight introductory seminars were offered for 140 Saudi trainees on the importance of intensive information and various other aspects of the Bank's activities.
- b - One on-the-job course designed for tellers included 20 trainees from all branches.
- c - One one-the-job course covering letters of credit and letters of guarantee and collection included 15 trainees.

The Year 1401H witnessed a significant progress with respect to English Language Courses. An agreement was signed with a prominent institute for the teaching of English language. Modern audio-visual equipment and methods were introduced for teaching and a study research was conducted by the institute in collaboration with the Training Centre to assess the trainees' standard and to determine the level and the type of training suitable for each individual trainee.

Six in-house English Language Teaching Programmes were carried out as detailed below:

- a - A 12-week course for beginners with no English Language background was attended by 6 trainees.
- b - Two 12-week courses for beginners with some knowledge of the English Language were attended by 12 trainees.
- c - Two 8-week intermediate level courses for trainees above the elementary level were attended by 21 trainees.
- d - One 5-week post intermediate level course was attended by 12 trainees.
- e - Additionally, a 6-week advanced course has been devised for the near future.

In keeping with its prominent position and historic role in the Kingdom's economy and considering its dedication to improve the standard of performance of its employees, NCB has intensified the training programme throughout its branches.

The Training Centre is equipped with a full range of automated facilities and all necessary modern systems designed to reinforce employees' skills and to up-date their knowledge continuously to ensure optimum efficiency at all levels of banking operations.

The Training Centre is currently run by a staff of 12 which includes teachers, technicians and administrative personnel. Further development of the Training Centre is planned in the future entailing expansion of facilities and hiring of additional staff.

Future programmes will include an introductory course in general accountancy, a specific course in NCB's own systems and a course in management.

A series of management development seminars are being organised for potential executives in the areas of management supervision, operations and credit.

The Centre is always keen to provide NCB's employees with adequate training in customer relations and methods in dealing with problems in order to maintain a high standard of efficiency and to gain customers' confidence.

Outstanding trainees are rewarded incentives including scholarships for training in major international banks overseas which prepare them to assume bigger and more challenging responsibilities.



#### HEADQUARTERS BUILDING

The management of National Commercial Bank has chosen a prominent location for their Headquarters building on King Abdulaziz Street in the heart of Jeddah City. This new 27 storey building is 125 meters high with the area of each floor being 1250 Sq M. This colossal structure is considered a dominant feature in Jeddah City and a real proof of the process of dynamic expansion of the National Commercial Bank.

The unique triangular architectural design reflects the Islamic idea of closed solid buildings. The three outside surfaces of the building are covered in timeless Travertine marble while the windows of all the floors overlook the internal longitudinal opening which runs the whole height of the building. The building has been designed to be practically compatible with the environment and the climate. On each of the building's three sides there is a rectangular longitudinal opening as well as a continuous transversal opening near the top to facilitate circulation of fresh air for cooling the building internally and consequently reducing the pressure on the air-conditioning system of the building, saving operational expenses thereof.

The other consideration in this design was that the building should sufficiently cover the developing requirements of the Bank and its expanding activities. It has been designed along the most modern lines and incorporates the most modern systems to ensure the best banking services. The first four floors of the building will house the Head Office of the National Commercial Bank while the rest of the floors have been earmarked for General Administration, Regional Administration and International Relations. One whole floor will be utilised for the general services of the employees and will consist of a cafeteria capable of seating 150 persons, a library and a hall for conferences, symposia and other special functions.

In addition a six storey parking lot has been built attached to the main building to provide parking facilities for about 500 vehicles of employees and customers. This parking lot is fully equipped with all the necessary facilities for communication, emergency and safety.

The construction work which had started in November 1978, after approximately two years of studies, has continued for about four

years now. The outcome is the present unique architectural design now under execution. The completion of the building is scheduled for November 1983 while the official inauguration will take place in March 1984.

#### NEW BUILDINGS FOR OTHER BRANCHES

The NCB policy is to have independent buildings for its different branches. The Abha Branch 15 storey building was completed last year, while the Madinah Branch building is still under construction with completion scheduled for the end of 1403H. This eight storey building will house various divisions of the Bank's Madinah Branch.

#### LADIES BRANCHES

In its continuous efforts to serve the Saudi economy, the National Commercial Bank opened two branches for women in Riyadh and Jeddah. Both branches offer a number of services i.e. checking, savings, bank drafts, safe deposit boxes, time deposits, documentary credits (or credit against negotiable instruments), loans, safekeeping etc....

During the Year 1402H, Jeddah Ladies Branch launched a campaign aimed at providing the female sector in schools, girls colleges and the university, with adequate information about the goals and programmes of the bank. Consequently, positive results were achieved in arousing women's interests towards the banking system.

Both the ladies branches in Riyadh and Jeddah have constantly strived to keep the women's sector aware of the Bank's objectives and the different services it provides.

The purpose of this initiative is to help women make judicious use of their personal funds and thereby funnel fresh capital into the various sectors of the Kingdom's economy.

NCB's Ladies Branches have proved successful in extending banking service facilities to women at home, in schools and in colleges, in a wide range of financial activities including capital investment, stocks and other securities.

The tremendous response of the women's sector to this scheme has prompted NCB's Ladies Branches to offer more facilities with a view to extending a wide range of services to meet the demands of their clientele and other members of the clients' families in developing saving habits especially among their children. Such habits are being encouraged by the Jeddah and Riyadh Ladies Branches through incentives.

Riyadh Ladies Branch has devised a new method for effectively developing the habit of saving in the children. A colourful illustrated 10 page booklet has been designed specifically for young saving enthusiasts who are encouraged to affix saving stamps amounting to SR 200.00 in this booklet. These stamps are in S.R. 2.00 and SR 5.00 denominations. When a book has been completely affixed with stamps worth SR 200.00, this amount is entered into a regular day-to-day savings book issued in the name of the child.

NCB Ladies Branches offer the following services to clients:

- 1 - Day-to-day deposit accounts and all other types of accounts.
- 2 - Cash advances such as loans and overdrafts against all types of securities.
- 3 - Letters of Credit.
- 4 - Letters of Guarantee.
- 5 - Bank Drafts and Certified Cheques.
- 6 - Safe Deposit Boxes.
- 7 - Stocks (buying and selling on behalf of customers).

