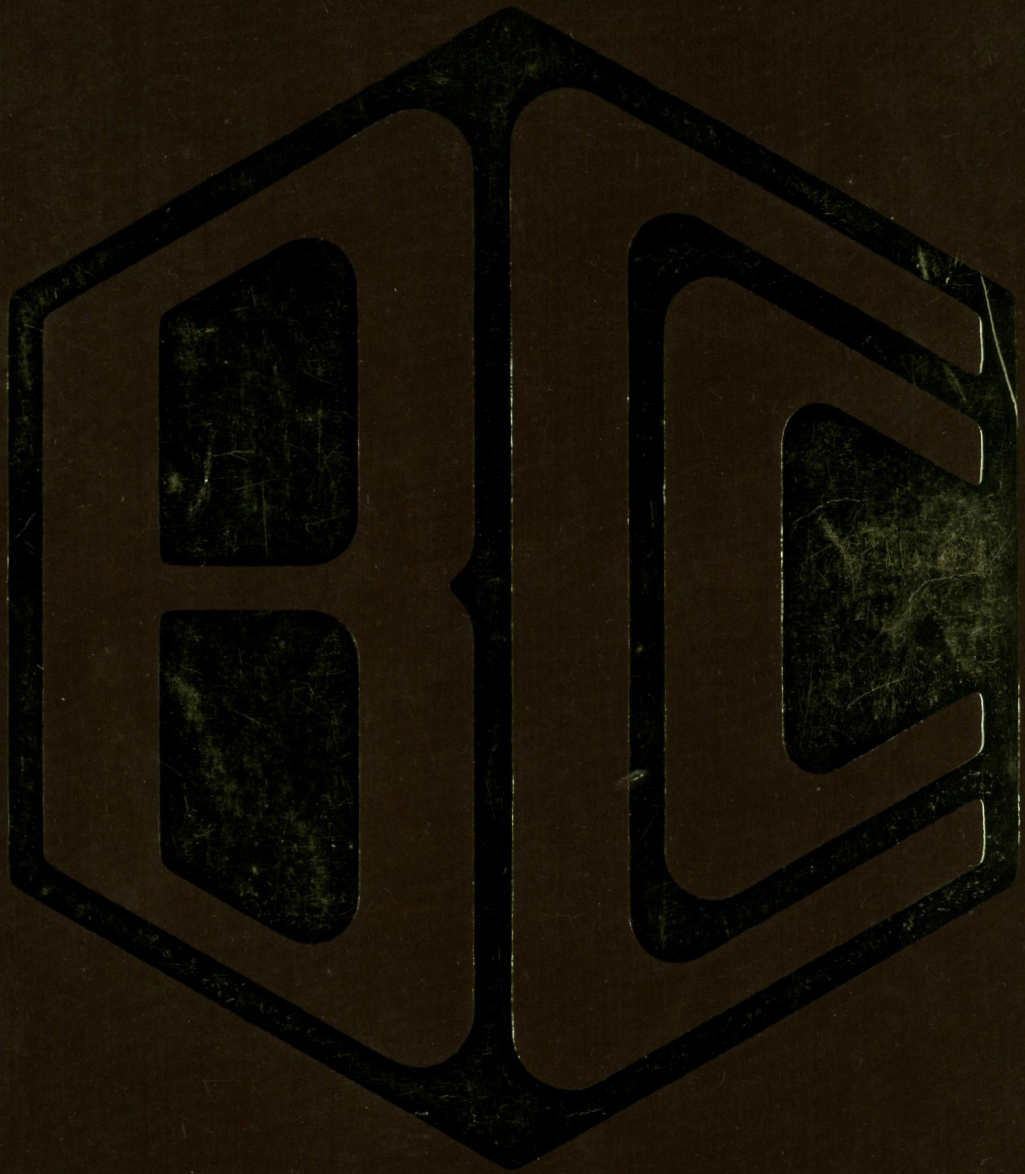


BANK OF CREDIT AND COMMERCE INTERNATIONAL



A PROFILE OF THE BCC GROUP

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## I N T R O D U C T I O N

### BRIEF HISTORY, BACKGROUND

The institutional foundation of BCC Group was laid in 1972, when on September 21, 1972, Bank of Credit and Commerce International S.A. was incorporated in Luxembourg, as a banking company, to provide full range of banking services internationally.

