

**KUWAIT FINANCE HOUSE K.S.C. AND  
SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**31 MARCH 2009**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT FINANCE HOUSE K.S.C.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Finance House K.S.C. ("the Bank") and Subsidiaries (collectively "the Group") as at 31 March 2009 and the related interim condensed consolidated income statement, comprehensive income statement, changes in equity and cash flows for the three month period then ended and explanatory notes. The management of the bank is responsible for the preparation and presentation of the interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

### *Report on Other Legal and Regulatory Requirements*

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Bank. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the articles of association of the bank during the three month period ended 31 March 2009 have occurred that might have had a material effect on the business of the bank or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three month period ended 31 March 2009.



WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
ERNST & YOUNG  
AL AIBAN, AL OSAIMI & PARTNERS



JASSIM AHMAD AL-FAHAD  
LICENCE NO. 53 A  
DELOITTE  
AL-FAHAD & CO.

Kuwait Finance House K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Period ended 31 March 2009

	<i>Note</i>	<i>3 months ended 31 March 2009 KD 000's</i>	<i>3 months ended 31 March 2008 KD 000's</i>
<b>INCOME</b>			
Murabaha, wakala, istisna'a and leasing income		131,952	133,092
Investment income		44,737	66,592
Fee and commission income		16,494	16,765
Net (loss) gain from dealing in foreign currencies		(333)	1,327
Other income		13,085	4,320
		<u>205,935</u>	<u>222,096</u>
<b>EXPENSES</b>			
Staff costs		20,097	24,288
General and administrative expenses		13,537	16,725
Murabaha and ijara costs		15,161	16,700
Depreciation		7,736	6,833
Provision for impairment		45,932	4,005
		<u>102,463</u>	<u>68,551</u>
<b>PROFIT BEFORE ESTIMATED DISTRIBUTION TO DEPOSITORS</b>		<b>103,472</b>	<b>153,545</b>
Estimated distribution to depositors	3	(61,410)	(75,245)
<b>PROFIT AFTER ESTIMATED DISTRIBUTION TO DEPOSITORS</b>		<b>42,062</b>	<b>78,300</b>
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(416)	(761)
Provision for National Labour Support tax (NLST)		(1,472)	(1,149)
Provision for Zakat (based on Zakat Law No. 46/2006)		(370)	(761)
<b>PROFIT FOR THE PERIOD</b>		<b>39,804</b>	<b>75,629</b>
<b>Attributable to:</b>			
Equity holders of the Bank		39,294	73,410
Minority interest		510	2,219
		<u>39,804</u>	<u>75,629</u>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK</b>	4	<b>17 fils</b>	<b>32 fils</b>

The attached notes 1 to 12 form part of the interim condensed consolidated financial information.

Kuwait Finance House K.C.S and Subsidiaries

INTERIM CONDENSED CONSOLIDATED COMPREHENSIVE INCOME

STATEMENT (UNAUDITED)

31 March 2009

	<i>Note</i>	<i>3 months ended 31 March 2009 KD 000's</i>	<i>3 months ended 31 March 2008 KD 000's</i>
<b>Profit before estimated distribution to depositors</b>		<b>103,472</b>	153,545
<b>Other comprehensive income</b>			
Change in fair value of available for sale investments during the period	5	(53,328)	33,654
Gain realised during the period	5	(10,356)	(14,423)
Impairment losses transferred to the consolidated income statement	5	2,770	-
Share of other comprehensive results of associates	5	(3,132)	(1,002)
Exchange differences on translation of foreign operations	6	17,296	(6,394)
<b>Other comprehensive (loss) income for the period included directly in fair value reserve and foreign exchange translation reserve</b>		<b>(46,750)</b>	11,835
<b>Total comprehensive income before estimated distribution to depositors</b>		<b>56,722</b>	165,380


The attached notes 1 to 12 form part of the interim condensed consolidated financial information.

