



البنك الأهلي التجاري
THE NATIONAL COMMERCIAL BANK

ANNUAL REPORT 1993



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King Fahad Bin Abdulaziz Al Saud
The Custodian of the two Holy Mosques



His Royal Highness Prince Abdullah
Bin Abdulaziz Al Saud
Crown Prince and First Deputy Prime Minister
Commander of the National Guard



His Royal Highness Prince Sultan
Bin Abdulaziz Al Saud
Second Deputy Premier
Minister of Defence and Aviation
and Inspector General

Financial Highlights

1993 Performance

| SR Millions | 1993 | 1992 | % change |
|--|--------|--------|----------|
| Total assets | 66,818 | 63,708 | 4.9 |
| Total deposits | 51,274 | 51,739 | (0.9) |
| Total liabilities | 59,895 | 57,295 | 4.5 |
| Total partners' equity | 6,952 | 6,449 | 7.8 |
| Contra accounts | 45,746 | 52,981 | (13.7) |
| Income before operating expenses | 2,793 | 1,945 | 43.5 |
| Total operating expenses | 1,433 | 1,436 | (0.2) |
| Net operating income before provisions | 1,360 | 509 | 167.1 |
| Net income | 503 | 428 | 17.5 |

SELECTED RATIOS %

| | | |
|---|------|------|
| Return on partners' equity | 7.2 | 6.6 |
| BIS ratio | 15.4 | 14.0 |
| Partners' equity as % of total assets | 10.4 | 10.1 |
| Loans & advances as % of total assets | 41.1 | 40.7 |
| Securities as % of total assets | 23.6 | 22.3 |
| Liquid assets ratio | 51.7 | 51.9 |
| Deposits to loan & advances cover (times) | 1.9 | 2.0 |

THE NATIONAL COMMERCIAL BANK is the leading bank in Saudi Arabia.

- ❖ NCB's dual purpose is to enhance the value of the firm and to serve society;
- ❖ NCB is the first choice for customers and for talented employees;
- ❖ NCB is primarily a commercial bank providing deposit, investment and innovatively tailored products to retail, middle income and high net worth customers;
- ❖ NCB engages selectively in corporate business with a full range of financial services for the commercial sector and specialist financial services for large corporate clients. NCB is building a diversified portfolio with returns commensurate with the risks;
- ❖ NCB's core values are customer service, and reward for performance and teamwork.

A new management culture is being forged emphasising dedication to customer service, team work, delegation of authority and increased professionalism ❖ 18% increase in Net Income to SR 503 million

❖ Assets under management were up 18% to SR 12 billion and the number of funds rose from 15 to 19. NCB continues to be the dominant player in the domestic fund management field ❖ It was the most exciting year so far in the history of NCB in terms of technology and innovation ❖ NCB concluded an SR 1.1 billion (US\$ 293.3 million) syndicated financing of the Rabigh III Power Extension project, provided financial facilities of SR 819 million (US\$ 218.4 million) for the expansion of the Saudi Cement Company and was the agent and the underwriter of the US\$ 225 million loan for SAMAD.

❖ By the end of 1993, nineteen branches throughout the Kingdom were providing Islamic Banking Services ❖ Full service electronic banking is becoming a reality with significant expansion in ATM services and planned 5-fold increase in Point-of-Sale terminals ❖ A record number of NCB staff underwent training to upgrade skills with the emphasis on customer service ❖ A private banking division was established to provide superior services to our high net worth clients; Saud Sabban was recruited to head the division ❖ NCB's branch in Beirut was reorganised, its systems upgraded and a new branch manager, Hani Houssami, was appointed.

The Founders

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



Salim Ahmed Bin Mahfouz
General Manager

The Management Committee

From left to right:

Abdulahdi Ali Shayif, Omar Abdul Qadar Bajamal, Abdullah Salim Bahamdan,
Sheikh Mohamed Salim Bin Mahfouz, Mohammed Salim Al-Batati



The Steering Committee



Mohamed Salim Bin Mahfouz

Chairman of the Management
Committee and Deputy General Manager



Omar Abdul Qadar Bajamal

Deputy General Manager



Abdullah Salim Bahamdan

Deputy General Manager



Mohammed Salim Al-Batati

Deputy General Manager



Abdulhadi Ali Shayif

Deputy General Manager



Mike Callen

Adviser to the Chairman of the
Management Committee



Ahmed Baraja

Deputy General Manager



Saleh Kaaki

Assistant General Manager



Donald Hill

Treasurer



Khalid Al Basrani

Assistant General Manager

1993 marked a successful year for The National Commercial Bank and, on behalf of our staff, it is my pleasure to describe to you the events which provided us with these blessings and which will permit further progress in future years:

- ❖ Net Income exceeded SR500 million, an increase of 18% over 1992.
- ❖ Net operating income, before provisions, rose 167% over 1992 to SR1.3 billion, an indicator of healthy underlying momentum in the earning power of the business.
- ❖ Capital resources reached a total of SR7 billion which support assets of SR67 billion. When risk guidelines devised by the Bank for International Settlements are applied to these assets, NCB's capital ratio exceeds 15% which compares very favourably with the 8% standard set for international banks by the B.I.S.
- ❖ Assets under management by the Investment Services Division increased 18% over the previous year to SR12 billion, consolidating NCB's position of leadership in this field.
- ❖ As a result of these developments, the Bank's long term credit rating of "A" and short term rating of "A-1" were reinstated by Capital Intelligence Agency which monitors and rates Middle East banks.
- ❖ There are numerous initiatives underway which will generate strong business results in the years to come. Among the major ones:
- ❖ NCB has developed and commenced implementing a Vision Statement and a set of Business Principles which centre on dedication to customer service. The Bank's fundamental commitment is to exceed the expectations of its customers. Levels of service are measured by an outside agency and reviewed by management rigorously on a systematic basis. Targets are set, reward systems established, and accountability for results defined.



Mohamed Salim Bin Mahfouz
Chairman of the
Management Committee

- ❖ A new management culture is being forged emphasising teamwork, delegation of authority and increased professionalism. Cost cutting and rationalisation of expenditures are being implemented, rewards are now performance driven, and budgeting techniques have become central to the management process.
- ❖ A thorough review of operating procedures has been undertaken which will permit significant improvements in levels of service to our customers. NCB expects to improve its levels of productivity every year as a matter of principle.

- ❖ Investment in technology over the past five years is becoming increasingly evident in the daily operations of the Bank, especially in the efficiency with which we serve our valued customers. It is NCB's goal to deliver its full range of services through all of its 235 branches across the Kingdom. From the viewpoint of our customers, the same capability will be available to everyone no matter which outlet is chosen.
- ❖ Also increasingly evident will be the modernised exterior design of the branches and other delivery units of NCB. The Bank is devoting substantial resources over a five year period to upgrading and renovating all its premises to serve customers more effectively.

- ❖ Despite the many changes taking place today in NCB we have never lost sight of our most fundamental values. We are determined to provide opportunities for Saudi citizens to grow and develop as professionals. Several training programmes are underway at all times to achieve this objective. The energy and resources allocated to this purpose will increase in the future.
- ❖ We remain unaltered in our identity as a Saudi institution with respect both to character and purpose. NCB takes great pride in its national heritage and seeks to represent that value with pride and competence in all of its dealings both inside and outside the Kingdom.
- ❖ On behalf of The National Commercial Bank and its staff, I take this opportunity to express our gratitude to our customers for their continuing support. The trust and loyalty placed in this institution by its customers over the years represents greater value than the assets reflected on the balance sheet. We extend our gratitude to the Ministry of Finance and National Economy and the Saudi Arabian Monetary Agency for their guidance in providing a sound banking environment and to the Bank's staff for their hard work, dedication and total commitment to serving our customers.

Mohamed Salim Bin Mahfouz

Chairman of the
Management Committee

Right: Ibrahim Mutsaers's map of the Arabian Peninsula engraved in 1728.





During 1993, The National Commercial Bank embarked on an ambitious programme aimed at setting a new standard for customer service in the future. It will redefine retail banking in the Kingdom and enable NCB to exceed the increasing demands and expectations of its customers.

Integrity is a fundamental value of the Bank.

RETAIL BANKING

- ❖ The programme involves further substantial investment in Automatic Teller Machines (ATMs), Point-of-Sale (POS) outlets, and enhanced on-line systems; the upgrading of the branch network; the streamlining of services and the introduction of innovative products. With the largest customer base in the Kingdom, our goal is to deliver a quality product range to meet the diverse requirements of our customers.
- ❖ The determination to upgrade service derives from comprehensive studies of current service standards and quality control systems of NCB and of leading competitors. Insights gained from this data will complement three research projects undertaken at the end of 1993 that

examined the Bank's image and customer satisfaction in the Kingdom as well as the rising level of customer service expectations. In short, NCB will no longer try to sell to its customers what it happens to produce. Rather, the Bank will produce what the customer wants.

- ❖ NCB launched several customer-driven technology projects in 1993, including standardising delivery of common services throughout the Bank's 235 branches. These systems will put "state of the art" information and telecommunication power at the service of our customers. Indeed, in terms of innovation and technology, 1993 proved to be the most exciting year so far in the history of NCB.

Left: NCB has the largest branch network in the Kingdom. Attendance is that infrastructure is a less tangible but extremely valuable franchise – the trust placed in this institution by its customers.

- ❖ An on-line retail system introduced during the year enables NCB to consolidate its customer data base, which permits the Bank to deliver instant services Kingdom-wide, regardless of where a client's account is maintained. Customers can obtain statements or verify balances from any branch. In addition, the system's multi-currency facilities allow issuance of drafts within minutes. These initiatives position NCB as one of the leading banks in the region. In fact, the NCB system has been purchased by a major competitor in the Kingdom and by two prominent international banks.
- ❖ NCB's network of ATMs, still the largest in Saudi Arabia, offers a broader array of services³ than any other bank in the Kingdom. Further facilities are being introduced in 1994, during which year another 70 ATMs will be installed with an expanded range of facilities, including the provision of more extensive account information. The Bank intends to satisfy most of its customers' needs electronically.

