GENERAL MANAGER'S MESSAGE

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

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

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

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

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

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

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

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

May God guide us, always.

SALIM AHMED BIN MAHFUZ
Jeddah: January 1, 1983
THE NATIONAL COMMERCIAL BANK

THE FOUNDERS:
Salah And Abdullah Mousa Klaki
Abdul Aziz Mohammed Kaaki
Salim Ahmed Bin Mahfouz

THE MANAGEMENT
Mohamed Bin Salim Bin Mahfouz
Deputy General Manager and
Chairman of Executive Committee

Khalid Bin Salim Bin Mahfouz
Deputy General Manager
International Relations and Investments
Abdullah Ahmed Bagobas
Deputy General Manager
Inspector and Collection

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

Mahfouz Bin Salim Bin Mahfouz
Deputy General Manager
Regional Management, Jeddah
THE YEAR IN PERSPECTIVE 1982

INTRODUCTION

In contrast to the Saudi economy, the world’s economic order in 1982 was in disarray. Globally, the year endured a disturbing mixture of unprecedented recessions, competitive inflation and devaluations; restrictions to trade; balance-of-payments and trade disequilibria; ever-rising unemployment; continuing inflation; bankruptcies; insolvencies; and disruptively rising levels of sovereign and corporate debt. The Saudi economy experienced none of these maladies, nor did it contribute to any of them.

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

THE FISCAL BUDGET

At its unveiling last April, the Kingdom’s Fiscal Year 1402/1982 budget might have heralded the advent of fiscal restraint in Saudi Arabia. The budget was indeed cautious and moderate. Total spending was balanced with expected revenues of SR1.315 billion, representing an actual rise of 5% over the earlier year and the smallest planned increase in government expenditure since FY 1397/1977.

The budget did not disturb the overall balance of the economy, rather, it reaffirmed a period of consolidation that would allow the pioneers to take a fresh look at what has been achieved since the mid-period of the Kingdom’s first development plan. Such consolidation and review would indeed be in conformity with the underlying premises of the Kingdom’s current five-year development plan which stresses quality and composition, rather than mere pace of economic growth. The determination to temper public spending growth is healthy, and will certainly not throw the economy into reverse. In fact, even during FY 1387/1986 and FY 1388/1987 when expenditure cuts were instituted there was minimal effect on the economy’s expansion.
The recent surge in oil prices has had a significant impact on the global economy, particularly for OPEC countries. As oil prices have increased, so have the revenues of oil-exporting countries, leading to a rise in government spending and a boost to the domestic economy.

In this context, the Kingdom of Saudi Arabia has been able to maintain a stable fiscal policy, with a budget surplus in excess of SAR 100 billion. This surplus has allowed the government to invest in key sectors, such as infrastructure and social services, which has contributed to the country’s economic growth.

However, the kingdom’s ability to maintain this fiscal stance is dependent on the continued stability of oil prices. Any downturn in oil prices could put pressure on the budget, leading to a reduction in government spending and a potential slowdown in economic growth.

The government has also been focusing on diversifying its economy, moving away from its reliance on oil exports. This includes investments in tourism, manufacturing, and renewable energy, which are seen as key sectors for future growth.

Despite these efforts, the kingdom remains highly dependent on oil revenues, and any disruptions in the global oil market could have a significant impact on the country’s economic stability.

In conclusion, while the kingdom has been able to maintain a strong fiscal position, it is crucial to continue implementing policies that promote economic diversification and sustainability, in order to ensure long-term economic stability.

other hand, the expansion of the Kingdom’s monetary aggregates (M3) did grow modestly, and will probably show a slower growth than last year’s level of 20%.

Another important development during the year was a government effort to reduce the need for foreign exchange. This was consistent with its finding that local economies do not make such large advances payments. The action itself would conceivably make these contractors work more frequently to local banks for larger inter-

The Kingdom’s export-oriented development funds banks which extend interest-free loans to projects to operate expeditiously. Up to the year 1992, for the period they have been available, they managed a level of SR 100 billion. Of this total about SR 50 billion was extended by the Real Estate Development Funds, about SR 41 billion of this remainder was extended by the Public Investment Fund (PIF) and about SR 10 billion was used for the construction of several small industrial projects. The latter was calculated for the seven nearby giant industrial power companies which originally amended their plans. Additionally, and for the same period, the Public Investment Fund, which specializes in concessionary loans to large industi-

GOLD AND PETROCHEMICALS

In October 1981, the Kingdom set a crude oil production limit of 3.2 million barrels per day (BDP) and in March 1982 again lowered it to 7.5 million BDP while its current official level is of about 6.5 million BDP. The official price throughout has increased 15 dollars per barrel. The current weak demand may last for several months and the lower level of production will be unsustainable in the Kingdom’s reserves. The latter impact on development expenditure has not become evident, and should in part be offset by exist-

