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بنك عجمان العربي

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Ajman Arab Bank

Annual
Report 1975



Ajman Arab Bank

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H. H. SHEIKH RASHED
BIN HUMAID AL NUAIMI



H. H. SHEIKH HUMAID
BIN RASHED AL NUAIM

616 062693



Ajman Arab Bank

AJMAN ARAB BANK

HEAD OFFICE

P.O. Box 414,
Ajman, United Arab Emirates
Telephones 4818, 4951, 4427
Cables AJMANBANK
Telex 9510

REPRESENTATIVE OFFICES ABROAD

Imperial House	227 Park Avenue
Dominion Street	Suite 1406
London EC2M 2SU	New York, N.Y. 10017
United Kingdom	United States of America



Ajman Arab Bank

BOARD OF DIRECTORS

HONORARY CHAIRMAN — H. H. SHEIKH RASHED BIN HUMAID AL NUAIMI.

CHAIRMAN — H. H. SHEIKH HUMAID BIN RASHED AL NUAIMI.

DEPUTY CHAIRMAN — H. E. MR. RASHED ABDULLA ALI AL NUAIMI

MEMBERS OF THE BOARD

MR. TAYSEER M. RIMAWI

MR. RASHED OWEDA RASHED

MR. GUILLERMO HERNANDEZ-CARTAYA

MR. HENRY G. CORYAT JR.

MR. NAEEM ARSHAD

SECRETARY — MR. HUSSEIN B. EL-DADA



Ajman Arab Bank

MANAGEMENT*

Managing Director	HENRY G. CORYAT JR.
Deputy Managing Director	HUSSEIN B. EL-DADA
Controller	DOMINGO PEREZ
Managers :	P. TOVAR DIAS
	T. K. CHAKRAPANI



* MANAGEMENT SERVICES ARE PROVIDED UNDER CONTRACT BY WFC CORPORATION,
1000 PONCE DE LEON BOULEVARD, CORAL GABLES, FLORIDA 33134, U.S.A.



Ajman Arab Bank

BOARD OF DIRECTORS REPORT TO THE SHAREHOLDERS COVERING THE ACTIVITIES OF THE BANK UP TO DECEMBER 31 ST, 1975

The role of banks in any society is fundamental—they gather financial resources in the form of deposits and channel those resources to productive and commercial sectors of the economy in the form of loans. Acceleration of economic growth always stimulates expansion in the banking industry and encourages the formation of new banking units.

The establishment of the Emirate's own full-service national bank was a logical occurrence in the context of other economic developments taking place in Ajman in 1975, notable among which were the implementation of a harbor development project, the formation of a major modern shipfitting complex, the upsurge in residential, commercial and industrial construction and the installation of many new commercial and light industrial enterprises.

Under the experienced management of the American banking group, WFC Corporation, the principal thrust of Ajman Arab Bank has been to develop along commercial banking lines. The bank has also assumed the dual role of being economic and financial advisor to the Emirate Government and serving as a vehicle through which to attract foreign investment and technology to Ajman. Publicity, advertising and public relations efforts made by the bank in foreign centers have already generated a good deal of interest on the part of foreign companies and financial institutions in the opportunities for investment in Ajman.

This first annual report contain the bank's balance sheet and profit and loss statement as of December 31st, 1975. It will be seen that despite the short time span of operations as of that date the bank had already exhibited substantial growth, finishing the year with total resources of more than eighty million dirhams and a modest profit for the period, as well. The external auditors' letter to the shareholders regarding the financial condition of the bank is favorable and unqualified. They have pointed out, however, that the period during which the public could subscribe to shares of the bank had extended beyond that prescribed in the bank's articles of association. This extension was granted in order to assure that all of the shares allocated for sale to the public of the U.A.E. were fully subscribed.

The immediate outlook for the bank is very promising and in addition to being a profitable period, 1976 should witness a noteworthy expansion of Ajman Arab Bank within the U. A. E. and a significant increase in its international activities.

Humaid Bin Rashed Al Nuaimi
Chairman of the Board.



Ajman Arab Bank

AUDITORS' REPORT TO THE SHAREHOLDERS OF AJMAN ARAB BANK

We have examined the annexed Balance Sheet of AJMAN ARAB BANK as at 31st December, 1975 and the related Profit and Loss Account for the period ended on that date. 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 in the circumstances.