We gain customer satisfaction by providing service that exceeds customer expectations. The level of customer satisfaction is measured consistently and professionally.

- ❖ Nevertheless, since many customers will prefer personal service, NCB will soon open several model branches which will set new standards for retail banking in the region.
- ❖ NCB views the POS programme, which is an electronic payment service available at the merchant's premises, as an important facility provided to its cardholders and commercial customer base. NCB aims at having 1,500 POS terminals at the end of 1994.
- ❖ Credit card holders can expect further significant benefits to flow from NCB's 1994 development programme. The Bank will offer an enhanced MasterCard service to its customers, granting them access to over 170,000 ATMs worldwide, as well as having access to NCB's own extensive ATM network throughout the Kingdom.
- ❖ The introduction of Maste-phone will enable NCB cardholders to save up to 80% on costs of international calls as compared to most competitors' calling card rates.

Right: By providing capital financing for the upgrading of residential complexes, NCB contributes towards improved Saudi housing and living standards.





Senior Corporate Banking and Marketing Officers
From left to right

Ahmed Saleh
Mario Cabrera
Mohammed Bajajmoor

Talal Hafiz
Mustafa Abdalla

*We are outward-looking and marketing-oriented;
we direct our effort towards anticipating, identifying
and meeting customer needs, better than the
competition, at a profit.*

CORPORATE BANKING SERVICES

- ❖ By increasing the quality and breadth of services provided, NCB enhanced its relationships with leading corporations, public sector joint venture companies and financial institutions in the Kingdom. At the same time, NCB was particularly pleased to continue supporting an increasing number of small and medium sized enterprises, a sector the Bank regards as fundamental to the health of the Kingdom's economy.

- ❖ In addition to providing credit facilities and syndicated loans for local and international projects, NCB's Corporate Banking Group offers financial advisory services such as project identification, capital restructuring, corporate mergers and acquisitions, lease financing as well as debt and equity fund raising.
- ❖ Last year, cost effective project financing schemes were designed for construction companies; new and expanding industrial ventures were assisted in securing lower cost of capital financing through fixed rate lending; and import-export loans and forward cover for trade financing were arranged on behalf of several of our commercial customers.
- ❖ Major projects assisted by NCB corporate banking services included those in telecommunications, manufacturing industry, construction of residential and shopping complexes, and cement and fertiliser plants. For example, NCB, with six other local banks, provided a financing offer of US\$ 500 million for the Ministry of Posts, Telegraphs and Telephones. These funds will be employed in the implementation of the Government's US\$ 4 billion Telephone Expansion Project. Also in telecommunications, the Bank organised a US\$ 75 million asset-based financing for the Italian operations of a major Saudi conglomerate.

❖ One of the most significant projects of the year involved the Al-Jubail Fertilizer Company (SAMAD) which is building a joint venture facility for the production of PVC. NCB was the agent and one of three underwriters for a US\$ 225 million 8.5 year syndicated term loan facility for SAMAD to finance the construction of the plant.

❖ NCB recently concluded an SR 1.1 billion (US\$ 293.3 million) syndicated financing of the Rabigh III Power Extension Project on behalf of the Saudi Consolidated Electricity Company in the Western Province. NCB also supported the Saudi Cement Company with LCs and other credit facilities totalling SR 819 million (US\$ 218.4 million) for the expansion of its cement plant in Hofuf and arranged an SR 200 million 6 year term loan to finance the construction of a major sugar refinery in Jeddah. This is a joint venture project between The Savola Company and Tate & Lyle of the UK under the Al-Yamama offset programme.

❖ In addition, NCB arranged an SR 520 million (US\$ 138.7 million) medium term loan for Gulf Jadawel International Limited to part finance the construction of a luxury 540 villa residential project at Al-Khobar.

We are a team and function as a team. Cooperation among individuals and units is key to delivering the resources of the whole Bank to the customer.

❖ These are a few high points of a productive year for NCB's Corporate Banking Group. All of these projects contribute to the rapid development of the Kingdom's economy. NCB takes great pride in the major role it has played and will continue to play in this historic process.



Members of the Investment Committee
From left to right

Omar Bajamal
Richard Overton
Henry Azzam

Omar Bajunaid
Abdulhadi Shayif
Donald Hill



Left: NCB continues to support an increasing number of small and medium sized enterprises, a sector the Bank regards as fundamental to the health of the Kingdom's economy.

INVESTMENT SERVICES

- ◆ NCB's position as the Kingdom's leading financial institution in the mutual fund market was significantly strengthened. In 1993, as overall assets under management grew by 18% to reach SR 11.8 billion (US\$ 3.15 billion). The number of funds rose from 15 to 19. This growth is a result of the Bank's policy of making available an increasingly broad range of top quality funds, customised portfolio management and other tailored investment banking services to its clientele.
- ◆ In January 1993, a Short-Term Sterling Fund was launched to provide superior money market returns with low capital risk and easy access to cash at short notice. In the same month, NCB initiated its Hospitality Investment Partners Fund, a closed-end fund to invest in a diversified portfolio of hotels in the US. This fund is now taking advantage of current market conditions by acquiring properties at depressed prices.
- ◆ NCB's range of equity based investment products was significantly enhanced in May 1993 with the introduction of its International Equity Fund and the US Equity Fund. These funds minimise risk inherent in equity investment through diversification in various stock and industry sectors. The International Equity Fund has performed particularly well recently. By the end of 1993 it was producing an annualised return of 29%.

- ◆ NCB also generates private placements for its investment clients. The Bank acted as the placement agent for the Fitalhi company in a private offering of 25% of its authorised share capital, valued at SR 150 million (US\$ 40 million). This issue was followed by an offering of shares in Solidère, a Lebanese company, for the reconstruction of Beirut's central district.
- ◆ Improved automated services enable the Bank's clients to buy and sell stocks of major international companies, completing the transaction virtually instantaneously. NCB has also enhanced its information services for investors via Reuters, Telerate and Teletrack.

We engage in a continual dialogue across all units and levels.



NCB Investment Services Officers

From left to right

Sami Baarma
Abdullah Al-Rawaf
Amer Al-Karnous

Saeed Haskouri
Abdullah Al-Darwish



TREASURY

- ◆ NCB strengthened its position in 1993 as a dominant force in treasury products in the Kingdom. We offer our customers complete and current treasury services. NCB is the principal player in the Saudi Riyal money and capital markets. It provides Saudi Riyal forward rate agreements (FRAs), interest rate swaps (IRS), and interest rate caps. Foreign exchange risk management tools are also offered, specifically tailored to individual customer needs.

- ◆ Mr. Donald Hill, an experienced treasurer, assumed leadership of the Bank's Treasury last year. The management team of the Treasury has been strengthened substantially and its activities have been concentrated on customer needs. A broadly based technology programme has been undertaken to automate all functions and support services. The programme places particular emphasis on streamlining traditional money market and foreign exchange activities as well as back office processing and administration.

Life: NCB is cognisant of its responsibilities to the community and remains socially committed to the future of the young Saudis.



The Treasury Management Team
From left to right

Kamal Bilal
Omar Bajunaid
Tarek Turki
Donald Hill

Mohab Mofit
Hussein Al Anawadi
Ahmed Farid

Rewards are commensurate with performance.

*Confidentiality is assured for
all customers at all times.*

- ◆ The future promises further innovation and customer service improvements across a broad front. A volatile environment calls for world class risk management expertise which is precisely what NCB's customers can expect to receive.
- ◆ The relationship between our High Net Worth clients and NCB's Private Banking division is segregated from other business dealings the client may have with NCB. Thus, strict confidentiality is always observed.
- ◆ The private banking relationship managers are the focal point of contact for their clients. They are knowledgeable professionals in financial services and possess efficient delivery capabilities.

PRIVATE BANKING

- ◆ As the largest and longest established private bank in the Kingdom, NCB is well positioned to be the bank of choice for wealthy Saudi individuals. A private banking division was established last year to provide superior services to our High Net Worth clients.

The primary indicators of productivity for the Bank are revenue and profit per employee.

Relevant training is a fixed feature of our competitive strategy.

ISLAMIC BANKING SERVICES

❖ Islamic banking services were introduced in early 1992 in recognition of NCB's responsibility towards the economic and social development of the Kingdom and in order to provide non-traditional banking services to a wide section of the population. By the end of the year, nineteen branches throughout the Kingdom were providing non-traditional financial services conforming to the strictest Islamic principles. The range of financing methods available

encompasses Mudaraba, Musharakah, Murabaha, Murabaha Letter of Credit, Ijara and Istisna.

❖ NCB is determined to become the leader in Islamic banking in the region. A specialised team has been appointed, dedicated to managing activities in this area to the highest professional and moral standards. This thrust has resulted not only in the development of new products for mobilising deposits according to Islamic principles, but also in the creation of financing methods which, while conforming with those principles, are distinctly different from those used by conventional banks.

TRAINING

❖ NCB is committed to ongoing responsibilities for training its staff and believes that development of its human resources is essential to its future growth and to the provision of service to clients of the highest order.

❖ The theme of the Bank's 1993 training programme is "performance for the customer". This theme carried through all sessions held at NCB's three training centres in Jeddah, Riyadh and Dammam and governed the choice of external courses, seminars, conferences and workshops sponsored by the Bank. In addition, a number of staff was sent abroad for postgraduate studies at leading international educational and financial institutions.

❖ The number of employees trained during 1993 reached a new record of 3,197, an increase of 30% over the previous year. Of these, 2,221 were given training by the Bank itself and 976 took advantage of external opportunities arranged for them by the Bank.

Right: The high standard of health care provided to the people of Saudi Arabia requires constant investment to upgrade hospitals and other health facilities Kingdom-wide.





From left to right

Hani Houssami
Branch Manager,
Beirut Branch

Saleh Hussein
Branch Manager,
Bahrain OBU Branch

John Grafton-Smith
Representative,
London Representative Office

Saleh Naoura
Representative,
Frankfurt Representative Office

Mustafa bin Kassim
Representative,
Singapore Representative Office

Andrew Grim
Representative,
Seoul Representative Office

Uchiro Kinoshita
Representative,
Tokyo Representative Office

We emphasise delegation and empowerment.