AGRICULTURE AND FOOD

During the year there has been an increasing emphasis to develop the food sector of the economy. Consequently, the success story of the two year export program is to come from this sector and because the Government has become increasingly and actively involved in the Kingdom’s agriculture to reduce 30% of the food. Since govern-

While crops during the year increased to over 300,000 tons, and over 200,000 tons of vegetables. Cassava in its first year was being expanded to 4,000 tons and citrus by 75,000 tons. Also in 1982, the cost of SF. 225 million. Several livestock and poultry projects and dairy farms were licensed and/or increased at the same pace, SR 140 million, and by 1983 the expected average by 1988. At this time two objectives were to have provided: (1) to increase food production both hospitably (though adequate training) as well as, and vigorously through extensive high yield, techniques and methods of cultivation, and (2) to increase domestic food production more
HOUSING AND MUNICIPAL AFFAIRS

Although housing and municipal affairs were major targets for development in the last two development plans, they have begun to be more evident during the current three-year plan. There is further evidence that activities in this sphere have begun to shift in the last year to smaller towns and rural areas, not the most of the infrastructure and development of the large cities have taken place.

During the year several major housing projects were launched as evidenced by (1) the public housing contracts to build a line of 7,833 villas, at all the necessary infrastructure in the cities of Riyadh, Buraidah, Madinah, and Mecca; and (2) the Ministry of Housing housing contracts to construct numerous housing units with internal standards for the Internal Security Forces and the Frontier Corps in Jeddah, Taif, Dammarah, Al Khobar, Al Jeddah, and in other areas at an estimated cost of SR 4.4 billion.

As for the municipal affairs, the FY 1992/93 budget allocated to the following major municipalities from the Ministry increased to SR 1.4 billion, with the Ministry of Housing SR 2.7 billion, Transport (SR 635 million), Al Madina SR 2.9 billion), and for Riyadh (SR 3 billion). In addition to the SR 749 million contract was signed with the January of Riffa, and an identical one for over one billion Riyals for the cleaning of Jeddah over the next five years. In Riyadh also, two contracts worth over SR 300 million were signed for the construction of an international school campus and a kindergarten at the new Diplomatic Quarter and a third for SR 450 million was signed to construct the first phase of the Royal palace area in Riyadh.

The Ministry of Education has expressed optimism for the Ministry in the long-term plan, focusing on the Kingdom’s education sector, with a total budget allocated over SR 5 billion. The Ministry has allocated over SR 5 billion for the construction of new schools and educational facilities, and for the development of existing schools and educational facilities.

EDUCATION AND YOUTH AFFAIRS

The Ministry of Education has expressed optimism for the Ministry in the long-term plan, focusing on the Kingdom’s education sector, with a total budget allocated over SR 5 billion. The Ministry has allocated over SR 5 billion for the construction of new schools and educational facilities, and for the development of existing schools and educational facilities.
HEALTH CARE

The budget of the Health Ministry was increased from last year to SR 8.8 billion by 29% and the Government has never ceased to realize the importance of the quantity and quality of health services in the kingdom. It has, in fact, been a main goal in this, and the continued level of precautionary measures is evident, as of April 2022, cooperative over 250,000 employees in 250 hospitals in Jeddah, Riyadh, Damman and the nearby provinces.

More specifically, the long-awaited 1140-bed Al-Hawd Medical Complex comprising four specialized hospitals, which could costward of SR 7.3 billion, was put out for tender. The total phase II, the first of a series of similar hospitals, was awarded a cost of SR 799 million. In addition, a SR 1.3 billion contract for the construction of the homes for the elderly in the Holy City of Makkah, which includes an additional 100-bed hospital, was awarded. In its additional effort to ensure the delivery of the medical services to the government, the Kingdom declared that an annual housing allowance in SR 100,000 would be paid to Saudi Arabia, working in government hospitals and clinics, specifically in Makkah.

TRANSPORTATION AND COMMUNICATION

This field has seen a significant increase in transportation and communication facilities in the Kingdom, due to the country's rapid industrialization and growth. It is an area of great importance and has witnessed several achievements in the Kingdom, including the construction of new roads, airports, and communication facilities. The Government has also been working on developing the Kingdom's transportation infrastructure to meet the growing demand for transportation services.

WATER AND ELECTRICITY

This sector is crucial for the provision of clean water and electricity to all regions of the Kingdom. The government has made significant investments in this area, with the construction of new water and electricity projects. The Kingdom has also been working on improving the efficiency and reliability of its water and electricity systems, including the construction of new power plants and the expansion of existing ones. The Kingdom has also been working on developing alternative energy sources, including solar and wind power, to meet the growing demand for electricity.

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THE BANK'S ACTIVITIES

INTRODUCTION

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

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

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

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

PERSONNEL

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

The rate of recruitment during the past year 1421H has witnessed significant growth as is highlighted by the opening of 17 branches of the bank kingdomwide during this period; besides 28 opened in the previous year.