Luxembourg was selected as the base of the new bank because of its emerging importance as a financial centre and member of European Economic Community. Nearly 100 banks, many of them being branches or subsidiaries of very large international banks operate in Luxembourg, thus providing a favourable financial climate.

Although the BCC Group commenced business in 1972, and therefore is still young in years, it has nevertheless been rich in banking experience and financial resources.

The Group was originally conceived by a management group (headed by its present President, Mr. Agha Hasan Abedi) and some prominent personalities of the Middle East.

Mr. Agha Hasan Abedi, whose banking career commenced in India in 1946 with Habib Bank Ltd, founded a large commercial bank, United Bank Ltd, in Pakistan in 1959. At the time of nationalisation of Banks in Pakistan in 1973, this was the second largest bank of Pakistan with 712 branches.

United Bank Ltd was the leading bank among other banks of the sub-continent which had opened branches overseas. It was particularly active in the Middle East, in countries which are now prominent members of Organisation of Oil Producing and Exporting Countries.



With the prospect of nationalisation of banks in Pakistan and the emergence of oil exporting countries in the Middle East as capital surplus countries, a strong need was felt for a banking organisation which had wide knowledge of those markets, and also possessed expertise in international banking and finance.

The BCC group was, therefore, conceived by the said management group jointly with some of the most prominent personalities and business families of the Middle East countries, and its objectives were expanded to provide a link between the oil surplus countries, industrially and technologically developed countries and the developing countries of the Third World, through a network of commercial and international banking branches and units.

This management group was also well known to Bank of America organisation, who were at that time considering to establish a presence in the Middle East. It was obviously considered desirable to associate in the shareholding a large international bank in the critical stages of the development of the new banking organisation. The management group and the shareholders of the new bank also reached an understanding to eventually provide for a minority shareholding by a trust which was to be established for the benefit of staff and a foundation to provide aid and services for global deserving causes.

Bank of Credit and Commerce International S.A., established branches in 1972 and 1973 in Luxembourg, United Arab Emirates and the United Kingdom, and thereafter in several other countries.

During 1973, two other affiliated organisations were established.

BCCI Finance International Limited, was established in June 1973 in Hong Kong, as a merchant Bank.

National Bank of Oman Limited (SAO) was also established in 1973 as a joint venture commercial bank in the Sultanate of Oman with eminent local businessmen. This bank now has over 30 branches in the Sultanate of Oman and 2 overseas branches.

In 1974, a commercial bank was acquired in Lebanon and renamed as Bank of Credit and Commerce International (Lebanon) S.A.L. This bank has now 5 branches operating in Lebanon.

During 1975, Bank of Credit and Commerce International (Overseas) Limited was established in the Grand Cayman to function as an international commercial bank providing a full range of banking services.

In the same year, to establish a presence in the Middle East's growing field of investment banking, an investment company named Kuwait International Finance Company S.A.K. was established jointly with Kuwaiti shareholders.

At the end of 1975, the group organisation was streamlined and restructured under a Holding Company, incorporated in Luxembourg, named BCCI Holdings (Luxembourg) S.A. The Holding Company provides uniform management support and direction, capital funds, financial disciplines and controls conforming to international standards, to all subsidiary banks and companies, and such affiliates where the group has management responsibility.

After the establishment of the Holding Company in 1975, the group continued to pursue its objectives of establishing presence in developed countries and developing countries, and where because of legislative or other reasons, it was not possible to establish branches of the subsidiary banks, new subsidiary or affiliated banks were established.



In 1976, the Group acquired majority shareholding in a subsidiary bank in Switzerland, namely Banque de Commerce et de Placements S.A., with branches in Geneva and Zurich. At present, BCCI Holdings (Luxembourg) S.A. owns 70% shares in this Bank, with 15% held by an affiliated company of Union Bank of Switzerland and 15% by Banco di Napoli of Italy

Also in 1976, to provide investment banking expertise to the group banks, a separate subsidiary, 100% owned by BCCI Holdings (Luxembourg) S.A., namely Credit & Finance Corporation Ltd., was established in Grand Cayman, Cayman Islands.