NCB's Ladies Branches have ambitious programmes reaching far beyond the scope of the services offered. The Bank's management is continuously striving to implement new programmes aimed at improving its customer service.

The Bank plans to introduce automation of the facilities during the year 1403H to facilitate faster processing of transactions. A data control system is also to be introduced to speed up operations and minimize errors.



Regional Management H. Q.  
Jeddah

#### COMPUTER SYSTEMS

The Bank's domestic computer centres in Jeddah and Riyadh continued to expand their activities during the past twelve months. Additional branches have been added to the number of branches benefiting from the automated system which has been developed and installed by Bank staff. Upon completion of the current phase of the Bank's automation plan for its domestic banking, all branches in Jeddah, Riyadh, Makkah and Dammam will be automated. Plans are now well established for a Kingdomwide data-communications equipment with fully automatic monitoring and fault diagnostic network management systems located in Jeddah and Riyadh. Allied with the data-communications network, suitable financial terminal equipment for our Branches is presently being evaluat-

ed. In this manner, the goal of providing a high level of service to the Bank's customers through the proper use of computer resources specifically designed by the Bank will continue to be achieved.

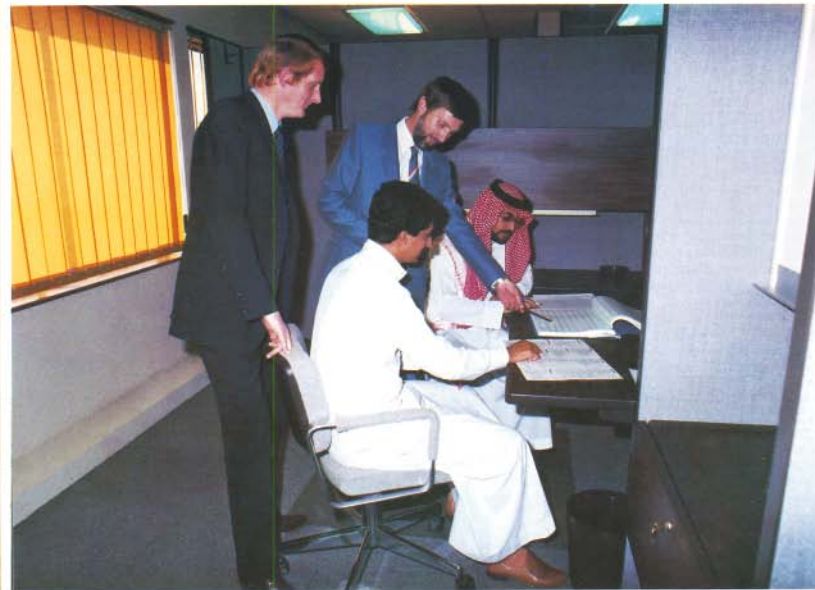
Personnel Departments in Jeddah and Riyadh continue to benefit from the automated system of payroll and personnel. During the past year staff data has been added to the automated files thus increasing the timeliness and accuracy of each employee's data and progress.

Evaluation of a suitable software and hardware system best suited to the needs of the International Division is being undertaken. With ever-increasing volumes, an automated system is considered essential to the smooth day-to-day running within this Division.

Plans are established for the automation of Head Office accounting tasks which, together with automatic production of Branch consolidated reporting facilities, will enable the Bank to provide through the use of computerised resources, Regional and Kingdomwide reports for both internal and external uses.

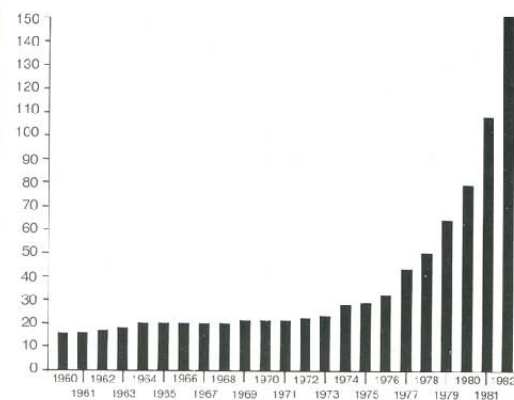
The automated facilities provided for the Short Term Dollar Fund system have been considerably enhanced, providing faster processing of transactions and additional reporting features.

Future plans include the installation of foreign currency accounting, letters of credit and letters of guarantee, stationary department stock control and COM (Computer Output to Microfilm).





## BANK'S DIRECTORY



### GENERAL MANAGEMENT

The National Commercial Bank  
Tel.: 6423794, 6443404, 6446393  
Telex: 403060, Cable: BANKSAUDI  
P. O. Box: 3555, Jeddah.

### MANAGEMENT INTERNATIONAL DIVISION

Tel.: 6825935, 6825883/4  
Telex: 403249, 403250  
P. O. Box: 3555, Jeddah.

### MANAGEMENT - CENTRAL REGION

Batha Street, Tel.: 47/6058  
Telex: 201296, P. O. Box: 34 Riyadh.

### MANAGEMENT - WESTERN REGION

Tel.: 6603455/6  
Telex: 403548, Cable: BANKSAUDI  
P. O. Box: 5171 Jeddah.

### MANAGEMENT - EASTERN REGION

Tel.: 8645138, 8545916, 8645039.  
Telex: 670548, 670549  
P. O. Box: 5558 Dammam.

### COMPUTER CENTRE

Makkah Road, Tel.: 6879491-6886694  
Telex: 401102, P. O. Box: 3555 Jeddah.

### TRAINING CENTRE

Tel.: 6879410, Telex: 401102  
P. O. Box: 3555, Jeddah.

### WESTERN REGION BRANCHES:

1. **Jeddah Main**, King Abdul Aziz Street  
Tel.: 6473760, 6478132,  
Telex: 401086, P. O. Box: 104 Jeddah.
2. **Bab Sharief**  
Tel.: 6420353, 6443638, 6443411  
Telex: 400180, P. O. Box: 710 Jeddah.