In order to meet the increasing growth and expansion, the labour force planning and training directorate in conjunction with the Bank’s training centre, has provided the required staff. Thus the number of Bank employees rose from 4,092 in 1411H to 5,667 in 1421H with a 38% increase over the year 1421H.
To complement the various aspects of the services provided by the Bank to its personal, automated systems were installed to modernise the Bank’s operations with total programming of data relevant to personnel and outstanding loans to employees.

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

Personal development programmes employ a number of incentive measures designed to improve employees’ output and encourage them to join training programmes of overseas banks to equip themselves with the latest know-how in the banking field.

A further improvement in employee benefits was made in the sphere of social insurance. The savings plan enables employees to save 5% of their salary with the Bank. After a minimum of three years service, an employee eligible for an additional 10% contribution from the Bank which goes on increasing throughout the service of the employee yielding up to 30%.

In appreciation for those employees who have been with the Bank since before the year 1469H, the Bank offered them an extra ten years’ service retrospectively computed to their funds.

During the year 1469H the Bank was designated along with other establishments in the Kingdom to implement the professional risk scheme. The monthly 4% contribution of the Bank into the employee insurance fund was increased by an extra 2% to cover professional risk which brings the Bank’s contri-

In the area of medical treatment facilities, a clinic was established at the end of the year 1469H.

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

The Bank’s general policy is thus directed towards achieving a two fold objective: to establish first-rate banking services through constant improvement of the living conditions and the working standards of the staff.
The Training Centre

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

The year 1980 witnessed a concentrated effort to develop the NCB Training Centre located at RNB 1-10 in Rashidul Raud, Jeddah.

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

Constant in-service training of employees throughout the period of their employment in the Bank not only improves his on-thefor-foot performance but also prepares him for a more responsible position as corporate keeping him abreast of new trends in the banking field inside the country and abroad.

The Bank's management organised 17 special seminars last year aimed at encouraging Saudi youths to join the Bank's staff. From the various departments and branches of the Bank, 283 employees also attended these seminars as shown below:

- Eight introductory seminars were offered for 139 (74) males and 65 females on the importance of intensive information and various other aspects of the Bank's activities.
- One on-the-job course designed for 125 staff members included 28 trainers from all branches.
- One on-the-job course covering seven secretaries and tellers of guarantees and collection included 15 trainers.

The Year 1981 witnessed a significant progress with respect to English Language Courses. An agreement was signed with a prominent institute for the teaching of English language. Modern audiovisual equipment and methods were introduced for teaching and a study research was concluded at the institute in collaboration with the Training Centre to assist the trainer oriented and to determine the best and the type of training suitable for each individual trainee.

Six in-house English Language Training Programmes were carried out to facilitate:

- A 12-week course for beginners with no English language background was attended by 18 trainees.
- A 12-week course for beginners with some knowledge of the English Language was attended by 12 trainees.
- A 1-week intermediate level course for trainees above the elementary level was attended by 21 trainees.
- One Swiss post intermediate level course was attended by 12 trainees.
- Additionally, a 5-week advanced course has been planned for the near future.

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

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

The Training Centre is currently staffed by 170 employees which includes lecturers, instructors, and administrative personnel. Further development of the Training Centre is planned in the future and equipping facilities and hiring additional staff.

Future programs will include an introductory course in general accuracy, specific courses in NCB's own systems and a course in management.

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

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

Outstanding trainers are provided in-service training and are provided with a variety of techniques for training at major international schools overseas which prepare them to assume bigger and more challenging responsibilities.
HEADQUARTERS BUILDING

The Headquarters Building of the United Nations in New York City, designed byminor constructive changes have been made.

The building is a 27-story structure, rising to a height of 100 meters (328 feet) above street level. The design features an elliptical shape, with a series of windows that provide natural light and ventilation throughout the building. The structure is built on a steel and concrete framework, with layers of insulation to ensure energy efficiency.

The building includes several important functions, such as conference rooms, meeting spaces, and administrative offices. It also houses the United Nations Secretariat, the United Nations General Assembly, and other international organizations. The building is located on a significant site, overlooking the East River and providing a panoramic view of the city.

The construction of the Headquarters Building was completed in 1952, and it has since become an iconic symbol of international cooperation and diplomacy. The building has undergone several renovations and additions over the years, and continues to serve as the central hub of the United Nations system.
yrs now. The outcome is the present unque architectural design now under execution. The completion of the building is scheduled for November 1983 while the official inauguration will take place in March 1984.

NEW BUILDINGS FOR OTHER BRANCHES

The NCB policy is to have independent buildings for its different branches. The Alah Branch 15 story building was completed last year while the Madihah Branch building is still under construction with completion scheduled for the end of 1983H. This 15 story building will house various divisions of the Bank's Madihah Branch.