The Group has also established links with Latin America. For the present, these are maintained through a representative office in Venezuela (established in 1977) and a branch in Panama (opened in early 1980).

The North American markets are of obvious interest to the Group, because of its strong presence in the Middle East oil exporting countries and in the Third World Countries. Presence in U.S.A. at present is maintained through a representative office in New York. In Canada, the group is represented by a finance company, namely BCCI Canada Inc., which is 50% owned by BCCI Holdings (Luxembourg) S.A. and has branches in Toronto, Montreal, and Vancouver.

The African continent is also extensively covered by the Group. It has presence in 12 African countries either through branches or through the following subsidiaries.

Bank of Credit & Commerce International (Nigeria) Ltd., which was established in Nigeria in 1979, and has 4 branches at present.

Bank of Credit & Commerce International (Swaziland) Ltd., established in Swaziland in 1978 with 2 branches.

Premier Bank Ltd., established in Ghana in 1978.

Bank of Credit & Commerce (Zimbabwe) Ltd which is expected to commence business in early 1981.

Bank of Credit & Commerce (Zambia) Ltd, which also is expected to commence business in early 1981.

The Group is equally active in the Far East Region. Besides its merchant bank, BCCI Finance International Ltd, and a branch in Seoul, South Korea and Representative office in Tokyo, it acquired in 1979 majority control of a former Chinese Bank, namely Hong Kong Metropolitan Bank Ltd., based in Hong Kong, with 16 branches in Hong Kong and Kowloon areas.

To sum up, the BCC Group has persued its objectives consistently and progressively, and is playing a useful role in providing commercial banking services, both retail and wholesale, in the domestic markets of the countries where it operates as well as in the international banking field, thus promoting business, recycling of surplus funds and technology between the industrially developed countries, with presence in such financial centres of the world as Luxembourg, London, Paris, Zurich, Geneva, Frankfurt, Hamburg, Hong Kong, Tokyo, New York, Montreal and the Middle Eastern capital surplus countries, and the developing countries of the Third World.



# THE BCC GROUP

The BCC Group organisation is structured under a holding company, BCCI Holdings (Luxembourg) S.A., which is the parent organisation of the entire BCC Group of Banks, Subsidiaries and Affiliates incorporating the following:-

	Percentage Ownership
Bank of Credit & Commerce International S.A. 39 Boulevard Royal Luxembourg	100
Bank of Credit & Commerce International (Overseas) Limited Bank of Nova Scotia Building George Town, Grand Cayman	100
Bank of Credit & Commerce International (Lebanon) S.A.L. Piccadilly Building Hamrah, Beirut, Lebanon	100
Credit & Finance Corporation Limited Bank of Nova Scotia Building George Town, Grand Cayman.	100
Bank of Credit & Commerce (Zambia) Ltd Zimco House Phase 1 Cairo Road P.O.Box 34940 Lusaka, Zambia	100
Hong Kong Metropolitan Bank Ltd., Metropolitan Bank Building 25-31 Carnarvon Road, Tsimshatsui Kowloon, Hong Kong	96
Banque de Commerce et de Placements S.A. 12 Place Cornavin 1211 Geneva 1, Switzerland	70
Bank of Credit & Commerce International (Swaziland) Ltd P.O.Box 645, Nkoseluhlaza Street Manzini, Swaziland	55
Bank of Credit & Commerce (Zimbabwe) Ltd Salisbury Zimbabwe	53

BCCI Canada Inc Suite 3333, First Canadian Place Toronto, Ontario, Canada M5X 1BL	50
Kuwait International Finance Company S.A.K. Al Rashid Building Fahad Al-Salem Street Kuwait	49
BCCI Finance International Ltd 1601 Alexandra House 16-20 Chater Road, Hong Kong	45
Premier Bank Limited 105 Graphic Road, P.O.Box 11011 Osu, Accra, Republic of Ghana	45
Bank of Credit & Commerce International (Nigeria) Ltd Mustala Muhammad Way, Kano	40
National Bank of Oman Limited (S.A.O.) Ruwi Muscat, Sultanate of Oman.	29



## OWNERSHIP

The ownership of the BCC Group parent organisation BCCI Holdings (Luxembourg) S.A. is vested in the following:-

Middle Eastern Investors - 70% (approximately) consisting of participation of eminent families of Saudi Arabia, Abu Dhabi, Dubai, Bahrain and Sharjah and some leading Middle East businessmen in their personal capacities. The list of shareholders is available with the concerned regulatory authorities.