OVERSEAS OPERATIONS

- ❖ NCB maintains a branch in Bahrain, a branch in Beirut and Representative Offices in London, Frankfurt, Singapore, Seoul and Tokyo. All these facilities are staffed with experienced teams capable of facilitating the requirements of NCB's international clientele around the world.
- ❖ The Representative Offices continue actively to assist the various divisions of the Bank in coordinating and enhancing our world-wide relationships with 565 financial institutions in 88 different countries. During 1993 our overseas units introduced a large number of financing opportunities for NCB's Corporate Banking Group in the Kingdom.

- ❖ The NCB Beirut Branch is being reorganised and its systems upgraded. A new Branch manager, Mr. Hani Houssami, was appointed in 1993. NCB Beirut will be well positioned to play a greater role in the country's reconstruction activities and in financing trade flows between Saudi Arabia and the Lebanon.
- ❖ The Bahrain OBU Branch continued to provide offshore banking services to its customers.

Right: Map of the Arabian Peninsula engraved by Jodocus Hondius in 1609.



PERSIC REGNI PARS

hodie Sophy appellatur, qui imperio
Saraceni & Turci parvulum a
struere quotidie recuperat, continua
eos atrocitas belli sunt.

ORMUS Regnum, peculiariter
Regem Lusitania Regi tributum
necque totum Arabiam lateralem
hunc fluvij gis usq. ad C. Rex ele
partu Regis Persio que affert
foras, insulas fore omnes suas
usque Meropis est ubi Omnis in
dicitur Giza sua, antiquum celestem

ORMUS
Elcatif olim SINUS
Arabum ARABICUS
Elcatif desert.

ORMUS
M. AFEA
Belchar
Desine

ORMUS
M. AFEA
Belchar
Desine

ORMUS
M. AFEA
Belchar
Desine

ORMUS
M. AFEA
Belchar
Desine

ORMUS
M. AFEA
Belchar
Desine

TO THE PARTNERS OF
THE NATIONAL COMMERCIAL BANK:

- ❖ We have audited the accompanying balance sheet of The National Commercial Bank (a general partnership) (the "Bank") as of 31 December 1993 and the related statements of income, changes in partners' equity, and source and application of funds for the year then ended, including the related notes 1 to 16. These financial statements, which have been derived from computerised accounting records maintained in Arabic in the Kingdom of Saudi Arabia, have been prepared by the Bank in accordance with the provisions of the Banking Control Regulations and submitted to us together with all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary to obtain a reasonable degree of assurance to enable us to express an opinion on the financial statements.
- ❖ In our opinion, the financial statements taken as a whole present fairly, in all material respects, the financial position of The National Commercial Bank as of 31 December 1993 and the results of its operations, the changes in partners' equity and the source and application of its funds for the year then ended in conformity with acceptable accounting standards appropriate to the circumstances of the Bank.

FOR WHINNEY MURRAY & CO.
Dr. Abdullah Abdulrahman Baeshen
Registration No. 66

FOR ISSA EL AYOUTY & CO.
Accountants and Auditors
El Sayed El-Ayouty
Registration No. 36
9 March 1994
27 Ramadan 1414 H

CAPITAL RESOURCES REACHED
A TOTAL OF SR 7 BILLION.

Net operating income before provisions rose
167% over 1992 to 1.3 billion.

Balance Sheet at 31 December 1993

(In thousands of Saudi Riyals)

| ASSETS | Notes | 1993 | 1992 |
|---|-------|-------------------|-------------------|
| Cash and balances with SAGMA* | 3 | 3,474,469 | 3,043,250 |
| Due from banks | 4 | 15,328,154 | 15,791,110 |
| Trading securities | 5 | 11,959,438 | 11,658,585 |
| Loans and advances, net | 6 | 27,457,992 | 25,901,682 |
| Investment securities, net | 7 | 3,819,576 | 2,553,929 |
| Fixed assets, net | 8 | 1,414,583 | 1,436,432 |
| Other real estate | | 1,881,679 | 2,225,955 |
| Other assets | 9 | 1,511,809 | 1,087,383 |
| Total assets | | 66,847,700 | 63,708,327 |
| LIABILITIES AND PARTNERS' EQUITY | | | |
| Liabilities | | | |
| Deposits: | | | |
| Customers' call, time and savings | 10 | 48,687,362 | 48,873,814 |
| Other deposits | | 2,586,304 | 2,865,647 |
| Total deposits | | 51,273,666 | 51,739,461 |
| Due to banks | 11 | 6,703,790 | 3,861,804 |
| Other liabilities | | 1,917,942 | 1,657,043 |
| Total liabilities | | 59,895,398 | 57,259,208 |
| PARTNERS' EQUITY | | | |
| Capital | 12 | 5,000,000 | 6,000,000 |
| Statutory reserve | 13 | 952,302 | 449,119 |
| Total partners' equity | | 5,952,302 | 6,449,119 |
| Total liabilities and partners' equity | | 66,847,700 | 63,708,327 |
| CONTRA ACCOUNTS | 14 | 45,746,433 | 52,981,432 |

The attached notes 1 to 16 form an integral part of these financial statements.

* Saudi Arabian Monetary Agency

US\$ 1= SR 3.75

Statement of income for the year ended 31 December 1993

(In thousands of Saudi Riyah)

| OPERATING INCOME | 1993 | 1992 |
|--|------------------|------------------|
| Loans, advances, placements, foreign exchange and other services | 3,046,237 | 2,616,525 |
| Trading securities | 495,548 | 562,139 |
| Investment securities | 411,149 | 285,783 |
| Other | 14,191 | 18,053 |
| Total operating income | 3,967,125 | 3,482,610 |
| Less: Cost of funds | 1,174,581 | 1,538,139 |
| Income before operating expenses | 2,792,544 | 1,944,501 |
| OPERATING EXPENSES | | |
| Salaries and other staff related costs | 845,181 | 846,190 |
| Depreciation of fixed assets and other real estate | 81,319 | 97,751 |
| Other general and administrative expenses | 462,711 | 449,157 |
| Donations and charitable contributions | 40,578 | 42,481 |
| Total operating expenses | 1,432,819 | 1,435,599 |
| Net operating income before provisions | 1,359,725 | 508,902 |
| Provision for credit losses | (293,400) | (81,081) |
| Provision for decline in value of investments | (170,000) | — |
| Provision for decline in value of other real estate | (393,142) | — |
| Net income | 503,183 | 427,821 |

The attached notes 1 to 16 form an integral part of these financial statements

Statement of changes in
Partners' Equity for the year
ended 31 December 1993

(in thousands of Saudi Riyals)

| | Notes | Capital | Statutory Reserve | Retained Earnings |
|----------------------------------|-------|-----------|-------------------|-------------------|
| 1993 | | | | |
| Balance at beginning of the year | | 6,000,000 | 449,119 | - |
| Net income | | - | - | 503,183 |
| Transfer to statutory reserve | 13 | - | 503,183 | (503,183) |
| Balance at end of the year | | 6,000,000 | 952,302 | - |
| 1992 | | | | |
| Balance at beginning of the year | | 50,225 | 32,775 | 21,296 |
| Increase in capital | | 5,957,000 | - | - |
| Transfer from statutory reserve | | 32,775 | (32,775) | - |
| Net income | | - | - | 427,821 |
| Transfer to statutory reserve | 13 | - | 449,119 | (449,119) |
| Balance at end of the year | | 6,000,000 | 449,119 | - |

The attached notes 1 to 16 form an integral part of these financial statements.

Statement of Source and
Application of Funds for the
year ended 31 December 1993

(in thousands of Saudi Riyals)

| FUND PROVIDED | 1993 | 1992 |
|---|------------------|-------------------|
| Net income | 503,183 | 427,821 |
| Charges not requiring current outlay of funds: | | |
| Depreciation of fixed assets and other real estate | 84,349 | 97,761 |
| Funds generated from operations | 587,532 | 525,582 |
| Increase in capital | - | 5,337,000 |
| Increase in: | | |
| Due to banks | 2,841,986 | - |
| Other liabilities | 259,999 | - |
| Decrease in: | | |
| Statutory deposits with SAMA | - | 71,230 |
| Other deposits with SAMA | - | 938,421 |
| Due from banks | 462,956 | 8,635,044 |
| Trading securities | - | 2,345,267 |
| Loans and advances | - | 8,510 |
| Investment securities | - | 1,957,769 |
| Other real estate | 337,236 | - |
| Other assets | - | 545,264 |
| Total funds provided | 4,489,709 | 20,965,087 |
| FUND UTILISED | | |
| Additions to fixed assets, net | 55,459 | 59,103 |
| Decrease in: | | |
| Deposits | 465,795 | 16,809,123 |
| Due to banks | - | 3,052,061 |
| Other liabilities | - | 901,033 |
| Increase in: | | |
| Cash in hand | 251,258 | 136,404 |
| Statutory deposits with SAMA | 78,034 | - |
| Other deposits with SAMA | 103,927 | - |
| Trading securities | 300,853 | - |
| Loans and advances | 1,556,310 | - |
| Investment securities | 1,255,647 | - |
| Other real estate | - | 7,273 |
| Other assets | 424,426 | - |
| Total funds utilised | 4,489,709 | 20,965,087 |

The attached notes 1 to 16 form an integral part of these financial statements

Notes to the Financial Statements for the year ended 31 December 1993

(In thousands of Saudi Riyal)

1. GENERAL

The National Commercial Bank (the "Bank") was established in Rajab 1369 H, corresponding to May 1950, as a general partnership. Following the demise of certain of the founding partners, some of the heirs withdrew by selling their shares to the remaining partners. The legal formalities relating to the amendment of the partnership deed, in accordance with the Regulations for Companies, have not yet been completed.

The objectives of the Bank are to provide all types of banking services. The Bank operates through 238 branches (1992: 237 branches) in the Kingdom of Saudi Arabia and 2 branches overseas.