3. **Makkah Road**, Al-Rajhi Bulcing  
Tel.: 6317052, 6317069  
Telex: 401329, P. O. Box: 3436 Jeddah.

4. **Palestine Square**, Medinah Road  
Tel.: 6650409, 6674074, Telex: 400351  
P. O. Box: 7161 Jeddah.

5. **Al Sharafiya**, Osman Bin Affan Street  
Tel.: 6533787, 6533228  
Telex: 402162, P. O. Box: 8038 Jeddah.

6. **Al Hindawla**, Port Street  
Tel.: 6448624, 6445561, 6440665  
Telex: 403943, P. O. Box: 6041 Jeddah.

7. **Bab Makkah**  
Tel.: 6442035, 6445563  
Telex: 402029, P. O. Box: 4152 Jeddah.

8. **Industrial Zone**  
Tel.: 6368228  
Telex: 404106, P. O. Box: 5171 Jeddah.

9. **King Khaled Street**  
Tel.: 6314475, 6314876  
Telex: 404090, P. O. Box: 5171 Jeddah.

10. **Mahjar Road**  
Tel.: 6440327, 6446511  
Telex: 404144, P. O. Box: 8040 Jeddah.

11. **Dughdadiya**, Abdul Wahab Street  
Tel.: 6440492, Telex: 401925  
P. O. Box: 8038 Jeddah.

12. **Airport Terminal**  
Tel.: 6855543, 6855548  
P. O. Box: 5171 Jeddah.

13. **Ladies Branch**, Palestine Road  
Tel.: 6603536, 6602223  
Telex: 404082, P. O. Box: 5171 Jeddah.

14. **Khalidiya**  
Tel.: 6823506, 6824810  
Telex: 403250, P. O. Box: 0358 Jeddah.

15. **Jeddah Islamic Scaport**  
Tel.: 6473171, Telex: 404038  
P. O. Box: 5171 Jeddah.

16. **University Road**  
Tel.: 6695511  
P. O. Box: 5171 Jeddah.

17. **Mukhatat 5**  
Tel.: 6714437, Telex: 404091  
P. O. Box: 5171 Jeddah.

18. **North Macinah Road**  
Tel.: 6834549  
P. O. Box: 5171 Jeddah.

19. **Oneickeich** Sitteen Street  
Tel.: 0057033, 6002702  
Telex: 404083, P. O. Box: 5171 Jeddah.
20. **Al Iskan**  
Tel.: 6518154, 6518150  
P. O. Box: 5171, Jeddah.
21. **Makkah Main**, Madkhal Shaab Ali  
Tel.: 5745523, 5745513, 5743826  
Telex: 440006, P. O. Box: 228 Makkah.
22. **Al Ghazzah**  
Tel.: 5741405, 5741404  
Telex: 440340, P. O. Box: 2287 Makkah.
23. **Al-Azizia**  
Tel.: 5766441, Telex: 440339  
P. O. Box: 228 Makkah.
24. **Al-Atebiyah**  
Tel.: 5734708, Telex: 440341  
P. O. Box: 2339 Makkah.
25. **Al Gimmelza**  
Tel.: 5740546, Telex: 440343  
P. O. Box: 228 Makkah.
26. **Sitteen Street**  
Tel.: 5448084, 5448067  
Telex: 440342, P. O. Box: 2903 Makkah.
27. **Jamoom**  
Tel.: 5420555, 5420652 Makkah.
28. **TAIF**  
Tel.: 7322022 / 7322023  
Telex: 450006, P. O. Box: 16 Taif.
29. **Shuhadaa**  
Tel.: 7452794, 7452790, 7452559  
Telex: 450213, P. O. Box: 1677 Taif.
30. **Allaiih**  
Tel.: 7421081, 7421090.
31. **Bahra**  
Tel.: 5911201
32. **Rabegh**  
Tel.: 4220104, 4220112  
Telex: 412008, P. O. Box: 13 Rabegh.
33. **Rania** Tel.: 8420274.
34. **Kharma** Tel.: 3321580.
35. **Baljurashi**  
Tel.: 7220258, 7220528  
Telex: 455000, P. O. Box: 3 Baljurashi.
36. **Al Bahah**  
Tel.: 7251971, 7251972  
Telex: 431026, P. O. Box: 127 Al Bahah.
37. **MADINAH**  
Tel.: 8224248, 8225355, 8235346  
Telex: 470010, P. O. Box: 26 Madinah.
38. **Kobaa**  
Tel.: 8232952, 8244379  
Telex: 470010  
P. O. Box: 2494 Madinah.
39. **Yanbu**  
Tel.: 3221551, 3221421  
Telex: 461008, P. O. Box: 5 Yanbu.
40. **Royal Commission Branch**  
Tel.: 3211298, 3211304  
Telex: 430304, P. O. Box: 188 Yanbu.
41. **Wajh**  
Tel.: 4421339, 4421340  
Telex: 873010, P. O. Box: 15 Wajh.
42. **Dabah**  
Tel.: 4321487, 4321478  
Telex: 872008, P. O. Box: 11 Dabah.
43. **Haql**  
Tel.: 4222496, Telex: 888012  
P. O. Box: 28 Haql.
44. **Tabuk**  
Tel.: 4226952, 4227208, 4226956  
Telex: 821014, P. O. Box: 10 Tabuk.
45. **Military City**  
Tel.: 4221101, Telex 821160  
P. O. Box: 10 Tabuk.
46. **Faisalia Madinah Road**  
Tel.: 4257932, 4238188  
Telex: 881181, P. O. Box: 10 Tabuk.
47. **Jedaidah**, North Frontier.
48. **Tima**  
Tel.: 4223653, 4223661  
Telex: 875005, P. O. Box: 2 Tima.
49. **Turaiif**  
Tel.: 6521044, 6521336  
Telex: 864007, P. O. Box: 10 Turaiif.
50. **Al Quraiyat**  
Tel.: 6421011/0460, Telex: 837012  
P. O. Box: 135 Al-Quraiyat.
51. **Tabarjal** Tel.: 6281564 Tabarjal.
52. **Hodithah**  
Tel.: 6424868  
P. O. Box: 188 Hodithah.
53. **Rafha**  
Tel.: 6760032, 6760612  
P. O. Box: 8 Rafha.
54. **Araar**  
Tel.: 6611021, 6621104  
Telex: 862013, P. O. Box: 105 Araar.
55. **Sakaka**  
Tel.: 6242748, Telex: 831031  
P. O. Box: 259 Al-Jout.
56. **ABHA**  
Tel.: 2246568, 2246546, 2240712  
Telex: 901009, P. O. Box: 12 Abha.
57. **Ballasmar** P. O. Box: 9 Ballasmar.
58. **Surat Obeida**  
P. O. Box: 4 Surat Obeida.
59. **Khamis Mushayt**  
Tel.: 2238100/7323, Telex: 901639  
P. O. Box: 82 Khamis Mushayt.
60. **King Khalid Airbase**  
Tel.: 2239410  
P. O. Box: 1254 Khamis Mushayt.
61. **Sharourah**  
Tel.: 5321042, 5321043, 5321044  
P. O. Box: 28 Sharourah.
62. **Bisha**  
Tel.: 6225568, 6225548  
Telex: 933023, P. O. Box: 194 Bisha.
63. **Mahayel** Telex: 811065  
P. O. Box: 23 Mahayel, Assir.
64. **Namas** P. O. Box: 63 Namas.
65. **Tanoumah** P. O. Box: 18 Tanoumah.
66. **Najran**  
Tel.: 5421852, 5422954  
P. O. Box: 1 Najran.
67. **Faisalia**  
Tel.: 5221152, 5221155  
P. O. Box: 105 Najran.
68. **Dhahran Al-Janoub**  
P. O. Box: 14 Dhahran Al-Janoub.
69. **Jizan**  
Tel.: 3221360, 3221363  
Telex: 911025, P. O. Box: 48 Jizan.
70. **Sabiya**  
Tel.: 3261056, 3260824  
P. O. Box: 48 Jizan.
71. **Farasan** P. O. Box: 48 Jizan.
72. **Bish**  
Tel.: 3420961, 3420900 Jizan.