International Credit & Investment Company (Overseas) Limited - 30% (approximately). This is a company incorporated in Grand Cayman which is to be ultimately owned by

ICIC Foundation (Its objectives are to provide aid and services for global deserving causes.

ICIC Staff Benefit Trust (For the benefit schemes for group staff generally)

During the initial stages, Bank of America's participation in the BCC Group was at a 30% level.

Bank of America's investment in the BCC Group was originally aimed as an inroad to the Middle East Market. Since then, Bank of America has established its own presence in the Middle East. BCC Group, on the other hand, in course of time, established a sound foundation and a sizeable base, which did not require dependence on any special relationship with a larger international bank. BCC was also expanding globally including certain countries where Bank of America already had a direct or indirect presence. It was further felt that substantial investments of petrodollars were flowing into the U.S.A. from the Middle East markets, where BCC has a strong presence. It, therefore, appeared natural that at some time in the future BCC may have to follow its customers and investors into the US Market. This could not, however, be possible within the existing Federal Reserve Board regulations until Bank of America divested its stake in BCC Group.

Consequently, Bank of America gradually phased out its shareholding in the BCC Group by initially not subscribing to rights issues and then gradually selling its shareholding to the existing shareholders.



## G R O W T H

INTERNATIONAL NETWORK

The operations of the BCC Group now cover 43 countries in which the Group's 212 branches and 13 representative offices are located. The build-up of this international network has been possible because of the depth and breadth of the management of the BCC Group, and the availability of well trained and experienced manpower.

	<u>Number of Offices</u>	<u>Number of Countries</u>
1973	19	5
1974	27	7
1975	64	13
1976	108	21
1977	146	32
1978	180	37
1979	188	40
1980	212	43

There is a degree of concentration of the Group's international network in the Middle East and the United Kingdom and more recently in Africa and the Far East. Nevertheless, the presence of the Group is already global with the only exception of Australia. This will be evident from the following breakdown of the Regional representation of the Group offices:

<u>Regions</u>	<u>Number of Offices</u>
Africa	37
East and South East Asia	10
Europe	54
Far East	19
Latin America and the Caribbean	5
Middle East	83
North America	4

## FINANCIAL RESOURCES

The growth of the BCC Group in financial terms has been just as balanced as the global expansion of its international network. As at 31st December 1979, BCCI Holdings (Luxembourg) S.A. had total Capital Funds of US\$ 225 Million, Deposits and other funds were in the order of US\$ 3.6 Billion and consolidated total assets of the group (excluding affiliates) stood at US\$ 3.9 Billion. The historical record of growth leading to the sound financial base has been as follows:-

	<u>Total Assets</u>	<u>Deposits and Other Funds</u>	<u>Capital Fund</u>	<u>Profit before Tax &amp; Appropriations</u>
	(\$000)			
1973	200,833	191,146	5,206	335
1974	610,167	581,049	11,105	2,918
1975	1,206,371	1,151,098	23,982	8,532
1976	1,656,439	1,560,029	50,071	20,013
1977	2,205,505	2,006,812	113,887	25,966
1978	2,801,186	2,555,191	171,374	28,126
1979	3,918,940	3,565,698	225,898	34,831

Over the years the Group's resource base has also been considerably widened. Although the Middle East still remains an important regional financial base of the Group, contributions from other areas of operations have considerably increased to present a picture of balanced geographical reliance.

The overall growth of the Group has been carefully measured and supported by substantial increased in the Capital Funds. The ratio of Capital Funds to total External Liabilities stood at 6.07% at the end of 1979. BCC Group has shown a steady improvement in its Capital/Assets leverage and it expects to continue this trend. At the end of 1980, the Capital Funds of the Group are expected to exceed US\$ 275 Million.