LADIES BRANCHES

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

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

Both the Ladies branches in Riyadh and Jeddah have consistently strived to keep the women's sector aware of the Bank's objectives and the other services it provides.

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

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

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

Riyadh Ladies Branch has devised a new method for effectively developing the habit of saving in the children. A colourful 16-page booklet has been designed specifically for young savings enthusiasts. It is written in a language that can be understood by children and its contents are very simple and easy to understand.

The booklet is designed to aid children in saving their money in the Bank. It is aimed at encouraging children to save their money by providing them with information about the benefits of saving and how to save money. It includes various exercises and activities to help children understand the importance of saving and how to save money. It also includes pictures and stories to make the booklet more attractive and interesting for children.

The booklet is divided into several sections, each focusing on a different topic. The sections include:

1. What is saving?
2. Why save?
3. How to save?
4. The benefits of saving
5. Saving tips
6. Save your money
7. Save for your future
8. Save and invest
9. Save for your children
10. Save for your family
11. Save for your community
12. Save for your country
13. Save and help others
14. Save and save
15. Save and save
16. Save and save

The booklet is written in a simple language and it is easy for children to understand. It includes many pictures and stories to make the booklet more attractive and interesting for children. The booklet also includes exercises and activities to help children understand the importance of saving and how to save money.

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

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

The Bank's domestic computer centre in Jordan and Riyadh continued to expand their activities during the past twelve months. Additional branches have been added to the number of branches benefiting from the automated system which has been developed and installed in these centres. Upon completion of the current phase of the Bank's automation plan for its domestic banking, all branches in Jordan, Riyadh, Amman and Irbid will be automated. Many of the new installations will be linked to a Kingman/Samson data communications system with full automatic monitoring and fault diagnosis and management systems linked to Irbid. All of the data communications network, office terminal equipment for our branches is currently being evaluated. In this manner, the goal of providing a high level of service to the Bank's customers, through the proper use of computer equipment, specifically designed for the Bank's will continue to be achieved.

Personnel departments in Jordan and Riyadh continue to benefit from the automated system of personnel and personnel. By using the new system, the Bank has improved the efficiency and accuracy of its personnel and personnel reports for both internal and external use.

The automated facilities provided by the Systalk Telexe, Centerline system have been considerably enhanced, providing faster processing of transaction and analytical reporting features.

Future plans include the installation of foreign currency, accounting, letters of credit and letters of guarantees, administrative department, and a new COB (Computer Operating Board) system.
| 15.  | Deudekheh, Sitteen Street  | Tel: 04070303, 06070702  | 440863, P.O. Box 5671, Muscat  |
| 20.  | Al Bidh | Tel: 06181224, 06181225 | 442366, P.O. Box 26, Muscat  |
| 21.  | Maslah Moin, Sullivan Street | Tel: 07450503, 07450504, 07450505 | 442366, P.O. Box 26, Muscat  |
| 22.  | Al Qasim | Tel: 0374150, 0374160 | 442366, P.O. Box 26, Muscat  |
| 23.  | Al Ashab | Tel: 0374160, 0374170 | 442366, P.O. Box 26, Muscat  |
| 24.  | Al Aliyeb | Tel: 0374170, 0374180 | 442366, P.O. Box 26, Muscat  |
| 25.  | Al Ghadi_alain | Tel: 0374180, 0374190 | 442366, P.O. Box 26, Muscat  |
| 26.  | Al Jadbel | Tel: 0374190, 0374200 | 442366, P.O. Box 26, Muscat  |
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| 28.  | Al Khor | Tel: 0821250, 0821266 | 442366, P.O. Box 26, Muscat  |
| 29.  | Yarub | Tel: 0321601, 0321612 | 442366, P.O. Box 26, Muscat  |
| 30.  | Royal Consular Branch | Tel: 0321601, 0321612 | 442366, P.O. Box 26, Muscat  |
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| 32.  | Dibab | Tel: 0421240, 0421241 | 442366, P.O. Box 26, Muscat  |
| 33.  | Muscat | Tel: 0421241, 0421242 | 442366, P.O. Box 26, Muscat  |
| 34.  | Military City | Tel: 0421242, 0421243 | 442366, P.O. Box 26, Muscat  |
| 35.  | Wadi | Tel: 0421243, 0421244 | 442366, P.O. Box 26, Muscat  |
| 36.  | Jeddah | Tel: 0421244, 0421245 | 442366, P.O. Box 26, Muscat  |
| 37.  | Jeddah | Tel: 0421245, 0421246 | 442366, P.O. Box 26, Muscat  |
| 38.  | Afsha | Tel: 0421246, 0421247 | 442366, P.O. Box 26, Muscat  |
| 39.  | Ghouta | Tel: 0421247, 0421248 | 442366, P.O. Box 26, Muscat  |
| 40.  | Murtiz | Tel: 0421248, 0421249 | 442366, P.O. Box 26, Muscat  |
| 41.  | Taba | Tel: 0421249, 0421250 | 442366, P.O. Box 26, Muscat  |
| 42.  | Sinai | Tel: 0421250, 0421251 | 442366, P.O. Box 26, Muscat  |
| 43.  | Taba | Tel: 0421251, 0421252 | 442366, P.O. Box 26, Muscat  |
| 44.  | Al Qasim | Tel: 0421252, 0421253 | 442366, P.O. Box 26, Muscat  |
| 45.  | Al Jadbel | Tel: 0421253, 0421254 | 442366, P.O. Box 26, Muscat  |
| 46.  | Yarub | Tel: 0321601, 0321612 | 442366, P.O. Box 26, Muscat  |
| 53.  | Dibab | Tel: 0321601, 0321612 | 442366, P.O. Box 26, Muscat  |
73. Alquraysh Tel: 3259644 P. O. Box: 48246
74. Samia Tel: 3225140 P. O. Box: 48246
75. Umoud RifaidTel: 3259646 P. O. Box: 10285 Riyadh
76. Khutbah Tel: 7300592, 7300964