73. **Abouareesh** Tel.: 3250844  
P. O. Box: 48 Jizan.

74. **Samia** Tel.: 3320450  
P. O. Box: 48 Jizan.

75. **Ohoud Rufaidah**  
P. O. Box: 15 Ohoud Rufadah.

76. **Kunfudah**  
Tel.: 7320632, 7320964 Kunfudah.

#### CENTRAL REGION

77. **Riyadh Main** Batha Street  
Tel.: 4034100, 4013200  
Telex: 201009, P. O. Box: 34 Riyadh.

78. **Al Dirah**  
Tel.: 4020981, Telex: 201655  
P. O. Box: 41363 Riyadh.

79. **Mallaz** Sittoun Road  
Tel.: 476 3466/5410, Telex 201687  
P. O. Box: 42596 Riyadh.

80. **Al Shimoisi**  
Tel.: 435 5723/7067, Telex 200184  
P. O. Box: 2837 Riyadh.

81. **Al Nassiriah** Saudi Hotel  
Tel.: 4010585, 4041644  
Telex: 201657  
P. O. Box: 17248 Riyadh.

82. **Airport** Airport Passenger Lounge  
Tel.: 4768320, 4763381  
P. O. Box: 22216 Riyadh.

83. **Industrial Zone**  
Tel.: 478 6441/5436, Telex: 200185  
P. O. Box: 43233 Riyadh.

84. **Airport Road**  
Tel.: 4772281, 4764553  
Telex: 202672, P. O. Box: 2800 Riyadh.

85. **Hijaz Street**  
Tel.: 4572513, 4574262  
Telex: 201806, P. O. Box: 7105 Riyadh.

86. **Dareyah**  
Tel.: 486 0453/0729, Telex: 212005  
P. O. Box: 22130 Riyadh.

87. **Military Hospital**  
Tel.: 4777713  
P. O. Box: 22216 Riyadh.

88. **Khazan Street**  
Tel.: 404 4274/4267, Telex: 202610  
P. O. Box: 22216 Riyadh.

89. **Prince Abdullah Street**  
Tel.: 477 7962/7963, Telex: 202957  
P. O. Box: 42842 Riyadh.

90. **Al Rayel**  
Tel.: 4020433, 4044556  
Telex: 200659  
P. O. Box: 18226 Riyadh.

91. **Manfoohah**  
Tel.: 446 0003/0005, Telex: 203095  
P. O. Box: 5684 Riyadh.

92. **Ladies Branch** Al-Nassiriya Street  
Tel.: 4010668, 4041729  
Telex: 204067, P. O. Box: 34 Riyadh.

93. **Montazah**  
Tel.: 405 2452/2213, Telex: 203484  
P. O. Box: 22128 Riyadh.

94. **Naseem**  
Tel.: 231 4901/4756, Telex: 203482  
P. O. Box: 22128 Riyadh.

95. **Yamamah**  
Tel.: 457 7200/7168, Telex: 203483  
P. O. Box: 22216 Riyadh.

96. **Oleia**  
Tel.: 464 4938/4604, Telex: 203506  
P. O. Box: 22131 Riyadh.

97. **University Street**  
Tel.: 479 0034/0035, Telex: 203795  
P. O. Box: 22217 Riyadh.

98. **Riyadh University Residence**  
Tel.: 4811000 / Ext. 2738  
P. O. Box: 22217 Riyadh.

99. **Kharj**  
Tel.: 5446888, Telex: 211021  
P. O. Box: 502 Al-Kharj.

100. **Kharj Military Hospital**  
Tel.: 5448300, Telex: 211021  
P. O. Box: 502 Al-Kharj.

#### Qasseem Branches:

101. **Buraidah**  
Tel.: 3231506, 3231608  
Telex: 801017, P. O. Box: 33 Buraidah.

102. **Oneiza**  
Tel.: 3643101, 3641034  
Telex: 803125, P. O. Box: 145 Oneiza.

103. **Majma**  
Tel.: 4325186, P. O. Box: 22 Al-Majma.

104. **Russ**  
Tel.: 3331464, 3330464  
P. O. Box: 133 Al-Russ.