The Bank is guided by the accounting and reporting guidelines prescribed by the Saudi Arabian Monetary Agency (SAMA) and the Banking Control Regulations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the accrual basis of accounting.

b) Securities portfolios

The Bank maintains two separate and distinct securities portfolios, namely the investment portfolio and the trading portfolio. The designation is made by the Bank's management between the investment and trading portfolios at the time of purchase and no transfers are made between the investment and trading portfolios unless justification is provided for such transfers.

(i) Trading portfolio

The bonds and securities held for trading purposes are stated initially at cost at the date of purchase, and are valued at the balance sheet date using their current market value, with realised and unrealised gains and losses being recognised in the statement of income.

Government Development Bonds subject to sale and repurchase agreements are included in the trading portfolio. Funds received from customers against such repurchase agreements are included in customers' deposits.

(ii) Investment portfolio

Unlisted investments in domestic and overseas companies are stated at cost less provision for any permanent decline in value.

Securities held with the intention of being retained until maturity are stated at cost, adjusted to give effect to the amortisation of any premium or discount on purchase over periods to redemption.

The investment portfolio is disclosed in the balance sheet net of provision.

c) Provision for credit losses

The Bank's management reviews the loans and advances portfolio to determine the adequacy of the provision. The review takes into account the recoverability of outstanding loans and advances and the general economic environment.

The provision for credit losses is reduced by loans written off, which amounts are determined after management's review of recoverability and any related collateral. In addition, the provision for credit losses is reduced on reclassification of non-performing loans and the differences are credited to the statement of income.

Loans and advances are disclosed in the balance sheet net of provision.

d) Fixed assets

Fixed assets are stated at cost. Freehold land is not depreciated. The cost of other fixed assets is depreciated using the straight-line method over their expected useful lives, based on the following percentage rates:

| | |
|-----------------------------------|------------|
| Buildings | 2.5% |
| Furniture, fixtures and equipment | 10% to 25% |

e) Other real estate

The Bank acquires certain real estate from its customers against settlement of overdue loans and advances. Such real estate is stated at the lower of net agreed value at the settlement date after deducting accumulated depreciation, and current fair market value of the related properties.

Gains and losses on disposal and unrealised losses on valuation of other real estate at year end are credited or charged to the statement of income.

f) Contra accounts

Contingencies and commitments incurred in the ordinary course of business are recorded as contra accounts and disclosed as such as off balance sheet items. These include letters of credit, letters of guarantee, commitments to purchase and sell foreign currencies, interest rate and foreign currencies related swaps and other miscellaneous contingent liabilities.

Commitments for purchase and sale of foreign currencies, interest rate and foreign currencies related swaps are recorded at gross values.

g) Income recognition

Income is recognised on an accrual basis, except for commission on loans and advances classified as non-performing, which is transferred to a suspense account. Commission on such loans and advances is recognised as income when received from customers.

Loans and advances are disclosed in the balance sheet net of accumulated commission in suspense.

h) Foreign currencies

Transactions in foreign currencies are translated to Saudi Riyals by applying exchange rates at the dates of such transactions. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Saudi Riyals at the year end rates of exchange.

Forward foreign exchange contracts are recorded in Saudi Riyals at the spot rates prevailing at the deal date. Premium and discount relating to the forward foreign exchange contracts are amortised over the period of the contract. Any such contracts outstanding at the year end are valued at the spot exchange rates prevailing at the balance sheet date.

Realised and unrealised gains and losses on exchange are credited or charged to operating income.

i) End of service benefits

Benefits payable to the employees of the Bank are provided for in accordance with the guidelines set by the Saudi Arab Labour Law and the balance is included in other liabilities.

j) Zakat

Zakat is computed based on the balance sheet and is accrued and charged against income. This provision is subject to adjustments made by the Department of Zakat and Income Tax at the time of issuing the final assessment.

| 3. CASH AND BALANCES WITH SAMA | 1993 | 1992 |
|---------------------------------------|------------------|------------------|
| a) Cash in hand | 1,086,222 | 834,964 |
| b) Balances with SAMA | | |
| Statutory deposits | 2,049,208 | 1,973,174 |
| Other deposits | 339,039 | 235,112 |
| | 3,474,469 | 3,043,250 |

In accordance with the Banking Control Regulations, the Bank is required to maintain statutory deposits with SAMA at stipulated percentages of its call, time, savings and other deposits.

| 4. DUE FROM BANKS | 1993 | 1992 |
|---|------------|------------|
| a) Domestic | | |
| Call deposits | 53,718 | 10,907 |
| Time deposits | 2,242,500 | 4,475,000 |
| b) International | | |
| Call deposits | 1,142,361 | 1,521,533 |
| Time deposits | 11,889,575 | 9,783,670 |
| | 15,328,154 | 15,791,110 |
| 5. TRADING SECURITIES | | |
| a) Domestic | | |
| Quoted shares | 882,956 | 933,513 |
| Government Development Bonds | 50,500 | 961,535 |
| Saudi Treasury Bills | 3,562,246 | 4,027,270 |
| Units in investment funds managed by the Bank | 300,000 | |
| b) International | | |
| Externally managed portfolios (shares, bonds and others) | 7,063,726 | 5,711,375 |
| Bonds | - | 24,942 |
| | 11,959,438 | 11,558,585 |
| 6. LOANS AND ADVANCES, NET | | |
| Loans and advances to private sector net of provision for credit losses | 21,201,179 | 20,211,648 |
| Banks | 337,763 | 613,648 |
| Governments and government departments | 5,909,464 | 4,936,003 |
| Bills purchased and discounted | 9,586 | 140,380 |
| | 27,457,992 | 25,901,682 |

Notes to the Financial Statements for
the Year ended 31 December 1993
(in thousands of Saudi Riyals)
continued

| 7. INVESTMENT SECURITIES, NET | 1993 | 1992 |
|--|-----------|-----------|
| a) Domestic | | |
| Shares | 91,927 | 91,927 |
| Government Development Bonds | 2,395,908 | 1,077,163 |
| b) International | | |
| Shares | 88,268 | 395,381 |
| Bonds | 543,472 | 999,455 |
| | 3,819,576 | 2,563,929 |
| 8. FIXED ASSETS, NET | | |
| Land | 251,797 | 250,078 |
| Buildings | 1,358,681 | 1,344,940 |
| Furniture, fixtures and equipment | 416,594 | 375,082 |
| | 2,037,072 | 1,960,100 |
| Less: Accumulated depreciation | 622,489 | 543,668 |
| Net book value | 1,414,583 | 1,416,432 |
| 9. OTHER ASSETS | | |
| Customers' liabilities on acceptances | 712,589 | 450,881 |
| Accrued commission receivable | 154,129 | 190,063 |
| Other | 645,091 | 440,839 |
| | 1,511,809 | 1,087,383 |
| 10. DEPOSITS | | |
| Customers' deposits include an amount of SR 50 million (1992 - SR 614 million) against sale of Government Development Bonds under repurchase agreements. | | |
| 11. DUE TO BANKS | | |
| a) Domestic | | |
| Call deposits | 14,642 | 1,585,177 |
| Time deposits | 5,133,537 | 945,000 |
| b) International | | |
| Call deposits | 620,742 | 615,855 |
| Time deposits | 934,669 | 715,772 |
| | 6,703,790 | 3,861,804 |

12. CAPITAL

During 1992 the capital was increased to SR 6 billion. The legal formalities relating to the amendment of the partnership deed in respect of the increase in capital are under process.

13. STATUTORY RESERVE

In accordance with the Banking Control Regulations, a minimum of 25% of the annual net income is required to be transferred to a statutory reserve until this reserve equals the paid up capital of the Bank.

The entire net income for the year 1993 has been transferred to the statutory reserve. This reserve is not available for distribution.

| 14. CONTRA ACCOUNTS | 1993 | 1992 |
|--|------------|------------|
| Letters of credit | 3,635,599 | 5,445,465 |
| Letters of guarantee | 7,480,340 | 7,284,865 |
| Forward contracts to purchase foreign currencies | 14,669,760 | 21,730,202 |
| Forward contracts to sell foreign currencies | 19,488,821 | 17,623,322 |
| Swap contracts | 348,375 | 734,295 |
| Other | 123,538 | 165,275 |
| | 45,746,433 | 52,983,432 |

The Bank's management does not anticipate any material loss as a result of these contingencies and commitments.

15. INVESTMENT SERVICES

The Bank provides certain investment management services to its customers. These services include the management of a variety of investment funds in association with professional investment managers. The assets of these funds do not form part of the Bank's assets and, accordingly, are not included in the financial statements of the Bank.

16. CONTINGENT LIABILITIES

Certain lawsuits have been filed outside the Kingdom of Saudi Arabia against the Bank and other parties for substantial amounts, in which the plaintiffs are claiming compensation for alleged damages suffered by them as a result of alleged violations committed in certain transactions with them. The Bank is defending its position to prove that these lawsuits are unfounded.

However, due to the complexity of the matters involved and the long period of litigation likely, it is not practical, at this stage, to determine the final outcome of these actions. Accordingly, the accompanying financial statements do not include any provision for such contingent liabilities.

DEVELOPMENT OF THE KINGDOM'S financial markets is being actively pursued and a clear trend towards financial deepening is emerging.

The Saudi Riyal market

- ♦ Saudi Arabia follows basically a managed exchange rate policy with stability against the dollar featuring as its most important element. For the last eight years, the value of the Saudi Riyal to the dollar has not changed at SR 3.75. To maintain such a fixed exchange rate parity, Saudi Riyal deposit rates have generally remained quite close, usually less than 0.5% above or below comparable dollar deposits (table 1).

