



البنك الأهلي التجاري

THE NATIONAL COMMERCIAL BANK

SAUDI ARABIA



المملكة العربية السعودية



منظر لمهارة البنك بشارع باب شريف بجدة وهي إحدى العمارات التي شادها البنك
في مناطق مختلفة من البلاد للمساهمة في حل أزمة السكن

A scene of our Grand Building at Bab Sharif st., Jeddah.

ANNUAL REPORT FOR THE YEAR 1374 (HJRA)

(1954 / 1955)

**THE
NATIONAL COMMERCIAL BANK**



**REPORT OF
THE GENERAL MANAGEMENT**



**ON THE YEAR
ENDING 29th ZUL HIJA 1374
CORRESPONDING 18th AUGUST ,1955**

FOUNDERS

SHEIKH Saleh Mousa El - Kaaki

- » Abdul - Aziz Mohammed El - Kaaki
- » Salem Ahmad Bin Mahfouz

GENERAL MANAGER : Sheikh SALEM AHMAD BIN MAHFOUZ

BRANCHES IN SAUDI ARABIA

Mecca - Medina - Tayef - Jizan - EL - Riyadh
AL - Khobar - EL - Hassa - AD - Dammam - Ar'ar (Badnah)

BRANCHES IN ARAB COUNTRIES

Beirut (Lebanon) Damascus (Syria)

BRANCHES UNDER ESTABLISHMENT

Aden (Red Sea) - Khartoum - Port Sudan (Sudan)
Cairo (Egypt)

HEAD OFFICE

JEDDAH (SAUDI ARABIA)

Teleg. MOWAFFAK

P. O. BOX (104)

Correspondents In All Parts Of The World

REPORT OF THE GENERAL MANAGEMENT ON THE
YEAR ENDING 29 th ZUL HIJA CORRES-
PONDING 18 th AUGUST, 1955.

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1374 Hijra (Islamic Year) marked

a distinguished point of diversion in the World History. Noticeable changes occurred during this era have convinced, at large, all nations to believe for the advent of true peace and stability restoration of eternal prosperity and everlasting tranquillity. These facts were the results of the International Conferences and Meetings such as Bandung Conference and the Four Big Conference. The year have also witnessed the friendly visits of the conspicuous personalities in the two Blocks. The diplomatic declarations and comments of the politicians here and there on the current world affairs have also strengthened the hopes of nations in peaceful life.

As regards the Kingdom of Saudi Arabia, large constructive evolutions have been conducted during the year 1374 emerging out glorious reforms and projects for high developments. The intensity of the wonderful constructive development throughout Saudi Arabia can be gauged with the fact that a Royal Decree was published governing the enlargement of the premises of Mecca Shrine immediately after completing the project for widening the premises of the Holy Relic and Shrine of the eternal repose of Prophet Mohamed "May God shower His choicest Blessings upon, His home members, Amen." The approximate expenditure for the new project is estimated to total Saudi Riyals Fivehundred Millions. There has been set up a plan project for the Railway line to be extended from Riyad to Jeddah via Medina. Necessary action has already been

taken in order to proceed with this scheme in the very near future. This matter enjoys thorough support of the Arab Governments who unanimously agreed upon the proposition of the revival of the Hejaz Railway line to provide facilities in the means of conveyance and transport to this country. The net-worthy feature of this project is that His Majesty King Saud Bin Abdulaziz has positively paid special attention to this project and contributed with substantial amounts from his personal account to be invested for the achievement and bringing into existence of this scheme.

By virtue of the guidance exercised by our Government constant endeavours are being exerted to provide adequate hospitals and schools throughout the Kingdom, as such wherever a man would go round the territory of Saudi Arabia he will find well modernized hospitals and full fledged educational institutions provided with modern equipments and magnificent outlooks. The Jeddah - Medina Road scheme is about to be completed. The time is not very far when the expedition of Mecca - Taif concrete road construction will be executed. These series of gigantic projects are definitely aimed at the object to conjoin the distant regions of the Kingdom together by means of well paved roads. Undoubtedly the pilgrims of KAABA have felt with a fervent gratification and profound content the service rendered by our Government by virtue of the splendid directions of His Majesty the King, with a view to provide them with all possible amenities and comforts especially in Mina and other relics of reverence.

Based on the eagerness to raise the standard of living of the inhabitants all over Saudi Arabia, His Majesty the King

have issued a decree whereby no Saudi Capital to be invested abroad thus the infiltration of the national capital into foreign countries has been engulfed to ensure the fructification and the investment of the national wealth for its extensive utilization in the interest of Saudi Subjects. The Main object of this decree is to divert the tendencies of the Saudi Capitalists towards promoting their wealth inside Saudi Arabia, by undertaking various projects of the constructional, agricultural and industrial nature. The adaptation of this decree on national wealth will definitely realize the far aims which tend, to a very large extent, to industrialize the country as to be self suffice and achieve the high economic developments.