105. **Bakeireya**  
Tel.: 3050950, 3030165  
Telex: 807013  
P. O. Box: 22 Al-Bakeireya.

106. **Alif**  
Tel.: 7221468, P. O. Box: 11 Alif.

107. **Dawadmi**  
Tel.: 642 1953/1968, Telex: 265002  
P. O. Box: 3 Al-Dawadmi.

108. **Al-Jarda**  
Tel.: 3234140, 3234384  
P. O. Box: 1067 Buraida.

109. **Bedayeh**  
Tel.: 3320887, 3320867  
P. O. Box: 32 Al-Bedayeh.

110. **Hail**  
Tel.: 5321564, 5327749, 5322562  
Telex: 811009, P. O. Box: 85 Hail.

111. **Brazan Hail**  
Tel.: 5323416, 5324622, 5324290  
Telex: 811066, P. O. Box: 138 Hail.

#### EASTERN REGION BRANCHES

112. **Dammam Main**  
Tel.: 8320780, 8321717, 8321565  
Telex: 601116, P. O. Box: 13 Dammam.

113. **Industrial Zone**  
Tel.: 8372351  
P. O. Box: 6802 Dammam.

114. **King Faisal University Branch**  
Tel.: 8571000 Ext. 293

115. **King Saud Street**  
Tel.: 8346087, 8346857  
Telex: 602633  
P. O. Box: 5609 Dammam.

116. **Workers City**  
Tel.: 8321087, 8341478  
P. O. Box: 5548 Dammam.

117. **Al-Khobar Main**  
Tel.: 8948665, 8948669, 8948657  
Telex: 670023, 671340  
P. O. Box: 1 Al-Khobar.

118. **Camp ARAMCO** (Dhahran)  
Tel.: 8743838, 8742039  
P. O. Box: 1207 Al-Khobar.

**119.Thogbah**  
Tel.: 8648876  
Telex: 671478, P. O. Box: 1 Al-Khobar.

**120.King Abdul Aziz Street**  
Tel.: 8645432, Telex: 671477  
P. O. Box: 1 Al-Khobar.

**121.Dhahran Airport**  
Tel.: 8649673, 8792990  
P. O. Box: 1 Al-Khobar.

**122. Shedgum**  
Tel.: 5774629, Telex: 661025  
P. O. Box: 1 Al-Khobar.

**123.Uthmaniya**  
Tel.: 5765660, P. O. Box 1 Al-Khobar.

**124.Al-Jubail Main**  
Tel.: 3612104, 3613913  
Telex: 631022, P. O. Box: 58 Jubail.

**125.Royal Commission**  
Tel.: 3416600, 3416463  
Telex: 632029, P. O. Box: 59 Jubail.

**126.Al-Ahsa**  
Tel.: 5861442  
Telex: 661025, P. O. Box: 1 Al-Ahsa.

**127.Khamis Square**  
Tel.: 5828314, 5825817  
P. O. Box: 1060 Al-Ahsa.

**128.Mabraz**  
Tel.: 582 3518/7116, Telex: 661190  
P. O. Box: 487 Al-Ahsa.

**129.Hafr Al-Baten**  
Tel.: 7220263, 7220052  
P. O. Box: 16 Hafr Al-Baten.

**130.Air Base** Hafr Al-Baten  
Tel.: 8334131  
P. O. Box: 16 Hafr Al-Baten.

**131.Qayssouma** Tel.: 8336788  
P. O. Box: 21 Qayssouma.

**132.Qatif**  
Tel.: 8552450, 8550980  
P. O. Box: 13 Dammam

**133.Al-Neiriya**  
Tel.: 3730469  
P. O. Box: 3 Al-Neiriya

#### SEASONAL BRANCHES:

**134.Sea Hajj Terminal Office** Jeddah.

**135.Air Hajj Terminal Office** Jeddah.

**136.Fath Office**  
King Faisal Street, Makkah.

**137.Mina Office.**

**138.Ayyad Office** Makkah.

**139.Ree-Kudai Office** Makkah.

**140.Bank Premises Office** Madinah.

**141.Halat Amar Office** Tabuk.

**142.Hajj Terminal Office** Yanbu.

#### OVERSEAS BRANCHES AND REPRESENTATIVE OFFICES

**143.Lebanon**  
Tel.: 240508, Telex: 206421  
P. O. Box: 2355 Beirut.

**144.Bahrain**  
Tel.: 231183, 231182  
Telex: 9298, 9299  
P. O. Box: 20363 Manama.

**145.United Kingdom**  
Tel.: 6384477, Telex: 8952594  
99, Bishops Gate, London E.C. 2.

**146.West Germany**  
Tel.: 250181, Telex: 416507  
Stras 600, Frankfurt.

**147.Singapore**  
Tel.: 910844, 2236243, Telex: 27196  
24 Raffles Place No.: 28 - 01  
Clifford Centre, Singapore - 0104