## Kuwait Finance House K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (UNAUDITED)

At 31 March 2009

		(Unaudited) 31 March 2009 KD 000's	(Audited) 31 December 2008 KD 000's	(Unaudited) 31 March 2008 KD 000's
	Note			
<b>ASSETS</b>				
Cash and balances with banks and financial institutions	8	354,682	368,062	521,933
Short-term international murabaha		1,156,151	1,312,153	880,996
Receivables		4,943,312	4,779,788	4,639,664
Trading properties		54,469	57,590	102,732
Leased assets		1,239,576	1,181,825	1,072,422
Available for sale investments		1,056,241	1,038,602	1,003,044
Investment in associates		440,446	449,496	369,069
Investment properties		277,265	279,574	260,877
Other assets		356,860	485,713	145,660
Property and equipment		653,881	591,339	412,086
<b>TOTAL ASSETS</b>		<u>10,532,883</u>	<u>10,544,142</u>	<u>9,408,483</u>
<b>LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND TOTAL EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks and financial institutions		1,425,759	1,595,452	1,303,758
Depositors' accounts		6,722,981	6,611,556	5,917,867
Other liabilities		412,878	394,033	385,937
<b>TOTAL LIABILITIES</b>		<u>8,561,618</u>	<u>8,601,041</u>	<u>7,607,562</u>
<b>DEFERRED REVENUE</b>		476,606	344,426	345,586
<b>FAIR VALUE RESERVE</b>	5	(52,652)	11,394	105,072
<b>FOREIGN EXCHANGE TRANSLATION RESERVE</b>	6	9,748	(7,548)	(4,422)
<b>EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK</b>				
Share capital	7	230,543	205,842	205,842
Share premium		464,766	464,766	464,766
Proposed issue of bonus shares		-	24,701	-
Treasury shares		(18,186)	(7,651)	-
Reserves		461,065	470,502	420,367
Profit for the period attributable to equity holders of the Bank		39,294	-	73,410
		<u>1,177,482</u>	<u>1,158,160</u>	<u>1,164,385</u>
Proposed cash dividend		-	82,124	-
<b>TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK</b>		<u>1,177,482</u>	<u>1,240,284</u>	<u>1,164,385</u>
Minority interest		360,081	354,545	190,300
<b>TOTAL EQUITY</b>		<u>1,537,563</u>	<u>1,594,829</u>	<u>1,354,685</u>
<b>TOTAL LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND TOTAL EQUITY</b>		<u>10,532,883</u>	<u>10,544,142</u>	<u>9,408,483</u>



BADER ABDULMOHSEN AL-MUKHAIZEEM  
(CHAIRMAN AND MANAGING DIRECTOR)



MOHAMMAD AL-OMAR  
(CHIEF EXECUTIVE OFFICER)

The attached notes 1 to 12 form part of the interim condensed consolidated financial information.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 31 March 2009

	Attributable to equity holders of the Bank											Minority interest KD 000's	Total equity KD 000's	
	Share capital KD 000's	Share premium KD 000's	Proposed issue of bonus shares KD 000's	Treasury shares KD 000's	Statutory reserve KD 000's	Voluntary reserve KD 000's	Reserves		Profit for the period KD 000's	Sub total KD 000's	Proposed cash dividends KD 000's			Sub total KD 000's
							Employee share options KD 000's	Treasury shares reserve KD 000's						
At 31 December 2007	171,535	464,735	34,307	-	214,589	208,093	4,237	1,006	427,925	-	1,098,502	1,210,000	196,094	1,406,094
Movements during the period:														
Issue of bonus shares (Note 7)	34,307	-	(34,307)	-	-	-	-	-	-	-	-	-	-	-
Cash received on cancellation of share options	-	31	-	-	-	-	-	-	-	-	31	31	-	31
Zakat	-	-	-	-	-	(7,558)	-	-	(7,558)	-	(7,558)	(7,558)	-	(7,558)
Cash dividends paid	-	-	-	-	-	-	-	-	-	(111,498)	(111,498)	(111,498)	-	(111,498)
Net change in minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(8,013)	(8,013)
Profit for the period	-	-	-	-	-	-	-	73,410	-	73,410	73,410	73,410	2,219	75,629
At 31 March 2008	205,842	464,766	-	-	214,589	200,535	4,237	1,006	420,367	73,410	1,164,385	1,164,385	190,300	1,354,685
At 31 December 2008	205,842	464,766	24,701	(7,651)	230,844	234,415	4,237	1,006	470,502	-	1,158,160	1,240,284	354,545	1,594,829
Movements during the period:														
Issue of bonus shares (Note 7)	24,701	-	(24,701)	-	-	-	-	-	-	-	-	-	-	-
Zakat	-	-	-	-	-	(9,464)	-	-	(9,464)	-	(9,464)	(9,464)	-	(9,464)
Cash dividends paid	-	-	-	-	-	-	-	-	-	(82,124)	(82,124)	(82,124)	-	(82,124)
Net movement in treasury shares	-	-	-	(10,535)	-	-	-	-	-	-	(10,535)	(10,535)	-	(10,535)
Profit on sale of treasury shares	-	-	-	-	-	-	27	-	27	-	27	27	-	27
Net change in minority interest	-	-	-	-	-	-	-	-	-	39,294	39,294	39,294	5,026	5,026
Profit for the period	-	-	-	-	-	-	-	-	-	39,294	39,294	39,294	510	39,804
At 31 March 2009	230,543	464,766	-	(18,186)	230,844	224,951	4,237	1,033	461,065	39,294	1,177,482	1,177,482	360,081	1,537,563