New approximate figures for the production of oil in the Eastern Province of the Kingdom have been recorded, while at the same time the exploration missions ceaselessly exploit expeditiously towards exploring the appealing zones; too much hopes can be attached to the successful discoveries of the new wells.

Towards the end of the year 1374 a Payment Agreement was signed between the Saudi Arabian Kingdom and the Sudan. Article No. 9 of the Agreement defined that the two countries have to employ all possible resources within their powers to strengthen the commercial relations between the two fraternal nations. A similar agreement was also signed with the Government of the Egyptian Republic.

The National Commercial Bank have played his due part in this energetic activity and spared no moral or material aid indulging in the services of his Majesty's Government, the capitalists and business men of Saudi Arabia reserving all his possible

supports and resources for these purposes. The Bank also took major lead in the field of construction which was necessitated by the existing need of the time, and scarcity of residence. The constructional plan executed by the Bank have enabled us to provide flats well comfortable and furnished with water supply and electricity for the residence of those having limited income. The distinguished aspect of this residential provision can be weighed on the light of the fact that apart from their being built on modern style and hygienic basis, the rent is purposely being worked out of meagre sum of money causing no adverse effect on the domestic budget of a workman or that of a clerk. It has always been the policy of the Bank to pick up the interest and inclination of the Saudi Arabian subjects and to verify the respective justifications for it with resolute support under the deep prudent policy of the Country. Hence we have been hastening towards the contribution on all schemes and projects that exclusively aim at the uplift and the welfare of the inhabitants. Our people have felt this fact and have, therefore, given their National Institution their sincere confidence and encouragement and in response of which we enthusiastically feel honoured at this juncture and hereby renew our determination to act most sincerely for the maintenance and preservation of their encouragement and trust in us.

BALANCE SHEET

The Bank activities expanded to a great extent during the past year and formed such an excellent status of banking business that can be fairly recorded as historic event of this Bank. The total assets as at 29. 12. 1374 amounted to S.R. 276, 787, 777.00 thus showing an excess of S.R. 165,627,805.00 compared with the last Balance Sheet.

CASH ON HAND AND IN BANKS

Cash on hand and deposits with other banks as at the end of 1374 amounted to S.R. 50,986,411.00 showing an excess of S.R. 22,151,195.00 to the previous Balance Sheet; whereas the total deposits amounted to S.R. 163,176,842.00 with an excess of S.R. 101,263,242.00 as compared to the last Balance Sheet. The Bank have preserved the high proportional level of cash and deposits which was approximately 31% at the end of the year 1374.

ADVANCES AND OVERDRAFTS

The total amount of advances and overdrafts at the end of the year 1374 (including the debit balance of the Saudi Arabian Government) amounted to S.R. 144,583,288.00 against S.R. 52,157,090.00 in the last Balance Sheet thus showing an excess of S.R. 92,426,198.00 to the previous figures. The total of the bills discounted on 29. 12. 1374 amounted to S.R. 1,322,202.00 while it was only S. R. 941,533.00 on 29. 2. 1374. This expansion in advances was a definite result of the implementation and protection rendered by the Bank to the guaranteed schemes and projects of high utility yielding out prosperous results all over Saudi Arabia and other neighbouring countries.

DOCUMENTARY CREDITS AND GUARANTEES

The total balance of Documentary Credits and guarantees at the end of 1374 was S. R. 38,881,155.00. Undoubtedly these figures are sufficient to indicate the splendid services that we have discharged to reanimate the foreign trade and empower the constructive schemes.

CAPITAL AND RESERVE

On the 9th Shaban 1374 corresponding 2nd April, 1955, the partners approved in a general meeting to increase the capital of the Bank by a proportionate decrease in the reserves making the capital of the Bank S.R. 30,225,133.00 thus leaving the balance Reserve S.R. 8,017,632.18. Later, on 23rd Moharram 1375, corresponding 11th September, 1955, the partners decided in a general meeting to increase the Reserve Fund upto S. R. 14,720,338.16 $\frac{3}{4}$ as shown in the Balance Sheet.

BRANCHES

The General Management of the Bank attached much care and attention towards the branches inside Saudi Arabia and abroad. Hence they reorganized the Foreign Departments in the Eastern Part of the Kingdom and reinforced those branches with experts and efficient hands from the neighbouring countries so as to obtain the high level by providing due training to the youths of Saudi Arabia for raising up their efficiency. While, at the same time, it is worth mentioning that our branch at Alkhobar shifted to a new building and the branch of Beirut shifted to the offices of a modern building in the business centre of the capital of Lebanon. Towards the end of 1374 we established a new branch at AR'AR (Badna) on the Tapline. This branch provided its necessity in those remote regions for the population over there. Our branch in Damascus have lately obtained the official approval of the Government of the Syrian Republic and started its active banking business rendering the required services to our brethren in Syria.