- ♦ The ability of the Saudi Arabian Monetary Agency (SAMA) effectively to manage liquidity in the SR market has improved considerably in the last few years with the introduction of Government Development Bonds in 1988 and Treasury Bills in November 1991.
- ♦ Hardly any speculative positions (short SR/long dollar) have been recorded recently, as evidenced by the shrinking gap between SR and dollar interest rates. The interest rate gap widened in the fourth quarter of 1993 before dropping to 0.75% in January 1994, following the release of the new budget calling for

cuts in government expenditure of 19%. This, together with the assertion by the authorities that the SR/\$ rate will be maintained at the 3.75 level, helped calm speculative pressure and placed the fiscal position of the Kingdom on a sustainable path.

- ♦ More sophistication is gradually being introduced to the Kingdom's exchange markets. Today there exists an efficient SR forward market with competitive prices quoted for up to one year. Quotations are available for one to five years from a limited number of banks, mainly on a one-sided price basis. A major impediment to the development of

TABLE 1
INTEREST RATES ON SAUDI RIYAL DEPOSITS COMPARED WITH EURODOLLAR RATES 1992-1993
[% per annum, quarterly averages]

| | | 3-Months SR Deposit Rates | 3-Months Eurodollar Deposit Rates | 3-Months Deposit Rate Differentials SR Minus \$ |
|------|----|---------------------------------|---|---|
| 1990 | Q1 | 7.94 | 8.26 | -0.32 |
| | Q2 | 8.06 | 8.32 | -0.26 |
| | Q3 | 8.16 | 8.03 | 0.13 |
| | Q4 | 7.90 | 7.89 | 0.01 |
| 1991 | Q1 | 6.85 | 6.68 | 0.17 |
| | Q2 | 5.99 | 5.94 | 0.05 |
| | Q3 | 5.61 | 5.67 | -0.06 |
| | Q4 | 4.86 | 4.84 | 0.02 |
| 1992 | Q1 | 4.04 | 4.04 | 0.00 |
| | Q2 | 3.92 | 3.86 | 0.06 |
| | Q3 | 3.23 | 3.21 | 0.02 |
| | Q4 | 3.40 | 3.34 | 0.06 |
| 1993 | Q1 | 3.12 | 3.07 | 0.05 |
| | Q2 | 3.12 | 3.14 | -0.02 |
| | Q3 | 3.31 | 3.14 | 0.17 |
| | Q4 | 4.58 | 3.27 | 1.31 |

Sources: Saudi Arabia Monetary Agency, Quarterly Bulletin, various issues.

hedging operations in the Kingdom was resolved with the establishment of two benchmarks, SIBOR (Saudi Interbank Offered Rate) and a Saudi prime rate.

- ❖ Riyal floating rate agreement (FRA) quotes are available from a limited number of banks, but no formal market making has yet been initiated. The focus has been on the shorter dated maturities with a revealed preference to six month contracts catering to commercial interests. To date, only limited activity has been undertaken (predominantly wholesale) and it must be stressed that, given this embryonic state, the market is subject to inconsistent liquidity. The absence of futures and options contracts on an exchange traded basis is a limiting factor in this regard.

- ❖ Riyal interest rate swap (IRS) activity is extremely limited. This is attributable to the lack of natural receivers in the market. The recent advent of Riyal based fixed-rate medium term funding operations greatly enhances the potential for future activity. Riyal interest rate caps have received the most favourable commercial/retail response of all the off-balance sheet instruments. Again, only a limited number of banks are active in this market but commercial demand has been well diversified. To date, only short dated caps have been offered (predominantly one year) with a commercial preference for one month prices, at strikes only modestly above prevailing rate levels.

Government Bonds and Treasury Bills markets

- ❖ The most important financial development in the late 80's was the issuance of public debt instruments by the Saudi government. The aim was not only to help finance deficit budgets, but also to generate an effective tool of monetary policy and create new investment channels for the private sector.

- ❖ In 1988, SAMA started issuing, on behalf of the Ministry of Finance, Government Development Bonds in one to five year maturities which were officially linked to the profits of unspecified development projects. These have been sold at a discount and the yield corresponded closely to a small margin over like-dated US Treasury notes. Spreads on Treasuries are approximately 30 basis points in the two year tranche, rising to 50 basis points for the five year issue. Other market conditions were taken into consideration when setting the yields.

- ❖ Since the inception of the government bond programme, SAMA has been offering a total of SR 1.5 billion of two to five years maturities every two weeks. The minimum denomination of bonds offered through the primary market is SR 1 million to the banks, dropping to a minimum of SR 50,000 for individual buyers. Primary distribution is undertaken on a subscription basis, i.e. SAMA posts the yield (via the 'earnings' mechanism) at which bonds will be sold in the primary market and at which eligible investors can subscribe for any allocation.

- ❖ No actual physical securities are issued. SAMA, as fiscal agent, employs a book entry mechanism specifically to register ownership of the bonds. This pertains to banks and autonomous government bodies, while other retail buyers are deemed to be beneficial owners of the bonds but the registration remains in the bank's name. Redemption and earnings are passed back through the banking system. The book entry method gives SAMA insights into the specific nature of the distribution of the bonds.
- ❖ A number of steps were taken recently to improve the liquidity of the government

bond market. In August 1988, a repurchase facility was established permitting banks to discount up to 25% of their holding with SAMA. In early 1989, SAMA approved plans for Saudi banks to act as market-makers for the bonds, thus establishing an effective secondary market for government bonds.

- ❖ Saudi Arabia started to issue treasury bills in November 1991 to help the government tap domestic liquidity and smooth out short-term cash flow problems. The bills are offered in maturities ranging from one to 12 months. No actual physical securities are issued (i.e. it is a book entry mechanism) and the amount

raised can vary from one week to another. A detailed comparison between treasury bills and government bonds is given in table 2.

- ❖ SAMA introduced a repurchase facility for treasury bills, through which banks can raise additional liquidity when needed by selling to the Saudi Arabian Monetary Agency up to 75% of the treasury bills they are holding at a set rate under an agreement to buy them back later. In May 1992, a reverse repurchase facility was introduced aimed at further improving management of day-to-day liquidity in the SR interbank market.

- ❖ Yields on 3 month treasury bills rose by 1.62% in 1993, from 3.24% at the beginning of the year to 4.8% by the close. The rising trend started early September in line with higher rates on corresponding interbank Saudi deposits. It was triggered by market participants mainly outside the Kingdom taking speculative positions against the riyal. Yields on the SR government bonds of longer maturities drifted slightly lower in line with the general downtrend in yields of US Treasuries. The 5 year maturities ended 1993 yielding 5.65%, down from 6.54% at the beginning of the year.

TABLE 2
COMPARISON BETWEEN GOVERNMENT BONDS AND TREASURY BILLS

| | Government Bonds | Treasury Bills |
|------------------------------------|--|---|
| 1. Maturities & frequency of issue | Maturities of 2, 3, 4 and 5 years issued every 2 weeks. | Maturities of 4, 13 and 26 weeks issued every week; maturities of 52 weeks issued once a month. |
| 2. Amount | SR 1.5 billion for all issues every 2 weeks. | Not specified by maturity with the total ranging between SR 1 billion and SR 2 billion. |
| 3. Denomination | Multiples of SR 1 million to banks and SR 50,000 from banks to customers. | Multiples of SR 1 million for banks and SR 50,000 to customers. |
| 4. Secondary market | Exists | Will exist, only banks to buy primary bills. |
| 5. Pricing | 20 b.p. to 50 b.p. above comparable US bonds. | Very close to SR interbank rates, but at discretion of SAMA. |
| 6. Repo facility | 25% of banks' total holding. No reverse Repo. | 75% of banks' total holdings. Reverse Repo available. |
| 7. Authorised purchaser | Saudi banks and their branches overseas, government institutions, resident investors, GCC resident institutions, mutual funds available to the public. | Saudi banks, government institutions, resident investors, classified non-residents. |

TABLE 3
SAUDI ARABIA STOCK MARKET INDICATORS 1993

| Sector | Declared Capital SR. million | No. of Shares Issued thousand | Paid-up Capital SR. million | SHARES OWNED BY GOVERNMENT | | | | SHARES OWNED BY FOREIGNERS | | | | SHARES OWNED BY PRIVATE ENTITIES | | | |
|-------------|---------------------------------------|--|--------------------------------------|--|-------------------------|----------------------------------|------|--|-------------------------|----------------------------------|------|--|-------------------------|----------------------------------|------|
| | | | | Number % of total shares thousand | Value SR. million | % of total paid-up capital | | Number % of total shares thousand | Value SR. million | % of total paid-up capital | | Number % of total shares thousand | Value SR. million | % of total paid-up capital | |
| Banks | 10,200 | 102,000 | 10,200 | 8,730 | 8.6 | 873 | 8.6 | 21,331 | 20.9 | 2,133 | 20.9 | 71,339 | 70.5 | 7,194 | 70.5 |
| % of total | 14.4 | 14.1 | 15.7 | 1.0 | | 3.2 | | 28.6 | | 6.4 | | 18.1 | | 20.9 | |
| Industry | 15,620 | 164,200 | 15,350 | 73,634 | 44.8 | 7,350 | 47.3 | 1,170 | 0.7 | 117 | 0.8 | 69,396 | 54.4 | 8,083 | 52.0 |
| % of total | 22.1 | 23.1 | 24.0 | 25.5 | | 26.5 | | 4.3 | | 6.4 | | 22.6 | | 23.5 | |
| Cement | 6,208 | 64,850 | 5,261 | 7,183 | 11.1 | 653 | 13.0 | 4,703 | 7.3 | 431 | 8.7 | 53,964 | 4,147 | 78.8 | |
| % of total | 8.8 | 9.1 | 8.2 | 2.5 | | 2.5 | | 17.5 | | 16.0 | | 13.4 | | 12.1 | |
| Services | 11,538 | 106,625 | 8,400 | 18,271 | 17.1 | 1,662 | 19.6 | — | — | — | — | 68,154 | 82.9 | 6,738 | 80.2 |
| % of total | 16.3 | 15.0 | 13.0 | 6.3 | | 6.0 | | — | | — | | 22.3 | | 19.5 | |
| Electricity | 25,039 | 250,660 | 23,847 | 179,090 | 71.4 | 17,029 | 72.5 | — | — | — | — | 71,570 | 26.6 | 6,458 | 27.5 |
| % of total | 35.4 | 35.2 | 35.2 | 52.1 | | 61.4 | | — | | — | | 18.1 | | 18.8 | |
| Agriculture | 2,178 | 23,567 | 1,503 | 1,364 | 5.8 | 116 | 6.1 | — | — | — | — | 22,203 | 94.2 | 1,787 | 93.9 |
| % of total | 3.0 | 3.3 | 2.9 | 0.5 | | 0.4 | | — | | — | | 5.5 | | 5.2 | |
| Total | 70,783 | 711,502 | 64,601 | 288,272 | 40.5 | 27,713 | 42.8 | 27,204 | 3.8 | 2,681 | 4.1 | 396,426 | 55.7 | 34,407 | 53.1 |

Source: Al-Atlas Trading Est. Annual Statistical Report on Share Trading in Saudi Arabia, Jeddah 1993.