CENTRAL REGION

77. Riyadh Main Block Street Tel: 3259185, 3259186
Telex: 2810098 P. O. Box: 34 Riyadh
78. Al Duha Tel: 32592861, Tele: 3210505 P. O. Box: 1383 Riyadh
79. Makkah Street Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
80. Al Khudair Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
81. Al Nasserat South 1st Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
82. Airport Airport Passenger Lounge Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
83. Industrial Zone Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
84. Airport Road Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
85. Hijaz Street Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
86. Damasc Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
87. Military Hospital Tel: 32592861, P. O. Box: 22166 Riyadh
88. Khazan Hamlet Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
89. King Abdulaziz Street Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
90. Al Rijal Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
91. Mansoura Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
92. Lady's Branch A-Nasiria Street Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
93. Montazah Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
94. Naasim Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
95. Yamamah Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
96. Qaysa Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
97. University Street Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
98. Riyadh University Residence Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
99. King Saud College Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
100. King Saud College Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh

Gassim Branches:

101. Buraimi Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
102. Oumeira Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
103. Majmaa Tel: 32592861, P. O. Box: 34 Riyadh

EASTERN REGION

112. Dammam Main Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
113. Industrial Zone Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
114. King Fahad University Branch Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
115. King Saud College Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh

116. Workers City Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
117. Al-Khor Main Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
118. Camp ARPICO (Ummrah) Tel: 32592861, Tele: 2810098 P. O. Box: 34 Riyadh
# Balance Sheet as at 30th Dhul Hijjah 1402H
(17th October 1982)

## Capital & Liability

<table>
<thead>
<tr>
<th>S.R.</th>
<th>S.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,025,103</td>
<td>20,025,103</td>
</tr>
</tbody>
</table>

### Capital
- General Reserve: 20,025,103
- Other Reserve: 1,685,072
- Surplus from Realized Profit: 46,876,503
- Realized Profit: 31,871,411
- Total Capital and Reserve: 20,887,743

### Deposits
1. **Customer deposits**
   - Yearly: 31,871,411
   - Last Year: 30,465,326
2. **Deposits from Others**
   - General Deposits: 6,200,739
   - Special Deposits: 3,913,423
   - Transferable Deposits: 7,209,933
   - Non Transferable Deposits: 4,069,044
   - Total Deposits: 28,681,607

### Borrowings
1. **From Banks**
   - S.A.A.: 148,155
   - Others: 179,966,853
   - Total: 194,121,903

### Profit & Loss Account
- Balance brought forward: 1,261,910
- Balance carried forward: 177,261,910

### Other Liabilities
- Associates’ Debts
  - 10,493,013
- Other Liabilities
  - 5,219,026
- Total Other Liabilities: 3,214,197
- Sub-Total: 3,214,197

### Contra Accounts
- Sub-Total: 3,214,197
- Grand Total: 20,887,743

## Assets

<table>
<thead>
<tr>
<th>S.R.</th>
<th>S.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,601,067,829</td>
<td>18,601,067,829</td>
</tr>
</tbody>
</table>

### Cash Funds
- Government: 1,064,377
- Other: 18,597,689
- Total: 18,161,167,066

### Investments
1. **Government Securities**
   - 1,064,377
   - 18,597,689
   - Total: 18,161,167,066

### Loans and Advances
- **Loans and Advances**, etc.
  - To Government: 28,096,683
  - To Banks: 766,458
  - To Others: 1,064,377
  - Total: 30,133,518

### Free Assets
- **Free Assets**, etc.
  - 1,064,377
  - 18,597,689
  - Total: 18,161,167,066

### Other Assets
1. **assets**, etc.
   - 1,064,377
   - 18,597,689
   - Total: 18,161,167,066

### Contingent Liabilities
- Trade Liabilities:
  - 179,285,689
- Other Liabilities:
  - 36,400,037
- Total: 21,545,627

### Grand Total
- 30,465,326
- 20,887,743
- 18,601,067,829
- 20,887,743

---

*Note: The values in the table are in Saudi Riyals (S.R.).*
AUDITORS' REPORT

We have examined the Balance Sheet and the annexed Profit and Loss Account with the books and documents relating thereto of the Head Office and Branches of The National Commercial Bank (Partnership Company) visited by us, and with returns submitted by the Managers of the other Branches, and certify that in our opinion, the Balance Sheet and Profit and Loss Account represent fairly the financial position of The National Commercial Bank at 30th Dhul Hijjah 1402 (17th October 1982), and the profit of the year ended on that date in accordance with generally accepted accounting principles and as shown by the books.