We report that

- (a) Proper books and records have been maintained by the bank, and the annexed accounts are in agreement with these.
- (b) The company closed its subscription on 31st December, 1975 and not 60 days after the issuance of the Currency Board licence as required under Article 9 of the Articles of Association.

Subject to (b) above, in our opinion the accompanying Balance Sheet and Profit and Loss Account presently fairly the financial position of AJMAN ARAB BANK at 31st December, 1975 and the result of its operations for the period ended on that date and were prepared in conformity with generally accepted accounting principles.

PEAT MARWICK TASEER HADI & CO.
CHARTERED ACCOUNTANTS

Dubai
16 February, 1976



Ajman Arab Bank

AJMAN ARAB BANK

BALANCE SHEET AS AT 31ST DECEMBER 1975

ASSETS	US \$	DH
Cash and due from banks	4,332,392	17,303,573
Investments	5,008	20,000
Loans	10,854,573	43,353,166
Time deposits with banks	4,757,136	19,000,000
Interest receivable	195,608	781,261
Deferred charges and other assets	75,007	299,576
Organizational expenses	205,821	822,050
Fixed assets	219,354	876,100
TOTAL ASSETS	20,644,899	82,455,726
LIABILITIES AND CAPITAL		
Demand deposits	5,584,755	22,305,511
Savings deposits	36,054	143,999
Time deposits	12,338,962	49,281,816
Interest payable	17,959,771	71,731,326
Inter-company accounts and other liabilities	50,118	200,173
	109,487	437,290
	18,119,376	72,368,789

Shareholders' equity

100,000 shares of DH. 100 each paid	2,503,756	10,000,000
General reserve	2,177	8,694
Retained profits	19,590	78,243

Total shareholders' equity 2,525,523 10,086,937

TOTAL LIABILITIES AND CAPITAL 20,644,899 82,455,726

CONTRA ACCOUNTS US\$ DH

Letters of credit	687,394	2,745,451
Letters of guarantee	86,780	346,600

774,174 3,092,051

The attached notes form part of these accounts.

Henry G. Coryat Jr.
Managing Director



Ajman Arab Bank

AJMAN ARAB BANK PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST DECEMBER, 1975

	<u>US \$</u>	<u>DH</u>
REVENUE		
Interest on loans and deposits	423,793	1,692,631
Commissions and income on exchange	88,439	353,224
	<u>512,232</u>	<u>2,045,855</u>
EXPENSES		
Interest on deposits and loans	279,511	1,116,365
Salaries and related costs	49,385	197,243
Managerial costs	47,670	190,394
Travel and entertaining	18,999	75,881
Telephone, telex and cables	4,509	18,011
Rent	15,448	61,700
Audit fee	5,008	20,000
Other expenses	69,935	279,324
	<u>490,465</u>	<u>1,958,918</u>
NET PROFIT FOR THE PERIOD	21,767	86,937
LESS TRANSFER TO GENERAL RESERVE	<u>2,177</u>	<u>8,694</u>
RETAINED PROFIT CARRIED FORWARD	<u>19,590</u>	<u>78,243</u>

The attached notes form part
of these accounts



Ajman Arab Bank

AJMAN ARAB BANK

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1975

1. ACCOUNTING POLICIES

(a) Margins held against letters of credit and guarantees issued amounting to DH. 89,749 (US \$ 22,741) have been included in demand deposits.

(b) Foreign currencies

Assets and liabilities in foreign currencies are converted to dirhams at the middle rates prevailing at the year end. Exchange differences arising have been taken into the profit and loss account.

(c) Depreciation and amortization

The period of depreciation and amortization are

Leasehold improvement	15 years
Equipment - office	15 years
Furniture and fixtures	10 years
Automobiles	5 years
Organizational expenses	5 years

(d) Interest has been recorded in the account on an accrual basis over the term of the loan.

(e) Organizational expenses

Expenditure incurred on the formation of the bank such as professional fees, travelling, research costs, salaries etc. has been included in organizational expenses.

2. No comparative figures are available as this is the first period of operation.

Ajman Arab Bank



Ajman Arab Bank



**PROPOSED NEW HEAD OFFICE BUILDING
OF THE BANK IN AJMAN**

Alman Arab Bank



ON THE BANK IN PLANNING
PROPOSED NEW HEAD OFFICE BUILDING