❖ There is no private bond market to speak of in Saudi Arabia. A domestic Saudi Riyal bond existed till 1978, when SAMA imposed a moratorium on Saudi Riyal issues. In the mid 1980s, few dollar denominated floating rate notes were arranged for local borrowers in the Kingdom by Saudi banks and the Offshore Banking Units in Bahrain. A few Saudi banks are exploring the possibility of floating Certificates of Deposit. If a market for CDs develops, it will greatly enhance the process of financial deepening in the Kingdom.

The Saudi Stock Market

❖ Stock market activities in Saudi Arabia have increased substantially during the last decade. From 37 joint stock companies with a combined paid-up capital of SR. 21.2 billion (US\$ 5.7 billion) in 1980 to 78 companies in 1993, with a total paid capital of SR. 65 billion (US\$ 17.3 billion), constituting 92% of total declared capital. The total number of shares issued by the end of 1993 was 679 million, with 33 million new shares floated in the market last year. Electricity companies account for the biggest share or 44.1% of total market capitalisation, followed by industrial firms including cement companies 33%, services 12.3%, banks 7.9% and agricultural companies 2.7%.

❖ Of the listed companies, only 66 are publicly traded: 9 agricultural companies, 14 services companies, 15 industrial companies, 7 cement companies, 10 utility companies and 11 banks. Only shares of Saudi companies may be traded in the Kingdom, and these are normally acquired by Saudi citizens. In special circumstances, such as the 1984 Saudi Basic Industries Corporation (SABIC) issue, would specified portions be made available to other Gulf Co-operation Council citizens.

- ❖ Close to 288 million shares, or 41% of the total shares issued are held by the Saudi government, while foreign entities hold 27 million shares. Most of the shares held by the government and by foreigners are not traded in the market. This means only 39.6 million shares or 56% of the total shares outstanding in 1993 were actually available for trading (table 3). Even for those shares available for trading, there is a concentration of large blocks in the hands of investors who are less likely to sell their holdings in order not to lose board representation or voting influence.
- ❖ The depth of the market, i.e. the value of shares traded as a percentage of total market value of shares outstanding, has generally been small. In 1993, the total number of shares traded reached around 60 million, or 15% of the total shares available for trading

and not more than 8% of total shares outstanding. Shares traded include those shares that have been traded more than once during the year.

- ❖ Foreign entities hold shares in three sectors, with the banking sector accounting for 79% of total foreign shareholdings in the Saudi market, followed by cement 17% and industry 4%. Government ownership of shares is mostly in the electricity sector which accounts for 62% of total shares held by the public sector, industry accounts for 26% and other sectors 12%. Private sector investors have their shareholdings concentrated in the industry and services sectors, each accounting for 22.5% of total private sector holdings, followed by banking 18%, electricity 17%, cement 13% and agriculture 7%.

- ❖ Share prices and trading slumped during the Gulf crisis but were quick to recover after the end of the war. The official stock market index introduced by the Ministry of Finance and National Economy in 1989 dropped 10% in 1990, but surged in 1991 as profits of companies showed sizeable improvements on the year before. The index ended 1991 at 187.7, a yearly rise of 91.6% and was up an additional 0.59% in 1992. In 1993 the index was down 5.1%, ending the year at 179.33 (see table 4).

TABLE 4
SAUDI ARABIA, OFFICIAL STOCK MARKET INDICES AND% CHANGE BY SECTOR AND TOTAL

| End of Period | Banking | | Industry | | Services | | Agriculture | | Electricity* | | Cement* | | Total | |
|---------------|---------|----------|----------|----------|----------|----------|-------------|----------|--------------|----------|---------|----------|--------|----------|
| | Index | % Change | Index | % Change | Index | % Change | Index | % Change | Index | % Change | Index | % Change | Index | % Change |
| 1990 | 150.05 | (13.01) | 142.81 | 4.83 | 57.55 | (7.23) | 101.10 | (9.95) | 51.95 | | 94.72 | | 97.98 | (9.85) |
| 1991 | 436.92 | 129.55 | 291.41 | 104.05 | 118.63 | 105.53 | 138.13 | 36.63 | 58.35 | 8.71 | 139.67 | 47.46 | 187.77 | 91.66 |
| 1992 | 498.72 | 14.14 | 259.01 | (11.13) | 137.75 | 16.11 | 154.97 | 12.19 | 60.36 | 2.92 | 210.02 | 50.37 | 188.47 | (0.59) |
| 1993 | | | | | | | | | | | | | | |
| Q1 | 552.45 | 19.77 | 264.80 | 2.24 | 139.52 | 1.28 | 150.87 | (2.65) | 62.03 | 2.77 | 226.24 | 6.77 | 200.44 | 6.13 |
| Q2 | 499.63 | (9.56) | 229.00 | (13.52) | 114.11 | (18.71) | 139.21 | (7.73) | 61.29 | (2.01) | 194.77 | (11.14) | 181.50 | (9.45) |
| Q3 | 501.53 | 0.38 | 235.33 | 2.76 | 118.78 | 4.09 | 131.12 | (5.60) | 64.46 | 1.85 | 200.52 | 2.95 | 184.41 | 1.6 |
| Q4 | 491.30 | (2.04) | 222.11 | (5.62) | 124.32 | 4.66 | 110.19 | (11.615) | 62.62 | (2.83) | 193.34 | 1.98 | 179.33 | (2.75) |
| % Change 1993 | | (1.19) | | (14.25) | | (9.75) | | (28.90) | | 3.74 | | (7.96) | | (5.05) |

* The official index for the electricity and cement sectors was introduced in the first quarter of 1991, before that cement was considered part of industry while electricity was part of services.

Source: Ministry of Finance, Official Share Market Indices.

❖ Shares of electricity companies recorded the best performance in 1993 rising by 3-74%. The worst performing companies were those in agriculture. The sector's index dropped by 28-9%, while the index of industrial companies was down by 14-25%. The third worst performance was recorded by shares of companies in the service sector, with the index there dropping by 9-75% in 1993. Cement and banking sectors recorded lower losses on the year of 7-94% and 1-49% respectively. The overall performance of the stock market in 1993 was marred by an across-the-board decline in the second quarter (except for electricity companies).

❖ The largest percentage of shares traded in 1993 was in companies in the services sector accounting for 44% of the total, followed by shares of banks (23%), industry (22%), agriculture (5%), electricity and cement each accounting for 3% of the total (chart 1). Four new companies entered the stock market last year. Al Ahsa Industrial Development Company, the Glass Industrial Company (Zuqat), Riyadh Development Company and Jazan Agricultural Development Company. The value of shares traded soared by 27% to SR 17-4 billion, from SR 13-7 billion in 1992 and SR 8-4 billion in 1991. The number of shares traded jumped by 71% to

nearly 60 million from 35 million in 1992. This followed an increase of 14-4% in 1992 compared to 1991. The discrepancy in the percentage increase of the value and quantity of shares traded reflects the general drop in share prices during the course of last year (chart 2).

CHART 1
HISTORICAL TRENDS OF VALUE AND NUMBER OF SHARES TRADED

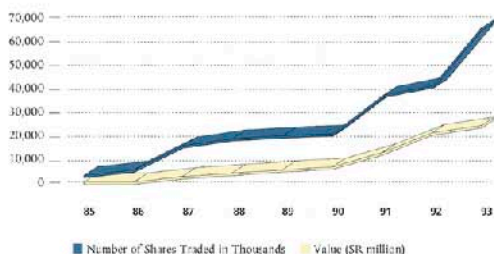
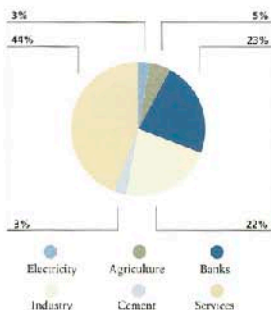