WORLD RANKING

The 'American Banker' and 'The Banker' magazines in their classification of the world's 500 largest Banks have classified the two principal subsidiaries and the 'Group Banks' as under:

American BankerRanked by size of Deposits in 1978 individually

<u>Name</u>	<u>Rank</u>
Bank of Credit and Commerce International (Overseas) Ltd Cayman Islands	486
Bank of Credit and Commerce International S.A. Luxembourg (The 1979 ranking has not been published yet)	491

The BankerRanked by size of Assets in 1979 as a 'Group'

<u>In Luxembourg</u>	<u>Rank</u>
Bank of Credit and Commerce International S.A. Luxembourg	4
<u>In the Free World</u>	
Bank of Credit and Commerce International S.A. Luxembourg	290



## SCOPE OF ACTIVITIES

One of the primary objectives of the BCC Group has been the channelling and recycling of resources and technology between the Middle East, the developing nations and the industrialised Western economies. Towards the attainment of this objective, BCC Group, since its inception, has been pursuing a policy of accelerated development in the establishment of an international network of offices which has served as a bridging link between the financing and development requirements of the developing nations and the Middle Eastern and Eurodollar market sources of finance.

Although the BCC Group of banks, subsidiaries and affiliates handle a large volume of wholesale business and specialises in multi-national transactions, the bulk of the Group's activities consists of retail commercial banking operations both domestic and international in the countries in which its branch network is located.

Foreign exchange transactions of the Group from various countries in the Middle East, Europe and Far East, consisting of buying and selling of currencies, amount to very large sums every day. The banks are highly liquid and net lenders, placing substantial funds with other banks. The due from banks figure in the Consolidated Balance Sheet as on 31st December, 1979 stands at US\$ 1460 Million.

Portfolio Management is an important function in the Group, undertaken by a number of professional fund managers whose investment activities and criteria are geared to the specific needs of each client.

Economic Research is undertaken by the Group on a continuous basis by a specialised department engaged in the preparation of comprehensive papers on aspects of economic development in Third World countries, monetary and fiscal policies of major nations and economic indicators and trends to future developments.

## M A N A G E M E N T

### PERSONNEL

The personnel strength of the BCC Group is currently in the region of 4,700 most of this number being made up of trained bankers, experienced in commercial, as well as other specialised banking fields. A feature of the Bank's personnel is that all senior officers have long banking experience. The senior executive cadre of the BCC Group is made up of employees with distinguished service records in positions of high responsibility such as Governors of central banks, Presidents of commercial banks, Senior Executives with World Bank Group, Managing Directors of industrial development corporations, Chief Executives of investment institutions and Senior Economists and Administrators.

SENIOR MANAGEMENT

<u>Name</u>	<u>Age</u>	<u>Education</u>	<u>Banking Experience (Years)</u>	<u>Position held before joining BCC Group</u>
Agha Hasan Abedi	58	M.A. LL.B.	34	Chairman and President, United Bank Ltd, Karachi.
A K N Ahmed	53	B.A. (Hons)	30	IMF Adviser, Central Bank of The Gambia.  Governor, Central Bank of Bangladesh.  Chairman and Managing Director Sonali Bank, Bangladesh.  Executive Director, State Bank of Pakistan.
Vilayat Abidi	46	B.A. D.A.I.B.P.	29	Vice Chairman & General Manager, United Bank of Lebanon & Pakistan SAL, Beirut.
M I Ahmed	50	B. Com.	32	Senior Vice President United Bank Ltd, Karachi.
S M Akbar	50	I.A.	30	Senior Vice President United Bank Ltd, Karachi.
Wajih S Al-Kaylani	46	B.A.	20	Ambassador, Royal Jordanian Embassy, New Delhi, India.  Assistant General Manager, Cairo - Amman Bank, Jordan
Sadiq Ali	54	B.A.	28	Senior Executive Vice President, United Bank Ltd Karachi.
L E Anez	51	B.Sc. in Economics	-	Minister Counsellor of Economic Affairs Venezuelan Embassy, London.
Akhtar Anis	52	B.Com.	31	Executive Vice President, United Bank Ltd, London.
Fakhruddin Burney	53	B.Sc.	31	Senior Executive Vice President and Member Executive Board, National Bank of Pakistan, Karachi.
I H Burney	57	B.A. LL.B	33	Joint President and Member Executive Board, United Bank Ltd, Pakistan