**148.Korea**  
Tel.: 7640018, Telex: 25148  
P.O. Box: 4948 Seoul.

**149.Japan**  
Tel.: 2115111  
Telex: 32732 Tokyo.

**150.U. S. A.**  
Suite 1100  
3 East 54 Street  
Tel.: 212 / 7598480  
Telex: 669178 New York, NY.



NCB Abha

## FINANCIAL STATEMENTS

**BALANCE SHEET AS AT 30TH DHUL HIJJAH 1402H  
(17TH OCTOBER 1982).**

| 1401 H<br>S.R. | CAPITAL & LIABILITY  | S.R.           | S.R.           |
|----------------|--|----------------|----------------|
| 30,225,133     | <b>CAPITAL RESERVES</b>  |                | 30,225,133     |
| 32,774,667     | Statutory Reserve  | 32,774,667     |                |
| 1,859,027,254  | Other Revenue Reserves   | 2,759,027,254  |                |
| 46,095,605     | Surplus on revaluation of properties   | 46,095,605     |                |
| 31,877,141     | Surplus on revaluation of investments  | 31,877,141     |                |
| 1,989,774,887  |  |                | 2,369,774,867  |
| 2,000,000,000  | <b>Total Capital and Reserves</b>  |                | 2,400,000,000  |
|                | <b>DEPOSITS</b>  |                |                |
| 23,319,475,603 | 1- Customers' deposits (Note: Cover total current, time and saving deposits)                             | 36,655,425,686 |                |
| 685,741,145    | 2- Deposits from Banks:  | 1,809,552,073  |                |
| 5,527,121,854  | a) In Saudi Arabia   | 3,913,405,465  |                |
|                | b) Abroad  |                |                |
|                | 3- Sundry Deposits (Note: Include margins for letters of credit, guarantees, drafts and other transfers) | 2,991,380,360  |                |
| 2,953,910,637  |  |                | 45,368,764,214 |
| 32,685,249,739 |  |                |                |
|                | <b>BORROWINGS</b>  |                |                |
|                | 1- From Banks:   |                |                |
|                | a) In Saudi Arabia   |                |                |
|                | b) Abroad  |                |                |
|                | 2- From Others   |                |                |
|                | <b>PROFIT &amp; LOSS ACCOUNT</b>   |                |                |
| 796,534        | Balance brought forward from last year   | 141,155        |                |
| 149,314,621    | Add: Net Profit for the year 1402 after transfer to Reserve  | 177,120,635    |                |
| 150,141,155    |  |                | 177,261,990    |
|                | <b>OTHER LIABILITIES</b>   |                |                |
| 138,568,029    | 1- Acceptances outstanding on behalf of customers  | 179,361,051    |                |
| 6,560,951,308  | 2- Other liabilities   | 3,019,026,583  |                |
| 6,719,539,336  |  |                | 3,191,407,594  |
| 41,564,930,230 | <b>Sub-Total</b>   |                | 51,137,433,788 |
|                | <b>CONTRA ACCOUNTS</b>   |                |                |
| 19,794,592,454 | Guarantees, letters of credit and other obligations  |                | 30,479,210,048 |
| 61,359,522,684 | <b>Grand-Total</b>   |                | 81,616,643,836 |

| 1401 H<br>S.R. | ASSETS   | S.R.           | S.R.           |
|----------------|--|----------------|----------------|
| 3,133,678,186  | <b>CASH FUNDS</b>  |                |                |
|                | 1- Cash in hand  | 2,508,865,750  |                |
| 1,370,641,215  | 2- Statutory deposits with Saudi Arabian Monetary Agency                         | 3,097,138,163  |                |
| 2,897,626,816  | 3- Other deposits with Saudi Arabian Monetary Agency                             | 3,328,064,613  |                |
| 7,392,146,217  |  |                | 8,933,886,526  |
| 162,679,914    | <b>DEPOSITS WITH BANKS</b>   |                |                |
| 15,484,190,812 | 1- In Saudi Arabia   | 1,067,450,727  |                |
| 15,656,867,826 | 2- Abroad  | 18,070,717,068 |                |
|                |  |                | 19,138,167,796 |
|                | <b>INVESTMENTS:</b>  |                |                |
|                | (Not exceeding lowest of cost or market value)                                   |                |                |
| 260,066,381    | 1- Shares and securities of establishments:                                      | 263,956,380    |                |
| 752,364,128    | a) In Saudi Arabia   | 767,458,470    |                |
|                | b) Abroad  |                |                |
| 1,012,930,507  | 2- Other investments   |                | 1,031,454,860  |
|                | <b>LOANS AND ADVANCES ... etc.</b>   |                |                |
|                | (Less provision for bad and doubtful debts)                                      |                |                |
| 14,864,794,032 | 1- To:   |                |                |
| 935,194,746    | a) Private sector  | 17,801,603,203 |                |
| 72,306,109     | b) Banks   | 536,162,766    |                |
| 271,839,924    | c) Others  | 1,016,111,503  |                |
| 16,144,134,014 | 2- Bills purchased and discounted  | 248,054,151    |                |
|                |  |                | 19,783,011,703 |
|                | <b>FIXED ASSETS</b>  |                |                |
| 550,606,205    | 1 Bank premises and other real estate (at cost or revaluation)                   | 1,024,686,727  |                |
| 65,639,681     | 2 Furniture, fixtures and equipment (less depreciation)                          | 112,433,763    |                |
| 616,645,886    |  |                | 1,137,129,490  |
| 138,568,029    | <b>OTHER ASSETS</b>  |                |                |
| 603,716,952    | 1- Customers' liabilities for outstanding acceptances                            | 179,361,051    |                |
| 742,304,580    | 2- Other assets  | 934,400,372    |                |
| 41,564,930,230 | <b>Sub-Total</b>   |                | 1,113,761,423  |
|                | <b>CONTRA ACCOUNTS</b>   |                |                |
| 19,794,592,454 | Customers' liabilities under guarantees, letters of credit and other obligations |                | 30,479,210,048 |
| 61,359,522,684 | <b>Grand Total</b>   |                | 81,616,643,836 |

## AUDITORS' REPORT

We have examined the Balance Sheet and the annexed Profit and Loss Account with the books and documents relating thereto of the Head Office and Branches of The National Commercial Bank (Partnership Company) visited by us, and with returns submitted by the Managers of the other Branches, and certify to be in accordance therewith.

We have obtained the information and explanations which we considered necessary for the purpose of our audit.

In our opinion, the Balance Sheet and Profit and Loss Account represent fairly the financial position of The National Commercial Bank at 30 Dhul Hijjah, 1402 (17th. October, 1982) and the profit of the year ended on that date in accordance with generally accepted accounting principles and as shown by the books.