The attached notes 1 to 12 form part of the interim condensed consolidated financial information.

Kuwait Finance House K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

(UNAUDITED)

Period ended 31 March 2009

	Note	3 months ended 31 March 2009 KD 000's	3 months ended 31 March 2008 KD 000's
<b>OPERATING ACTIVITIES</b>			
Profit for the period		39,804	75,629
Adjustment for:			
Depreciation		7,736	6,833
Provision for impairment		45,932	4,005
Dividend income		(6,051)	(4,423)
Gain on part sale of associates and subsidiaries		(33,453)	-
Gain on sale of investments		(2,458)	(37,879)
Share of results of associates		6,066	(9,891)
Other investment income		(2,095)	-
		<u>55,481</u>	<u>34,274</u>
Changes in operating assets and liabilities			
<i>(Increase) decrease in operating assets:</i>			
Exchange of deposits		(42,822)	(39,967)
Receivables		(165,670)	(414,597)
Leased assets		(55,675)	(141,273)
Trading properties		3,121	23,680
Other assets		114,822	94,113
<i>Increase (decrease) in operating liabilities:</i>			
Due to banks and financial institutions		(169,693)	117,367
Depositors' accounts		111,425	556,712
Other liabilities		14,405	(2,970)
Deferred revenue		132,180	(29,024)
Net cash (used in) from operating activities		<u>(2,426)</u>	<u>198,315</u>
<b>INVESTING ACTIVITIES</b>			
Net purchase of available for sale investments		(35,441)	(57,619)
Net purchase of investment properties		1,984	(13,898)
Purchase of property and equipment		(69,858)	(11,111)
Net purchase of investment in associates		8,770	(17,513)
Dividend income received		6,099	4,423
Net cash used in investing activities		<u>(88,446)</u>	<u>(95,718)</u>
<b>FINANCING ACTIVITIES</b>			
Cash dividends paid		(82,124)	(111,498)
Cash received on cancellation of share options		-	31
Payment of zakat		-	(7,558)
Net purchase of treasury shares		(10,508)	-
Net cash used in financing activities		<u>(92,632)</u>	<u>(119,025)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(183,504)</b>	<b>(16,428)</b>
Cash and cash equivalents at 1 January		<u>1,368,185</u>	<u>854,805</u>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	8	<u><u>1,184,681</u></u>	<u><u>838,377</u></u>

The attached notes 1 to 12 form part of the interim condensed consolidated financial information.

# Kuwait Finance House K.S.C. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2009

### 1 ACTIVITIES

The interim condensed consolidated financial information of the Group for the period ended 31 March 2009 were authorised for issue in accordance with a resolution of the Bank's Board of Directors on 22 April 2009.

The Group comprises Kuwait Finance House K.S.C. ("the Bank") and its consolidated subsidiaries. The Bank is a public shareholding company incorporated in Kuwait on 23 March 1977 and was registered as an Islamic bank with the Central Bank of Kuwait on 24 May 2004. It is engaged principally in providing banking services, the purchase and sale of properties, leasing, project construction for its own account as well as for third parties and other trading activities without practising usury. Trading activities are conducted on the basis of purchasing various goods and selling them on Murabaha at negotiated profit margins which can be settled in cash or on instalment credit basis. The Bank's registered head office is at Abdulla Al-Mubarak Street, Murqab, Kuwait.