[EDENH: 10th Rahil A.H. 1402
25th December 1981]
[Issa El Ayouty & Co. (J)]
[Accountants & Auditors]
[Israel A. E. Haddad (J)]
[Accountant & Auditor]

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

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>S.R.</th>
<th>S.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>410,009,876</td>
<td>Balances and other Direct expenses</td>
<td>999,392,037</td>
</tr>
<tr>
<td>2,117,796,553</td>
<td>Freight, Insurance, etc.</td>
<td>2,694,264,562</td>
</tr>
<tr>
<td>17,501,493</td>
<td>Service Charges</td>
<td></td>
</tr>
<tr>
<td>72,000,000</td>
<td>Provisions for depreciation, etc.</td>
<td></td>
</tr>
<tr>
<td>69,587,458</td>
<td>(a) Depreciation on buildings, land etc.</td>
<td>20,000,000</td>
</tr>
<tr>
<td>117,603,711</td>
<td>(b) Other provisions</td>
<td>263,166,374</td>
</tr>
<tr>
<td>571,571,875</td>
<td>Other expenses</td>
<td>107,956,018</td>
</tr>
<tr>
<td>143,981,179</td>
<td>Donations</td>
<td></td>
</tr>
<tr>
<td>54,254,896</td>
<td>(a) Donations to PLO and Afghan Refugee</td>
<td>99,999,999</td>
</tr>
<tr>
<td>38,955,774</td>
<td>(b) Donations to others</td>
<td></td>
</tr>
<tr>
<td>571,571,875</td>
<td>NET PROFIT FOR THE YEAR</td>
<td>577,196,609</td>
</tr>
<tr>
<td>3,538,810,928</td>
<td>Of which:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Transfer to Reserve</td>
<td>600,000,000</td>
</tr>
<tr>
<td></td>
<td>(b) Balance carried to Balance Sheet</td>
<td>177,120,000</td>
</tr>
<tr>
<td>3,538,810,928</td>
<td>TOTAL</td>
<td>4,298,075,609</td>
</tr>
</tbody>
</table>

1401 H

<table>
<thead>
<tr>
<th>INCOME</th>
<th>S.R.</th>
<th>S.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,538,810,928</td>
<td>Net income from loans</td>
<td>4,185,296,675</td>
</tr>
<tr>
<td>32,185,493</td>
<td>Net income from transactions and other services</td>
<td></td>
</tr>
<tr>
<td>3,532,625,926</td>
<td>TOTAL INCOME</td>
<td>4,298,075,609</td>
</tr>
<tr>
<td>3,532,625,926</td>
<td></td>
<td>4,298,075,609</td>
</tr>
</tbody>
</table>
NOTES TO FINANCIAL STATEMENT