JEDDAH: 10th Rabi' Awal 1403  
25th December 1982

ISSA EL AYOUTY & CO., (36)  
ACCOUNTANTS & AUDITORS

ISMAIL A. EL HABBAK (15)  
ACCOUNTANT & AUDITOR

### Profit & Loss Account for the year ended on 30th. Dhul Hijjah 1402 H. (17th. October 1982)

| 1401 H<br>S.R. | EXPENSES                             | S.R.        | S.R.          |
|----------------|--------------------------------------|-------------|---------------|
| 412,029,875    | Salaries and other Staff expenses    |             | 499,262,327   |
| 2,117,790,651  | Directors' Fees, Remunerations, etc. |             | 2,694,545,560 |
|                | Service Charges                      |             |               |
|                | Provisions for depreciation ... etc. |             |               |
| 17,551,458     | a) Depreciation on                   |             |               |
| 72,000,000     | buildings, furniture etc.            | 30,190,374  |               |
| 89,551,458     | b) Other provisions                  | 220,000,000 |               |
| 117,963,171    |                                      |             | 250,190,374   |
|                | Other expenses                       |             | 207,996,818   |
|                | Donations                            |             | 68,958,779    |
|                | a) Donation for PLO and              |             |               |
| 24,254,856     | Afghan Mujahidin                     | 30,000,000  |               |
|                | b) Donation for others               | 38,959,779  |               |
| 571,371,875    |                                      |             | 577,120,835   |
|                | NET PROFIT FOR THE YEAR              |             |               |
|                | Of which:                            |             |               |
|                | a) Transfer to Reserve               | 400,000,000 |               |
| 3,332,971,926  | b) Balance carried to Balance Sheet  | 177,120,835 |               |
|                |                                      |             | 4,298,075,693 |

| 1401 H<br>S.R. | INCOME   | S.R.          | S.R.          |
|----------------|--|---------------|---------------|
| 3,300,668,677  | Net income from foreign<br>exchange transactions and<br>other services | 4,185,205,075 |               |
| 32,103,249     | Net income from investments<br>and real estate                         | 112,866,618   |               |
| 3,332,971,926  | TOTAL INCOME   |               | 4,298,075,693 |
|                |  |               |               |
| 3,332,971,926  |  |               | 4,298,075,693 |
|                |  |               |               |

## NOTES TO FINANCIAL STATEMENT

### 1. LOCAL INVESTMENT

Local particulars of shares in the Kingdom owned by the Bank as at 30th Dhul Hijjah (corresponding to 17th October, 1982).

| Name of the Company   | Location   | Value in S.R. |
|---|------------|---------------|
| Badana Electric and Water Company                               | ARAR       | 210,000.00    |
| The National Gas and Manufacturing Co.                          | RIYADH     | 15,785,489.00 |
| The Electric Company of Riyadh                                  | RIYADH     | 26,579,725.00 |
| Yemama Cement Company   | RIYADH     | 23,078,550.00 |
| Saudi Provisions Company  | RIYADH     | 1.00          |
| The National Gypsum Company                                     | RIYADH     | 463,125.00    |
| Medwa Electric Company  | MADINAH    | 108,750.00    |
| The Saudi Islamic Preaching Society                             | JEDDAH     | 180,000.00    |
| Jeddah Electric Company   | JEDDAH     | 21,813,870.00 |
| The Saudi Arabian Cement Company                                | JEDDAH     | 68,161,200.00 |
| The Arabic Fertilizer Co. (SAFCO)                               | DAMMAM     | 632,000.50    |
| The Electric Company of Makkah                                  | TAIF       | 355,220.00    |
| Tabuk Electric Company  | TABUK      | 286,500.00    |
| Baljurashi electric Company                                     | BALJURASHI | 25,000.00     |
| Red Sea Insurance Service Company                               | JEDDAH     | 2,100,000.00  |
| The Saudi Hotel Services Company                                | JEDDAH     | 12,500,000.00 |
| The Saudi Investment Banking Corporation                        | RIYADH     | 7,134,000.00  |
| The Saudi Real Estate Company                                   | RIYADH     | 40,000,000.00 |
| Yanbu Cement Company  | YANBU      | 5,250,000.00  |
| Southern Cement Company   | JIZAN      | 3,750,000.00  |
| Saudi National Marine Transport Company                         | RIYADH     | 2,505,400.00  |
| Saudi Consolidated Electric Company                             | DAMMAM     | 29,537,550.00 |
| Tihama for Advertising, Public Relations and Marketing Research | JEDDAH     | 5,000,000.00  |

### BANK'S PARTICIPATION IN OTHER BANKS

SAUDI INTERNATIONAL BANK LTD.  
 COMPAGNIE ARABE ET INTERNATIONAL D'INVESTISSEMENTS  
 THE ARAB JORDAN INVESTMENT BANK  
 THE SAUDI INVESTMENT BANKING CORPORATION  
 ARAB MALAYSIAN DEVELOPMENT BANK  
 ARAB LATIN AMERICAN BANK  
 SAUDI-SPANISH BANK  
 BANCO BOZANO, SIMONSEN  
 THE ARAB TUNIS INVESTMENT COMPANY  
 THE ARAB TUNIS INTERNATIONAL BANK  
 THE ARAB EUROPEAN HOLDING COMPANY



## 2. FIXED ASSETS AND DEPRECIATION:

Fixed assets are stated at cost. Depreciation of fixed assets is calculated using the straight line method over the estimated useful lives of the assets.

|                           |               |
|---------------------------|---------------|
| Equipment and automobiles | 30% per year  |
| Furniture and fixtures    | 20% per year  |
| Buildings                 | 2.5% per year |

| Fixed Assets 1981 (1401)           | Cost<br>(S.R.) | Accumulated<br>Depreciation<br>(S.R.) | Net<br>(S.R.) |
|------------------------------------|----------------|---------------------------------------|---------------|
| 1. Bank premises                   | 160,485,403    | 9,254,525                             | 171,230,882   |
| 2. Buildings                       | 105,145,304    | 6,986,674                             | 98,158,630    |
| 3. Land                            | 281,216,692    | ---                                   | 281,216,692   |
| 4. Furniture, Fixtures & Equipment | 73,591,715     | 7,652,034                             | 65,939,681    |
|                                    | 640,439,119    | 23,893,234                            | 616,545,885   |

| Fixed Assets 1982 (1402)           | COST<br>(S.R.) | Accumulated<br>Depreciation<br>(S.R.) | Net<br>(S.R.) |
|------------------------------------|----------------|---------------------------------------|---------------|
| 1. Bank premises                   | 316,914,115    | 16,969,410                            | 299,944,705   |
| 2. Buildings                       | 81,876,599     | 7,328,032                             | 74,548,567    |
| 3. Land                            | 650,202,455    | ---                                   | 650,202,455   |
| 4. Furniture, Fixtures & Equipment | 121,579,412    | 9,145,649                             | 112,433,763   |
|                                    | 1,170,572,581  | 33,443,091                            | 1,137,129,490 |

## 3. PROVISION FOR DOUBTFUL DEBTS:

Thorough checking is conducted continuously and a suitable amount is provided for, to cover losses resulting from loans, such amount is fixed by the Administrative Committee on the basis of studies and information available to them.