All activities are conducted in accordance with Islamic Shareea'a, as approved by the Bank's Fatwa and Shareea'a Supervisory Board.

### 2 SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group have been prepared in accordance with IAS 34, Interim Financial Reporting except as noted below.

The annual consolidated financial statements for the year ended 31 December 2008 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait's requirement for a minimum general provision as described below.

The impairment provision for finance facilities complies in all material respects with the specific provision requirements of the Central Bank of Kuwait and IFRS. In March 2007, the Central Bank of Kuwait issued a circular amending the basis of making general provisions on facilities changing the rate from 2% to 1% for cash facilities and 0.5% for non-cash facilities. The required rates were applied effective from 1 January 2007 on the net increase in facilities, net of certain restricted categories of collateral, during the reporting period. The general provision in excess of the present 1% for cash facilities and 0.5% for non-cash facilities amounting to KD 32 million (31 December 2008: KD 32 million) has been retained as a general provision until a further directive from the Central Bank of Kuwait is issued.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2008, except as discussed below.

During the period, the Group adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

IAS 1 'Presentation of Financial Statements' (Revised):

The revised standard requires all non-owner changes in fair value reserve and foreign exchange translation reserve (i.e. comprehensive income) to be presented separately in a consolidated statement of comprehensive income.

IFRS 8 'Operating segments':

The new standard which replaced IAS 14 'Segment reporting' requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief executive officer. This has resulted in no major changes.

Operating results for the period are not necessarily indicative of the results that may be expected for the year ending 31 December 2009.



---

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)**

At 31 March 2009

**3 ESTIMATED DISTRIBUTION TO DEPOSITORS AND PROFIT FOR THE PERIOD  
ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK**

Management of the Bank is of the opinion that the estimated distribution to depositors is presented for information purposes only, and accordingly the estimated distribution to depositors and the profit for the period attributable to Bank's equity holders should not be relied upon to indicate distribution of profit to all parties concerned for the period ended 31 March 2009 or for the year ending 31 December 2009.

The actual profit to be distributed to all parties concerned will be determined by the Board of Directors of the Bank in accordance with the Bank's articles of association, based on the annual audited results for the year ending 31 December 2009.

In addition to the above, the total comprehensive income before estimated distribution to depositors (as per the consolidated statement of total comprehensive income) is presented for compliance with the requirements of the revised IAS 1 and is not appropriate for the purpose of determining the estimated distribution to depositors or the profit for the period attributable to the Bank's equity holders.

**4 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS  
OF THE BANK**

Basic and diluted earnings per share are based on the profit for the period attributable to equity holders of the Bank of KD 39,294 thousand (31 March 2008: KD 73,410 thousand) and the weighted average number of ordinary shares outstanding during the period of 2,292,818 thousand (31 March 2008: 2,305,419 thousand) after adjusting for treasury shares held by the Group.

The comparative basic and diluted earnings per share have been restated for bonus issued during the period ended 31 March 2009.

**5 FAIR VALUE RESERVE**

Changes in fair value of available for sale investments are reported in the fair value reserve. Management of the Bank is of the opinion that this reserve is attributable to both the depositors and equity holders. As a result, the reporting of this reserve as a separate item on the interim condensed consolidated financial position enables a fairer presentation than its inclusion under equity.

The movement in the fair value reserve is analysed as follows:

	<i>(Unaudited)</i> <i>31 March</i> <i>2009</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2008</i> <i>KD 000's</i>	<i>(Unaudited)</i> <i>31 March</i> <i>2008</i> <i>KD 000's</i>
Balance at the beginning of the period/year	11,394	86,843	86,843
Change in fair values during the period/year	(53,328)	(48,318)	33,654
Gain realised during the period/year	(10,356)	(59,253)	(14,423)
Share of changes in associates' fair value reserves	(3,132)	(878)	(1,002)
Impairment losses transferred to the consolidated income statement	2,770	33,000	-
Balance at the end of the period/year	<u>(52,652)</u>	<u>11,394</u>	<u>105,072</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

At 31 March 2009

**6 FOREIGN EXCHANGE TRANSLATION RESERVE**

The foreign exchange translation reserve arises on the consolidation of foreign subsidiaries and equity accounting of foreign associates.