1. LOCAL INVESTMENT

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

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Location</th>
<th>Value in S.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Badana Electric and Water Company</td>
<td>ARAR</td>
<td>210,000.00</td>
</tr>
<tr>
<td>The National Gas and Manufacturing Co.</td>
<td>RIYADH</td>
<td>15,785,489.00</td>
</tr>
<tr>
<td>The Electric Company of Riyadh</td>
<td>RIYADH</td>
<td>26,579,725.00</td>
</tr>
<tr>
<td>Yenama Cement Company</td>
<td>RIYADH</td>
<td>23,078,650.00</td>
</tr>
<tr>
<td>Saudi Provisions Company</td>
<td>RIYADH</td>
<td>1,000.00</td>
</tr>
<tr>
<td>The National Gypsum Company</td>
<td>RIYADH</td>
<td>460,135.00</td>
</tr>
<tr>
<td>Midiah Electric Company</td>
<td>MADINA</td>
<td>198,750.00</td>
</tr>
<tr>
<td>The Saudi Islamic Preaching Society</td>
<td>JEDDAH</td>
<td>190,000.00</td>
</tr>
<tr>
<td>Jediah Electric Company</td>
<td>JEDDAH</td>
<td>21,813,979.00</td>
</tr>
<tr>
<td>The Saudi Arabiki Cement Company</td>
<td>JEDDAH</td>
<td>60,161,299.00</td>
</tr>
<tr>
<td>The Arabian Fertilizer Co. (SAFCO)</td>
<td>DUNIMAM</td>
<td>632,000.00</td>
</tr>
<tr>
<td>The Electric Company of Makkah</td>
<td>TABUK</td>
<td>355,209.00</td>
</tr>
<tr>
<td>Tabuk Electric Company</td>
<td>TABUK</td>
<td>296,500.00</td>
</tr>
<tr>
<td>Baljadian Electric Company</td>
<td>BAJURASHI</td>
<td>25,300.00</td>
</tr>
<tr>
<td>Red Sea Insurance Service Company</td>
<td>JEDDAH</td>
<td>2,100,000.00</td>
</tr>
<tr>
<td>The Saudi Hotel Services Company</td>
<td>JEDDAH</td>
<td>14,500,200.00</td>
</tr>
<tr>
<td>The Saudi Investment Banking Corporation</td>
<td>RIYADH</td>
<td>7,034,200.00</td>
</tr>
<tr>
<td>The Saudi Real Estate Company</td>
<td>RIYADH</td>
<td>40,000,000.00</td>
</tr>
<tr>
<td>Yanbu Cement Company</td>
<td>YANBU</td>
<td>5,200,000.00</td>
</tr>
<tr>
<td>Southern Cement Company</td>
<td>JIZAN</td>
<td>3,750,200.00</td>
</tr>
<tr>
<td>Saudi National Marine Transport Company</td>
<td>RIYADH</td>
<td>2,300,420.00</td>
</tr>
<tr>
<td>Saudi Consolidated Electric Company</td>
<td>DUNIMAM</td>
<td>29,537,500.00</td>
</tr>
<tr>
<td>Thanks for Advertising, Public Relations and Marketing Research</td>
<td>JEDDAH</td>
<td>5,000,000.00</td>
</tr>
</tbody>
</table>

BANK'S PARTICIPATION IN OTHER BANKS

- SALDI INTERNATIONAL BANK LTD.
- COMPAGNIE ARABE ET INTERNATIONAL D'INVESTISSEMENTS
- THE ARAB JORDAN INVESTMENT BANK
- THE SAUDI INVESTMENT BANKING CORPORATION
- ARAB MALAYSIA'S DEVELOPMENT BANK
- ARAB LATIN AMERICAN BANK
- SAUDI SPANISH BANK
- DANCO BOZANO, SIMONS
- THE ARAB TUNIS INVESTMENT COMPANY
- THE ARAB TUNIS INTERNATIONAL BANK
- THE ARAB EUROPEAN HOLDING COMPANY
2. FIXED ASSETS AND DEPRECIATION:

Fixed assets are stated at cost. Depreciation of fixed assets is calculated using the straight line method over the estimated useful lives of the assets:
- Equipment and automonies: 30% per year
- Furniture and fixtures: 20% per year
- Buildings: 2.5% per year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Buildings</td>
<td>116,145,924</td>
<td>8,391,974</td>
<td>124,453,950</td>
</tr>
<tr>
<td>3. Land</td>
<td>261,216,622</td>
<td>281,216,622</td>
<td>0</td>
</tr>
<tr>
<td>4. Furniture, Fixtures &amp; Equipment</td>
<td>75,591,715</td>
<td>7,892,034</td>
<td>65,399,681</td>
</tr>
<tr>
<td></td>
<td>640,439,119</td>
<td>23,093,204</td>
<td>617,345,915</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bank premises</td>
<td>3,16,914,115</td>
<td>16,969,410</td>
<td>299,944,705</td>
</tr>
<tr>
<td>2. Buildings</td>
<td>81,876,599</td>
<td>7,339,032</td>
<td>74,537,567</td>
</tr>
<tr>
<td>3. Land</td>
<td>650,202,455</td>
<td>---</td>
<td>650,202,455</td>
</tr>
<tr>
<td>4. Furniture, Fixtures &amp; Equipment</td>
<td>121,579,412</td>
<td>9,143,649</td>
<td>112,433,763</td>
</tr>
<tr>
<td></td>
<td>1,170,572,581</td>
<td>33,443,091</td>
<td>1,137,129,490</td>
</tr>
</tbody>
</table>

3. PROVISION FOR DOUBTFUL DEBTS:

Provision for doubtful debts is conducted continuously and a suitable amount is provided for to cover losses resulting from loans. Such amount is fixed by the Administrative Committee on the basis of studies and information available to them.

4. ZAKAT:

Zakat at the rate of 2.5% is payable on net profit.

5. PROFIT AND LOSS ACCOUNT:

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

6. CONTINGENT LIABILITIES:

The contingent Liabilities are composed of customers’ Liabilities, branches’ Liabilities and other Liabilities.
7. SERVICE CHARGES:
Includes overdrawn foreign accounts and domestic account customer interest.

8. OTHER PROVISIONS:
Includes Zakat provisions, employee retirement benefits and a further general provision for contingencies.