## 4. ZAKAT:

Zakat at the rate of 1.25% is payable on net profit.

## 5. PROFIT AND LOSS ACCOUNT:

This account represents the amount distributable to the partners of the bank.

## 6. CONTINGENT LIABILITIES:

The contingent Liabilities are composed of customers' Liabilities, Branches' Liabilities and other Liabilities.

**7. SERVICE CHARGES:**

Includes overdrawn foreign accounts and domestic account customer interest.

**8. OTHER PROVISIONS:**

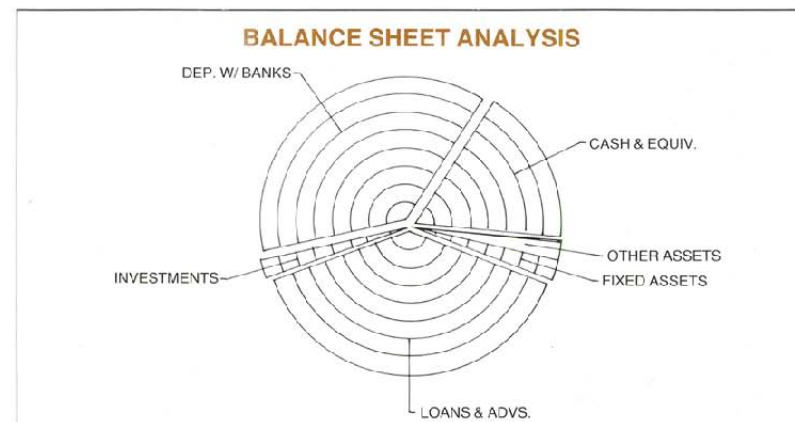
Includes Zakat provisions, employee retirement benefits and a further general provision for contingencies.

**9. OTHER EXPENSES:**

This includes all other expenses other than personnel expenses.

**FINANCIAL SUMMARY FOR  
THE YEAR 1402 (1982), COMPARED WITH LAST YEAR**

| (S.R. in Millions)                 | Year 1401       | Year 1402       | Percentage Increase |
|------------------------------------|-----------------|-----------------|---------------------|
| Total Income                       | 3,333.0         | 4,298.1         | 28.95               |
| Expenses                           | 2,761.6         | 3,721.0         | 34.74               |
| Net Profit                         | 571.4           | 557.1           | 1.00                |
| Capital and Reserves               | 2,000.0         | 2,400.0         | 20.00               |
| Deposits                           | 32,695.2        | 45,368.8        | 38.76               |
| Cash Balance and Deposits          | 23,049.0        | 28,072.0        | 21.79               |
| Investments                        | 1,012.9         | 1,031.5         | 1.83                |
| Loans and Credits                  | 16,144.1        | 19,783.0        | 22.54               |
| <b>Total Balance Sheet Footing</b> | <b>61,359.5</b> | <b>81,616.6</b> | <b>33.01</b>        |



## FIVE YEAR BALANCE SHEET HISTORY

| IN SR MILLIONS                               | 1978<br>(1398)   | 1979<br>(1399)   | 1980<br>(1400)   | 1981<br>(1401)   | 1982<br>(1402)   | Average Annual Growth Rate<br>(1978-1982) (1398-1403) |
|--|------------------|------------------|------------------|------------------|------------------|---|
| Cash and Equivalent                          | 10,930.79        | 9,968.08         | 7,846.55         | 7,392.15         | 6,933.89         | - 3.7   |
| Deposits with Banks                          | 3,122.22         | 5,788.09         | 9,010.89         | 15,656.87        | 19,138.17        | 59.3  |
| Loan and Advances                            | 5,676.72         | 9,707.69         | 12,245.62        | 16,144.13        | 19,783.01        | 37.1  |
| Investments                                  | 558.90           | 827.87           | 885.67           | 1,012.93         | 1,031.45         | 17.8  |
| Fixed Assets                                 | 351.47           | 364.26           | 499.87           | 616.55           | 1,137.13         | 37.2  |
| Other Assets                                 | 354.69           | 644.91           | 541.49           | 742.30           | 1,113.78         | 38.2  |
| <b>TOTAL ASSETS</b>                          | <b>20,994.79</b> | <b>26,300.90</b> | <b>31,030.09</b> | <b>41,564.93</b> | <b>51,137.43</b> | <b>25</b>   |
| Deposits                                     | 19,151.57        | 24,200.69        | 26,966.55        | 32,695.25        | 45,368.76        | 24.4  |
| Borrowings                                   | ---              | ---              | ---              | ---              | ---              | ---   |
| Other Liabilities                            | 1,056.06         | 839.36           | 2,404.77         | 6,719.54         | 3,191.41         | 73.2  |
| Profit & Loss Account                        | 89.19            | 82.88            | 80.80            | 150.14           | 177.26           | 23.5  |
| Capital and Reserve                          | 697.97           | 1,177.97         | 1,577.97         | 2,000.00         | 2,400.00         | 37.4  |
| <b>TOTAL LIABILITIES<br/>&amp; NET WORTH</b> | <b>20,994.79</b> | <b>26,300.90</b> | <b>31,030.09</b> | <b>41,564.93</b> | <b>51,137.43</b> | <b>25</b>   |
| Contra Account                               | 12,453.36        | 17,849.97        | 18,476.98        | 19,794.59        | 30,479.21        | 27  |
| <b>Balance Sheet Footings</b>                | <b>33,448.15</b> | <b>44,150.87</b> | <b>49,507.07</b> | <b>61,359.52</b> | <b>81,616.64</b> | <b>25.3</b>   |

## TOTAL ASSETS