R Alberto Calvo	49	Doctorate in Political Philosophy	27	A Former Senior Executive with Inter-American Development Bank, Washington.
E A Garda	56	B. Com.	30	President, Muslim Commercial Bank Ltd Pakistan. Joint President and Member Executive Board, Habib Bank Ltd. Managing Director, Commerce Bank Ltd. Managing Director, Muslim Commercial Bank Ltd
P F Gutta	55	B.A. LL.B. Fellow of Institute of Bankers, India.	31	Chairman and Managing Director, Central Bank of India.
Anwar Gillani	44	B. Com. LL.B. F.C.A. D.A.I.B.P.	27	Executive Vice President Habib Bank Ltd, Karachi.
Abdul Hafeez	55	B.A. LL.B.	35	Member, Pakistan Banking Council, Karachi. Senior Executive Vice President and Member Executive Board, United Bank Ltd, Pakistan.
John Hillbery	40	- (25 in the city)		Financial Manager Times Newspaper, London. Overseas Manager, Financial Times 1968-76.
Akhlaque Husain	49	M.A.	24	Senior Vice President United Bank Ltd, London.
Amanullah Khan	54	M.A.	31	Senior Executive Vice President and Member Executive Board, United Bank, Karachi.
K Murari	42	M.A. C.A.I.I.B. F.B.I.M.	22	Resident Vice President, Citibank, Nairobi.
Dr Hanns Peter Muth	41	Economics & Finance	13	Manager, P.D.F.C.I., Djakarta, Indonesia, (World Banking Group)
Swaleh Naqvi	47	B.A.	29	Executive Vice President United Bank Ltd, Abu Dhabi.

Shamim Naqvi	53	M.A. L.L.B. C.A. I.B.P. Fellow of the Institute of Bankers in Pakistan.	34	Senior Executive Vice President & Member Executive Board United Bank Ltd.
M R Pirbhai	63	F.I.B.P. Solicitor	33	Chairman, Pakistan Banking Council, Karachi.  Senior Executive Vice President, Habib Bank Ltd.
Masihur Rahman	46	F.C.A. F.C.M.A.	15	Executive Vice President, United Bank Ltd, Karachi.
Nadir Rahim	43	B.A.	23	Deputy Managing Director, Investment Corporation of Pakistan.  Managing Director, Hyesons Steel Mills Ltd.  Director, Pakistan National Oil Ltd. Director, Wazir Ali Industries.
Iqbal Rizvi	53	M. Com.	32	President, Allied Bank of Pakistan, Karachi.  Senior Executive Vice President, Habib Bank Ltd.
S M Shafi	57	B.A. (Hons)	33	Senior Vice President, United Bank Ltd, Pakistan.
Allaudin Shaik	40	M.I.D.P.M. M.D.P.M.A.	15	Senior Vice President, United Bank Ltd, Karachi.
S M Shirazi	48	B.A. (Cantab)	24	Vice Governor, Central Bank of Iran, Tehran.
Kemal Shoaib	44	Master of Science	14	Executive Vice President Commerce Bank Ltd, Karachi.
Ameer Siddiki	48	F.I.B.P. B.A.	30	Senior Executive Vice President and Member Executive Board, Habib Bank Ltd, Karachi.
Saleem Siddiqi	51	M.A.	27	Senior Executive Vice President, United Bank Ltd, Pakistan.

Louis E. Saubolle	54		33	Vice President and Asia Representative, Hong Kong Bank of America
Aslam Siddiqui	62	B. Com.	34	Managing Director, & President, Commerce Bank Ltd, Karachi.  Deputy Managing Director, Industrial Development Bank of Pakistan.  Deputy Managing Director, National Bank of Pakistan.
Pesi Sorab	51	M.B.C.S. M.R.I.N.	10	Chief Executive, Computer United Bank Ltd, Karachi.  Service Bureau Manager, IBM (UK) Ltd.
Mr C Twitchin	54	AIB. ACIS	30	Vice President, Bank of America.
M A K Yousufi	56	M.A.	31	Chairman, Pakistan Banking Council, Karachi.  President, United Bank Ltd, Karachi.  Managing Director, Australasia Bank, Karachi.
S H M Zaidi	49	B.A. B.S.C. (F.T.)	11	Executive Vice President, United Bank Ltd, Rawalpindi.