CHART 2
PERCENTAGE DISTRIBUTION OF SHARES TRADED IN 1993 BY SECTOR



| | Extn. | Direct | | Extn. | Direct |
|--|-------|---------|--|-------|---------|
| THE NATIONAL COMMERCIAL BANK | | | INTERNATIONAL DIVISION | | |
| P.O. Box 3355 Jeddah 21481 Saudi Arabia | | | Dr. Abdulmotaf Bonje | 4206 | 6430924 |
| Tel: (02) 6446644 | | | <i>Asst. General Manager</i> | | |
| Telex: 605571 NCBI SJ | | | <i>International Relations</i> | | |
| GENERAL MANAGEMENT - JEDDAH | | | Banking Relations | | |
| Sheikh Mohammed Saïim Bin Mahfouz | 4417 | 6440230 | Ali F. Al-Sheili | 4202 | 6445566 |
| <i>Deputy General Manager &</i> | | | <i>Area Manager - America</i> | | |
| <i>Chairman of Management Committee</i> | | | Salih Ali Kassim | 4203 | 6447979 |
| Michael Collen | 4414 | 6441100 | <i>Area Manager - Middle East & Africa</i> | | |
| <i>Advisor to the Chairman</i> | | | Talal Al Naseri | 4241 | 6440463 |
| <i>of the Management Committee</i> | | | <i>Asst. Area Manager - Far East</i> | | |
| ADMINISTRATION | | | Abdul Dum Al Ahmadi | 4247 | 6437468 |
| Abdullah Bin Hedi Bin Mahfouz | 3025 | 6437000 | <i>Asst. Area Manager - Europe</i> | | |
| <i>Asst. General Manager</i> | | | Al Fathi Tej Alst | 4214 | 6447979 |
| AUDIT & INSPECTION | | | <i>Asst. Area Manager - Middle East & Africa</i> | | |
| David J. Allers | 2903 | 6441736 | Rholfid Walidun | 4242 | |
| <i>Field-Audit & Inspection</i> | | | <i>Asst. Area Manager - America</i> | | |
| Ahmed Sultan Bin Mahfouz | 2905 | 6447111 | Credit & Syndications | | |
| <i>Asst. General Manager</i> | | | Tony Khoury | 4215 | 6437852 |
| Mohammed Babrook | 2906 | 6431222 | <i>Head-Credit & Syndication</i> | | |
| <i>Manager</i> | | | Tarik Asgari | 4104 | 6437257 |
| | | | <i>Legal Advisor</i> | | |
| CREDIT & COLLECTIONS | | | PRIVATE BANKING | | |
| Omar A. Samir | 4401 | 6442213 | Saud Sabhan | 4415 | 6449000 |
| <i>Deputy General Manager</i> | | | <i>Division Head</i> | | |
| Abdulahman M. R. Addas | 3902 | 6437826 | TREASURY | | |
| <i>Assistant to the Deputy General Manager</i> | | | Ronald P. Hill | 4009 | 6437701 |
| ACCOUNTING & FINANCE | | | <i>Treasurer</i> | | |
| Osama Mettar | 3409 | 6441155 | Hussein Al Amoudi | 4005 | 6446001 |
| <i>Deputy General Manager & General Accountant</i> | | | <i>Head-Far & Britain</i> | | |
| Dr. Abubakar Bagaber | 3404 | 6445588 | Ahmed Farid | 4004 | 6446111 |
| <i>Financial Controller</i> | | | <i>Head-Money Markets & Derivatives</i> | | |
| Saad M. Abdul-Hawi | 3408 | 6437095 | Mohammed Abdul Salam | 4045 | 6437880 |
| <i>Assistant General Accountant</i> | | | <i>Head-Foreign Exchange</i> | | |
| Mohammed Ibrahim | 4120 | 6440101 | Kamal Biji | 4007 | 6437414 |
| <i>Budget Manager</i> | | | <i>Head-Treasury Marketing</i> | | |
| PERSONNEL | | | Hasan Al Amri | 4006 | 6437213 |
| Ali Bin Abdullah Bin Mahfouz | 3101 | | <i>Head-Corporate Services</i> | | |
| <i>Asst. General Manager</i> | | | Mohammed Saif El-Nasr | 4034 | 6437080 |
| Talal Abdullah Hawari | 3103 | 6441111 | <i>Head-Lessons</i> | | |
| <i>Head-Operations & Support Services</i> | | | Khalid Bin Humam | 4042 | 6430622 |
| Faisal Al Kardi | 31010 | 6435000 | <i>Head-Bidline</i> | | |
| <i>Manager-Personnel Planning & Development</i> | | | Ahmed Tarnad | 4049 | 6437224 |
| Yuseen Baladla | | 6823946 | <i>Head-Money Markets</i> | | |
| <i>Manager-Training Centre, Jeddah</i> | | | Lutfi Mawfali | 4048 | 6437662 |
| SYSTEM & OPERATIONS | | | <i>Head-Branches</i> | | |
| Salah H. Kaki | 3333 | 6437885 | Nolbab Mufi | 4013 | 6437080 |
| <i>Asst. General Manager</i> | | | <i>Head-Risk Management</i> | | |
| Adley Head | | 6203507 | Investments | | |
| <i>Head-Information Systems</i> | | | Omar A. Bajmali | 4201 | 6442859 |
| Nippi Kochar | 3306 | 6440156 | <i>Manager</i> | | |
| <i>Head-Operations</i> | | | | | |

| | Extn. | Direct | | Extn. | Direct |
|---|-------|---------|---|-------|---------|
| PLANNING & DEVELOPMENT | | | WESTERN PROVINCE REGIONAL MANAGEMENT | | |
| Abdullahi Ali Shuyif <i>Deputy General Manager</i> | 3210 | 6437584 | Regional Manager's Office | | |
| Economic Research | | | Khalid Abdulaziz Al Busrani | 2818 | 6435900 |
| Dr. Henry Azem <i>Chief Economist</i> | 3231 | 6437525 | <i>Asst. General Manager & Regional Manager</i> | | |
| General Marketing | | | Ahmed Abu-Baker Saleh | 2809 | 6437902 |
| Haider Shuaif <i>Manager</i> | 3205 | 6437041 | <i>Asst. General Manager & Deputy Regional Manager</i> | | |
| Electronic Banking Services | | | Sami Ahmed Bin Muhsen | 2806 | 6437606 |
| Saeed Ghouth <i>Manager</i> | 3227 | 6440177 | <i>Head-Credit & Marketing</i> | | |
| Public Relations | | | Banking Operations | | |
| Khalid Bataifi <i>Assistant Manager</i> | 3202 | 6446468 | Abdulaziz M. Mirza | 2720 | 6448874 |
| ISLAMIC BANKING SERVICES | | | <i>Head of Department</i> | | |
| Dr. Saad Martin <i>Asst. General Manager</i> | 4103 | 6443093 | Rafaa Al-Najdi | 2602 | 6445000 |
| INVESTMENT SERVICES | | | <i>Manager-Credit</i> | | |
| P.O. Box 15844 Jeddah 21454 Tel: (01) 6595640 Telefax: (02) 6592235 Telex: 605371 NCB SJ | | | Personnel | | |
| Director's Office | | | Samir Bassa | 2727 | 6437443 |
| Sami M. Basma <i>Director</i> | 302 | 6696896 | <i>Manager</i> | | |
| Islamic Investments | | | Corporate Banking Group | | |
| Abdullah Al-Darwish <i>Director</i> | 309 | 6697620 | Ahmed Baana | 2812 | 6433281 |
| Asset Management Group | | | Tom Meek | 2816 | 6449156 |
| Richard Overton <i>Chief Investment Officer</i> | 422 | | Charles Brodie | 2858 | 6449456 |
| Abdullah R. Al-Ruwaf <i>Manager-Product Development</i> | 306 | | Investment Services | | |
| Saudi Shares and International Brokerage | | | Wael Al-Ghaleb | 205 | 6696540 |
| Zafar A. Saloom <i>Department Head</i> | 300 | 6696648 | <i>Regional Sales Manager</i> | | |
| Ejaz N. Raja <i>Manager-International Brokerage</i> | 205 | 6696396 | CENTRAL PROVINCE REGIONAL MANAGEMENT | | |
| Mohammed Bin عثمان <i>Manager-Saudi Shares</i> | 2501 | 6637415 | P.O. Box 22216 Riyadh 11495 Tel: (01) 4787877 Telefax: (01) 4797616 Telex: 404513 NCB SAR SJ | | |
| Private Placement | | | Regional Manager's Office | | |
| Shaharyar Ahmad <i>Manager</i> | 304 | | Abdullah Salim Bohandan <i>Deputy General Manager, Regional Manager</i> | 300 | 4792616 |
| Marketing | | | Talat Zaki Hafa <i>AGM and Deputy Regional Manager</i> | 511 | 4776098 |
| Saeed Haskoui <i>Manager</i> | 211 | | Administration & Personnel | | |
| Sales | | | Mohammed Bahtit <i>Asst. General Manager</i> | 700 | 4776106 |
| Amer Al-Kanous <i>Manager</i> | 209 | | Banking Operations | | |
| Operations | | | Ali Omar Al Attas <i>Asst. Regional Manager</i> | 600 | 4779997 |
| Nasir Anar <i>Manager</i> | 342 | | Corporate Banking & Credit | | |
| | | | Mustafa Abdalla <i>Group Head</i> | 305 | 4792685 |
| | | | Arnold C. Alday <i>Asst. Group Head</i> | 531 | |
| | | | Investment Services | | |
| | | | Amjad Ayish Al Meziad <i>Regional Sales Manager</i> | | 4782547 |

EASTERN PROVINCE REGIONAL MANAGEMENT

P.O. Box 1578, Dammam 31432

Tel: (0)38347058

Telefax: (0)38350178

Telex: 803142 NCSEEM SJ

Regional Manager's Office

Mohammed Youssef Bajajmoom

Regional Manager

211

8346646

Administration & Personnel

Abdulkhair A. Bin Mchfouz

Asst. Regional Manager

207

8346316

Banking Operations

Saleem S. Abu-Daff

Asst. Regional Manager

225

8346936

Corporate Banking Group

Mario L. Calveria

Group Head

236

8346810

Brock Mc Lennan

Asst. Group Head

244

Investment Services

Hassan Almans

Regional Sales Manager

205

SOUTHERN PROVINCE REGIONAL MANAGEMENT

P.O. Box 605, Al-Bah

Tel: (0)72261062

Telefax: (0)72264148

Telex: 901163 NCBABH SJ

Regional Manager's Office

Ahmed Hamdan Bin Mahfouz

Assistant to the Deputy General Manager,

Regional Manager

303

2243550

Banking Operations

Mohammed B. Ayyad

Manager

321

2244154

Credit

Hussein Al Sakaf

Manager

305

2240676

Personnel & Administration

Abdulla Al-Azzami

Manager

326

2250397

Main Branches**WESTERN REGION****Jeddah Main**

Address

Telephone

Telefax

Telex

P.O. Box 3557

(02)6446644

(02)6445644

655379 NCRH SJ

Jeddah 21431

655378 NCRH SJ

Abdullah Abdul Ghani Bodeyyan

Manager

6435511

Bahad (King Abdulaziz St.)