Management of the Bank is of the opinion that this reserve is attributable to both the depositors and equity holders. As a result, the reporting of this reserve as a separate item on the interim condensed consolidated financial position enables a fairer presentation than its inclusion under equity.

**7 SHARE CAPITAL**

Following approval of the ordinary and extraordinary general assembly meeting of the equityholders' of the Bank held on 10 March 2009, the authorised share capital of the Bank was increased from KD 205,842 thousand to KD 230,543 thousand by way of issuance of 12% bonus shares amounting to KD 24,701 thousand. Accordingly, the authorised, issued and fully paid-up share capital at 31 March 2009, comprises 2,305,419 thousand shares (31 December 2008: 2,058,410 thousand shares and 31 March 2008: 2,058,410 thousand shares) of 100 fils each.

**8 CASH AND CASH EQUIVALENTS**

	<i>(Unaudited)</i> 31 March 2009 KD 000's	<i>(Audited)</i> 31 December 2008 KD 000's	<i>(Unaudited)</i> 31 March 2008 KD 000's
Cash	47,792	47,836	41,706
Balances with Central Banks	118,855	146,289	183,557
Balances with banks and financial institutions - current accounts	185,718	162,190	154,189
Balances with banks and financial institutions - exchange of deposits	2,317	11,747	142,481
Cash and balances with banks and financial institutions	<u>354,682</u>	<u>368,062</u>	<u>521,933</u>
Short-term international murabaha - maturing within 3 months of contract date	770,298	932,731	289,544
Tawarruq balances with Central Bank of Kuwait (included within short-term international murabaha)	115,380	80,249	73,091
Exchange of deposits - maturing after 3 months of contract date	<u>(55,679)</u>	<u>(12,857)</u>	<u>(46,191)</u>
Cash and cash equivalents	<u><u>1,184,681</u></u>	<u><u>1,368,185</u></u>	<u><u>838,377</u></u>

**9 CONTINGENCIES AND COMMITMENTS**

At the balance sheet date there were outstanding contingencies and commitments entered into in the ordinary course of business in respect of the following:

	<i>(Unaudited)</i> 31 March 2009 KD 000's	<i>(Audited)</i> 31 December 2008 KD 000's	<i>(Unaudited)</i> 31 March 2008 KD 000's
Acceptances and letters of credit	178,932	192,152	446,524
Guarantees	1,006,821	1,036,772	653,789
	<u>1,185,753</u>	<u>1,228,924</u>	<u>1,100,313</u>
Capital commitments	<u><u>1,620,594</u></u>	<u><u>1,463,323</u></u>	<u><u>831,475</u></u>

---

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

At 31 March 2009

**10 RELATED PARTY TRANSACTIONS**

Certain related parties (directors and executive employees, officers of the Group, their families, associated companies and companies of which they are the principal owners) were depositors and finance facilities customers of the Bank, in the ordinary course of business. Such transactions were made on substantially the same terms, including profit rates and collateral, as those prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk. These transactions are approved by the ordinary general assembly of the equity holders of the Bank. The balances included in the interim condensed consolidated financial information are as follows:

	<i>Major shareholders KD 000's</i>	<i>Associates KD 000's</i>	<i>Board members and executive officers KD 000's</i>	<i>Other related parties KD 000's</i>	<i>Total 3 month ended 31 March</i>	
					<b>2009 KD 000's</b>	2008 KD 000's
<b>Related parties</b>						
Receivables	109,011	85,528	1,055	115,379	<b>310,973</b>	93,735
Due to banks and financial institutions	119,283	20,893	3,268	29,861	<b>173,305</b>	21,481
Depositors accounts	37,141	28,090	3,268	22,867	<b>91,366</b>	65,687
Commitments and contingencies	983	15	-	8,586	<b>9,584</b>	2,320

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2009

## 10 RELATED PARTY TRANSACTIONS (continued)

Details of the interests of Board Members and Executive Officers are as follows:

	The number of Board Members or Executive Officers		The number of related parties				Values	
	(Unaudited) 31 March 2009	(Audited) 31 December 2008	(Unaudited) 31 March 2009	(Audited) 31 December 2008	(Unaudited) 31 March 2008	(Unaudited) 31 March 2009 KD 000's	(Audited) 31 December 2008 KD 000's	(Unaudited) 31 March 2008 KD 000's
<b>Board Members</b>								
Finance facilities	5	11	10	16	11	55,347	73,694	27,851
Credit cards	9	5	-	-	10	14	33	69
Deposits	21	24	90	104	85	45,259	82,627	32,213
Collateral against finance facilities	2	1	1	4	-	54	176	528
<b>Executive Officers</b>								
Finance facilities	18	20	4	4	5	776	4,906	1,398
Credit cards	24	11	4	4	15	35	29	41
Deposits	27	26	80	84	102	726	4,925	3,248
Collateral against finance facilities	9	8	1	1	1	774	4,852	1,865

Compensation of key management personnel is as follows:

	(Unaudited) 31 March 2009 KD 000's	(Unaudited) 31 March 2008 KD 000's
Short-term employee benefits	2,738	6,143
Termination benefits	6,649	6,603
	<u>9,387</u>	<u>12,746</u>

# Kuwait Finance House K.S.C. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2009

### 11 SEGMENTAL ANALYSIS

#### Primary segment information

For management purposes the Group is organised into three major business segments:

31 March 2009 (Unaudited)	<i>Retail and corporate banking</i>				Total KD 000's
	<i>Treasury</i> KD 000's	<i>Investment</i> KD 000's	<i>banking</i> KD 000's	<i>Other segments</i> KD 000's	
Income	<u>30,987</u>	<u>30,684</u>	<u>121,169</u>	<u>23,095</u>	<u>205,935</u>
Profit before estimated distribution to depositors	<u>12,062</u>	<u>7,241</u>	<u>77,852</u>	<u>6,317</u>	<u>103,472</u>
Total assets	<u>1,736,640</u>	<u>2,697,317</u>	<u>5,537,823</u>	<u>561,103</u>	<u>10,532,883</u>
Total liabilities, deferred revenue, fair value reserve, foreign exchange translation reserve and total equity	<u>1,407,975</u>	<u>810,547</u>	<u>6,813,267</u>	<u>1,501,094</u>	<u>10,532,883</u>

31 March 2008 (Unaudited)	<i>Retail and corporate banking</i>				Total KD 000's
	<i>Treasury</i> KD 000's	<i>Investment</i> KD 000's	<i>banking</i> KD 000's	<i>Other segments</i> KD 000's	
Income	<u>19,039</u>	<u>78,741</u>	<u>111,697</u>	<u>12,619</u>	<u>222,096</u>
Profit before estimated distribution to depositors	<u>14,248</u>	<u>53,203</u>	<u>83,611</u>	<u>2,483</u>	<u>153,545</u>
Total assets	<u>1,112,559</u>	<u>2,676,719</u>	<u>5,323,604</u>	<u>295,601</u>	<u>9,408,483</u>
Total liabilities, deferred revenue, fair value reserve, foreign exchange translation reserve and total equity	<u>1,328,145</u>	<u>655,528</u>	<u>6,197,543</u>	<u>1,227,267</u>	<u>9,408,483</u>

#### Secondary segment information

	<i>Local</i>		<i>International</i>		<i>Total</i>	
	<i>31 March 2009</i>	<i>31 March 2008</i>	<i>31 March 2009</i>	<i>31 March 2008</i>	<i>31 March 2009</i>	<i>31 March 2008</i>
	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's
Income	<u>129,386</u>	<u>111,447</u>	<u>76,549</u>	<u>110,649</u>	<u>205,935</u>	<u>222,096</u>
Profit before estimated distribution to depositors	<u>76,746</u>	<u>98,689</u>	<u>26,726</u>	<u>54,856</u>	<u>103,472</u>	<u>153,545</u>

### 12 FIDUCIARY ASSETS

The aggregate value of assets held in a trust or fiduciary capacity by the Bank at 31 March 2009 amounted to KD 796,404 thousand (31 December 2008: KD 1,137,988 thousand and 31 March 2008: KD 654,846 thousand).

Fee and commission income include fees of KD 1,427 thousand (31 March 2008: KD 2,997 thousand) arising from trust and fiduciary activities.