DIRECTORATE

The Board of Directors of BCCI Holdings (Luxembourg) S.A., the Holding Company and the two main subsidiary banks, is composed of the following:-

MR FRANZ MUHEIM Citizen of Switzerland  
Director

Member of the Council of State (Standerat)  
since 1971.

Member of the Banking Council of Swiss  
National Bank since 1967.

Member of the Board of Administrators of  
Swiss National Railways since 1972.

MR YVES C LAMARCHE Citizen of the U.S.A.  
Director  
Chairman

Banque Arabe et Internationale d'Investissement

MR IAN PETER MACGILLIVRAY CARGIL Citizen of the U.K.  
Director (only BCCI Holdings)  
Formerly Senior Vice President  
Finance, World Bank Washington.

MR J D VAN OENEN Citizen of the Netherlands  
Director

Former Executive Vice President  
Bank of Montreal

and

Senior Vice President  
Bank of America

MR AGHA HASAN ABEDI Citizen of Pakistan  
Director

President and Chief Executive Officer  
BCCI Holdings (Luxembourg) S.A.  
Bank of Credit and Commerce International  
(Overseas) Limited  
Bank of Credit and Commerce International S.A.  
Former President of United Bank Limited.

EXECUTIVE MANAGEMENT

The Board of Directors constitutes the formal policy making authority of the Group and its policies always reflect in the thinking of the executive management who are responsible for the running of the day to day affairs of the Group.

## TOTAL

20		TOTAL	
Representative Offices	Representative Offices		
	Representative Offices		
	Representative Offices		
	Representative Offices		
Bank of Credit & Commerce (Zambia) Ltd	1	1	1
Bank of Credit & Commerce (Zimbabwe) Ltd	1	1	1
National Bank of Oman	1	1	1
Kuwait International Finance Company	1	1	1
Bank of Credit & Commerce International (Nigeria) Ltd	1	1	1
Hong Kong Metropolitan Bank Ltd	14	14	14
Premier Bank Ltd	1	1	1
Credit & Finance Corporation	1	1	1
Bank of Credit & Commerce International (Swaziland) Ltd	2	2	2
BCI Canada Inc	2	2	2
Bank of Credit & Commerce (Lebanon) SAL	5	5	5
Banque de Commerce et de Placements S.A.	2	2	2
BCI Finance International (Hong Kong)	1	1	1
Bank of Credit & Commerce International (Overseas) Ltd	1	1	1
Bank of Credit & Commerce International S.A.	1	1	1
GROUP OFFICES	74	57	3
Bahrain	1	1	1
Bangladesh	3	3	3
Canada	1	1	1
Djibouti	1	1	1
Egypt	9	9	9
France	3	3	3
Gabon	3	3	3
Germany W.	2	2	2
Ghana	1	1	1
Grand Cayn.	1	1	1
Hong Kong	2	2	2
India	1	1	1
Indonesia	1	1	1
Ivory Coast	1	1	1
Japan	1	1	1
Jordan	3	3	3
Kenya	2	2	2
Korea, S.	1	1	1
Kuwait	1	1	1
Lebanon	5	5	5
Liberia	1	1	1
Luxembourg	1	1	1
Mauritius	1	1	1
Morocco	2	2	2
Nigeria	1	1	1
Oman	12	12	12
Pakistan	3	3	3
Panama	1	1	1
Seychelles	1	1	1
Sierra L.	2	2	2
Senegal	1	1	1
Sri Lanka	1	1	1
Sudan	2	2	2
Swaziland	2	2	2
Switzerland	2	2	2
Togo	1	1	1
U.A.E.	16	16	16
U.K.	45	45	45
U.S.A.	1	1	1
Venezuela	1	1	1
Yemen	1	1	1
Zambia	1	1	1
Zimbabwe	1	1	1
	74	57	3
	212	212	212