Address

Telephone

Telefax

Telex

P.O. Box 5565

(02)6443477

(02)6441656

655563 NCRBLD SJ

Jeddah 21422

Omer Badrick

Manager

6443421

Palestine Square

Address

Telephone

Telefax

Telex

P.O. Box 7161

(02)9697364

(02)9697388

650051 NCRPAD SJ

Jeddah 21462

Imrahim Nalla Abdel Ali

Manager

Al Khalidiyah

Address

Telephone

Telefax

Telex

P.O. Box 9358

(02)6822883

(02)6832155

604152 NCRBKH SJ

Jeddah 21415

Saleh Mohammed Ragab

Manager

5832345

Sharafiah

Address

Telephone

Telefax

Telex

P.O. Box 8038

(02)6513728

(02)6513783

607163 NCRSHR SJ

Jeddah 21482

Alaa A. Jamjoom

Manager

5520424

Al Tahlihi

Address

Telephone

Telefax

Telex

P.O. Box 10082

(02)6676227

(02)6676171

605561 NCRBTH SJ

Jeddah 21455

Ali Mohammed Al Madany

Manager

6670829

Madinah Main

Address

Telephone

Telefax

Telex

P.O. Box 26

(04)8268394

(04)8217243

573010 NCRMED SJ

Madinah

Mubarak Omar Badgash

Manager

5224276

Makkah Main

Address

Telephone

Telefax

Telex

P.O. Box 228

(02)5755590

(02)5755598

545053 NCRMKA SJ

Makkah

Abdullah Bin Mohammed Bin Mahfouz

Manager

5735878

Taif Main

Address

Telephone

Telefax

Telex

P.O. Box 19

(02)7321021

(02)7367302

750036 ALATAI SJ

Taif

Shahid Saeed Bogadir

Asst. General Manager

CC Branch Manager

7321021

Hail

Address

Telephone

Telefax

Telex

P.O. Box 85

(06)5321591

(06)5331802

311039 ARCAFQ SJ

Hail

Ali Mohammed Al Haddad

Manager

5337415

CENTRAL REGION

Bairia

| | | | |
|----------------|------------------|--------------|------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 14 | (01)4010076 | (01)4022839 | 401009 NCBRI/D S |
| Riyadh 11411 | | | |

| | |
|------------------------|---------|
| Mansour Abdulaziz Kadi | 4025081 |
| <i>Manager</i> | |

Mallay

| | | | |
|----------------|------------------|--------------|-------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 42336 | (01)4776150 | (01)4769502 | 401687 NCBRI/4Z S |
| Riyadh 11551 | | | |

| | |
|---------------------------|---------|
| Mohammed Masyhoon Al Kaff | 4776455 |
| <i>Manager</i> | |

Nasria

| | | | |
|----------------|------------------|--------------|-------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 17248 | (01)4036500 | (01)4036500 | 451637 NCBRI/5R S |
| Riyadh 11484 | Ext. 234 | | |

| | |
|-------------------------|---------|
| Mohammed Salim Haghadir | 4028006 |
| <i>Manager</i> | |

Olava

| | | | |
|----------------|------------------|--------------|------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 22131 | (01)4644938 | (01)4675077 | 401506 NCBRI/L S |
| Riyadh 11495 | | | |

| | |
|----------------|---------|
| Sameer Hawary | 4624737 |
| <i>Manager</i> | |

Shemaisi

| | | | |
|----------------|------------------|--------------|-------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 2037 | (01)4355723 | (01)4357129 | 400184 NCBRI/10 S |
| Riyadh 11416 | | | |

| | |
|-----------------------|---------|
| Hussein Abdulk Sherif | 4358387 |
| <i>Manager</i> | |

Airport Road

| | | | |
|----------------|------------------|--------------|------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 2800 | (01)4772281 | (01)4779023 | 402672 NCBRI/B S |
| Riyadh 11456 | | | |

| | |
|------------------|---------|
| Nat'S. Al-Bashir | 4764242 |
| <i>Manager</i> | |

University Road

| | | | |
|----------------|------------------|--------------|-------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 22216 | (01)4787877 | (01)4790032 | 403763 NCBRI/5B S |
| Riyadh 11493 | | | |

| | |
|--------------------------|---------|
| Saied Mohammed Saadahdin | 4790035 |
| <i>Manager</i> | |

EASTERN REGION

Al Khobar Main

| | | | |
|-----------------|------------------|--------------|------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 1 | (03)8949569 | (03)8646414 | 870523 NCBRI/5 S |
| Al Khobar 31952 | | | |

| | |
|---------------------|---------|
| Haider Amour Rashid | 8665470 |
| <i>Manager</i> | |

Dammam Main

| | | | |
|----------------|------------------|--------------|-----------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 15 | (03)8251188 | (03)8330571 | 80116809/APAK S |
| Dammam 31411 | | | |

| | |
|----------------|---------|
| Omar M. Bamahd | 8335622 |
| <i>Manager</i> | |

Azamco/Dhahran

| | | | |
|----------------|------------------|--------------|--------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 1207 | (03)8723182 | (03)8913115 | 8011910 NCBRI/1A S |
| Dhahran 31211 | | | |

| | |
|----------------|---------|
| Adil Al Hewan | 8727526 |
| <i>Manager</i> | |

Al-Jubail Main

| | | | |
|----------------|------------------|--------------|----------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 58 | (03)3612596 | (03)3612730 | 837062 NWJ/L S |
| Jubail 31251 | | | |

| | |
|-----------------|---------|
| Nasir Al Abdien | 3610381 |
| <i>Manager</i> | |

Al Ahsa Main

| | | | |
|----------------|------------------|--------------|-------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 1 | (03)3852666 | (03)3852439 | 851925 ARW/ALAK S |
| Al Ahsa 31982 | | | |

| | |
|-------------------------------|---------|
| Mohammed Ghazi Hussain Zahida | 5821441 |
| <i>Manager</i> | |

Tabouk Main

| | | | |
|----------------|------------------|--------------|-------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 10 | (04)4221966 | (04)4220952 | 681233 NCBRI/AB S |
| Tabouk | | | |

| | |
|-------------------|---------|
| Jamal Al Ghazwyed | 6225841 |
| <i>Manager</i> | |

SOUTHERN REGION

Abha

| | | | |
|----------------|------------------|--------------|----------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 12 | (07)2761027 | (07)2744948 | 901160 JENCB S |
| Abha | | | |

| | |
|------------------|---------|
| Hashim Al Shurif | 2241688 |
| <i>Manager</i> | |

Feisalia Najran

| | | | |
|----------------|------------------|--------------|------------------|
| <i>Address</i> | <i>Telephone</i> | <i>Telex</i> | <i>Telex</i> |
| P.O. Box 103 | (07)2221133 | (07)2221385 | 921050 NCBRI/5 S |
| Najran | | | |

| | |
|----------------|---------|
| Masoud Mane | 5235020 |
| <i>Manager</i> | |

Jawa
Address Telephone Telex Telex
 P.O. Box 48 (07)3221364 (07)3221363 911021 NCB SJ
Java

Abdul Rahmon Tahir 3221360
Manager

Khamis Mushait
Address Telephone Telex Telex
 P.O. Box 82 (07)2238100 (07)2234945 906639 NCBANK SJ
Khamis Mushait (07)2231600 (07)2231596

Mohammed Ali Al Joraili 2255910
Manager

Najran
Address Telephone Telex Telex
 P.O. Box 1 (07)3420812 (07)3421832 921106 NCBNJR SJ
Najran

Mohsin Saikh Cuban 5422092
Manager

Overseas Branches

**Saudi National Commercial Bank
 Bahrain OBU Branch**
Address Telephone Telex Telex
 P.O. Box 10363 (973)331182 (973)330637 9299 NCBGN BN
Manama

Salih Hussain
Branch Manager

**Saudi National Commercial Bank
 Beirut Branch**
Address Telephone Telex Telex
 Verdun Plaza (961)860051 (961)867729 43619 SAUDIB LE
Corridor Al-Mazra'a (961)865059
P.O. Box 11-233
Beirut

Hani S. Housami
Branch Manager

OVERSEAS REPRESENTATIVE OFFICES
Frankfurt Representative Office
Address Telephone Telex Telex
 Wilhelm-Lachner (4969)270181 (4969)239137 4 16507 NCBFD
Strasse 47b
D-60325 Frankfurt

Salih Naoum
Representative

Seoul Representative Office
Address Telephone Telex Telex
 1st Floor (822)7294661 (822)7294138 K25146 NCBSEL
Hyunam Building
No. 1, Janggye-Dong, Chang-Ku
Street 100-797

Andrew Ghies
Representative

Singapore Representative Office
Address Telephone Telex Telex
 6 Battery Road (65)2228496 (65)2228356 AS 27196 NCBSPG
No. 14-01
Singapore 0154

Mustafa Kassim
Representative

Tokyo Representative Office
Address Telephone Telex Telex
 The Imperial (813)31031228 (813)31034908 J 26076 NCBTK
Towers 15-B-6
1-1 Uchusaijincho
1-Chome
Chiyoda-Ku Tokyo 100

U. Kinoshita
Representative

London Representative Office
Address Telephone Telex Telex
 Bryn Mawr House (4471)2834235 (4471)2834573 8952594 NCB LON
 24 Bryn Mawr
London EC2A 7JB

Jinx Geoffrey-Smith
Representative

Offices of SNCB Securities Abroad

SNCB Securities Ltd. (London)
Address Telephone Telex Telex
 23 Clegham Street (4471)2352828 (4471)2355448 269786 NCBLS G
London SW1 8NQ

Frederick C. Crawford
Director
 Osman Abbas
Asset Manager

SNCB Securities Inc. (New York)
Address Telephone Telex Telex
 SNCB Securities Inc. (212)9159124 (212)9159158 412057 NCB NY
 20 West 51st Street (212)9159000
1st Floor
New York
N.Y. 10022

John Boukley
President
 Thomas Krohly
Vice President

IMS Affiliates (Switzerland)
Address Telephone Telex Telex
 Alexander Trust (4122)3122828 (4122)3124740
Company AG
100 rue du Rhone
1204 Geneva

Nicholas Severin
Managing Director