The General Management is endeavouring to adopt the systematic step to establish new branches for the Bank in the

neighbouring Arab countries especially in Aden, the Southern part of Arabia (Red Sea) and likewise in Khartoum and Port Sudan (Sudan) as well as in Cairo. Thus a concurrence is solicited to this effect from the clients and friends of the Bank, justifying the fact that it is the desire of this Bank to provide ample opportunities to the Arabs to avail the services of their Arabic institution whose chief mission aims to strengthen the economic relations amongst the Arab countries.

HEAD OFFICE

In view of the constant expansion of the Banking business and a relative increase in the staff, the General Management have invited several important contractors and architects for consultation about the construction of a grand building suitable for the central management of the Bank and its Head Office.

It has been decided that the existing building of the Bank and the adjacent building be demolished and a new building be erected in their place, which would certainly represent a fascinating and appealing view. Necessary negotiations are going on for the quick execution of this project.

FOREIGN MISSIONS

In order to give opportunities to the youths of Saudi Arabia for the achievement of practical training on modern lines of banking systems, the general management of the Bank have decided to send up a number of educated youths to Europe and United States of America for practical training under the supervision of our correspondents with the aim to be developed in the various banking departments. The General Management of the Bank hope that the cultured Saudi Nationals would respond to us and avail of the opportune for their own interest as well as

for the sake of their country.

MANAGERS CONFERENCE

During the first week of the month Zul Hija corresponding 21 st July, 1955, a conference of managers of the branches was held under the auspices of the General Manager. This conference lasted for a whole week wherein several topics came into discussion and the various angles of views were studied in the light of suggestions put forth by the said managers. The General Manager paid due consideration towards the demands of the managers of the branches and finally issued instructions for the prompt execution of their demands. While, at the same time, the members of the conference added certain recommendations and directions aiming at creating an intense deligence amongst the staff as to enable them to become the most benefitting accessories of the entire machineries of the Bank.

CORRESPONDENTS

We have welcomed in our Directorate General here during the year 1374 the visits of our numerous correspondents' representatives in Europe and the States, while some of our branches availed of the opportunity to accord reception for some of those representatives. These visits, of course, ended in a friendly atmosphere during which opinions were exchanged to ensure mutual perpetual friendship with the said correspondents and to strengthen the friendly relations with them. We have every reason to believe in the good results of these personal contacts and we conceive that the same created an impression environment of reciprocal co-operation between the Bank and the respective correspondents amongst whom our prestige attained a vast position.

In conclusion, the General Management of the Bank feel pleased in extending their profound thanks and fervent gratitude to His Majesty the King and His Government and the Fraternal Arab Governments and the worthy public in Saudi Arabia: similarly to the various correspondents of the bank, its staff and friends and its supporters in all parts of the world who placed their confidence in us. The General Management take the advantage of this opportunity and congratulate the managers of branches and the staff of the Bank and we attach due value to their sincerity and efficiency in the discharge of their services towards their institution and likewise to our valuable clients and pray for the fulfilment of their noble desire and pious ambition.

Jeddah, 17 th Safar, 1375

15 th October, 1955

General Manager
SALEM AHMAD BIN MAHFOUZ

THE NATIONAL COMMERCIAL BANK
STATEMENT OF CONDITION AS AT 29th ZUL HIJA 1374
(18th AUGUST, 1955)

RESOURCES			LIABILITIES		
DETAILS	S. Riyal	Q	DETAILS	S. Riyal	Q
Cash on Hand & due from Banks	50,986,411	11 3/4	Capital.	30,225,133	00
Bills Discounted.	1,322,202	20	Reserve Fund.	14,720,338	16 3/4
Shares (at cost price).	2,630,990	20	Deposits, Current & Other Accounts.	163,176,842	06 1/2
Goods in Stock (at cost price)	909,924	19 1/4	Acceptances.	419,616	01 1/2
Saudi Arabian Govt. Current Account.	43,636,921	20	Balances Due to Foreign Correspondents		
Advances & Overdrafts.	100,946,366	01 3/4	& Loans.	22,310,272	06
Other Assests.	634,395	14 1/2	Items in Transit with Branches.	4,028,329	15 1/2
Cars & Furniture (after depreciation)	453,435	04 1/2	Other Liabilities.	669,177	04 1/2
Shares in Subsidiaries.	10,076,000	00	Credits & Guarantees on Account of		
Land, Bank Premises & Buildings.	23,953,060	05	Customers (per contra)	38,881,155	16 1/2
Customers' Liability on Credits &			Endorsers of Bills on collection (per contra)	2,356,912	17 1/2
Guarantees (per contra)	38,881,155	16 1/2			
Bills on collection (per contra).	2,356,912	17 1/2			
Total Resources	276,787,777	18 3/4	Total Liabilities	276,787,777	18 3/4

Saudi Riyal equivalent to U. S. \$ O. 27 approximately.

General Manager : Salem Ahmad Bin Mahfouz

Assistant General Manager : Moh'd Ahmad Bagabas