9. OTHER EXPENSES:
This includes all other expenses other than personnel expenses.

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

<table>
<thead>
<tr>
<th>(S.R. in Millions)</th>
<th>Year 1401</th>
<th>Year 1402</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income</td>
<td>3,333.0</td>
<td>4,298.1</td>
<td>28.95</td>
</tr>
<tr>
<td>Expenses</td>
<td>2,761.6</td>
<td>3,721.0</td>
<td>34.74</td>
</tr>
<tr>
<td>Net Profit</td>
<td>571.4</td>
<td>577.1</td>
<td>1.06</td>
</tr>
<tr>
<td>Capital and Reserves</td>
<td>2,000.0</td>
<td>2,400.0</td>
<td>20.00</td>
</tr>
<tr>
<td>Deposits</td>
<td>32,696.2</td>
<td>45,268.8</td>
<td>38.76</td>
</tr>
<tr>
<td>Cash Balance and Deposits</td>
<td>25,049.0</td>
<td>38,072.5</td>
<td>51.79</td>
</tr>
<tr>
<td>Investment</td>
<td>1,012.9</td>
<td>1,031.5</td>
<td>1.83</td>
</tr>
<tr>
<td>Loans and Credits</td>
<td>16,144.1</td>
<td>19,783.0</td>
<td>22.54</td>
</tr>
<tr>
<td>Total Balance Sheet Footing</td>
<td>61,359.5</td>
<td>91,616.6</td>
<td>48.01</td>
</tr>
</tbody>
</table>

BALANCE SHEET ANALYSIS

- DEP. W/ BANKS
- CASH & EQUIV.
- INVESTMENTS
- OTHER ASSETS
- FIXED ASSETS
- LOANS & ADVS.
## FIVE YEAR BALANCE SHEET HISTORY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Equivalent</td>
<td>10,900.79</td>
<td>9,660.06</td>
<td>7,046.55</td>
<td>7,392.13</td>
<td>6,932.09</td>
<td>3.7</td>
</tr>
<tr>
<td>Deposits with Banks</td>
<td>3,122.22</td>
<td>5,763.09</td>
<td>9,010.99</td>
<td>15,654.97</td>
<td>16,138.17</td>
<td>56.3</td>
</tr>
<tr>
<td>Loans and Advances</td>
<td>6,075.72</td>
<td>8,767.68</td>
<td>12,245.92</td>
<td>16,144.13</td>
<td>16,792.91</td>
<td>27.1</td>
</tr>
<tr>
<td>Investments</td>
<td>539.90</td>
<td>627.87</td>
<td>885.37</td>
<td>1,012.93</td>
<td>1,031.45</td>
<td>17.8</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>501.47</td>
<td>364.98</td>
<td>499.87</td>
<td>616.55</td>
<td>1,137.13</td>
<td>37.2</td>
</tr>
<tr>
<td>Other Assets</td>
<td>304.69</td>
<td>644.91</td>
<td>541.49</td>
<td>742.30</td>
<td>1,113.78</td>
<td>36.2</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>20,994.76</td>
<td>25,560.90</td>
<td>31,030.09</td>
<td>41,564.93</td>
<td>51,137.43</td>
<td>25</td>
</tr>
<tr>
<td>Deposits</td>
<td>19,101.57</td>
<td>24,260.69</td>
<td>20,966.55</td>
<td>32,695.25</td>
<td>45,988.76</td>
<td>24.4</td>
</tr>
<tr>
<td>Borrowings</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>1,094.90</td>
<td>2,576.85</td>
<td>3,338.52</td>
<td>4,551.92</td>
<td>4,454.38</td>
<td>32.2</td>
</tr>
<tr>
<td>Profit &amp; Loss Account</td>
<td>89.19</td>
<td>62.88</td>
<td>80.38</td>
<td>150.14</td>
<td>177.28</td>
<td>22.5</td>
</tr>
<tr>
<td>Capital &amp; Reserve</td>
<td>697.97</td>
<td>1,177.97</td>
<td>1,577.97</td>
<td>2,000.00</td>
<td>2,400.00</td>
<td>27.4</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; NET WORTH</strong></td>
<td>20,994.76</td>
<td>25,560.90</td>
<td>31,030.09</td>
<td>41,564.93</td>
<td>51,137.43</td>
<td>25</td>
</tr>
<tr>
<td>Contras Account</td>
<td>12,953.36</td>
<td>17,849.97</td>
<td>18,768.98</td>
<td>19,784.59</td>
<td>30,747.21</td>
<td>27</td>
</tr>
<tr>
<td>Balance Sheet Footings</td>
<td>33,448.15</td>
<td>44,150.87</td>
<td>49,978.07</td>
<td>61,359.52</td>
<td>61,616.54</td>
<td>26.3</td>
</tr>
</tbody>
</table>

### TOTAL ASSETS

![Graph of Total Assets Growth from 1978 to 1982](image-url)