

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

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

31 MARCH 2011

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 its Subsidiaries (collectively “the Group”) as at 31 March 2011 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. The management of the Bank is responsible for the preparation and presentation of this 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 this 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.

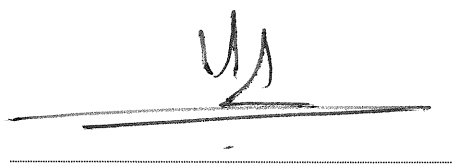
Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Commercial Companies Law of 1960, as amended, or of the articles of association of the Bank that might have had a material effect on the business of the Bank or on its financial position during the three month period ended 31 March 2011.

We further report that, during the course of our review, to the best of our knowledge and belief, 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 2011.



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



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

Kuwait Finance House K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

Period ended 31 March 2011

	<i>Note</i>	<i>3 months ended 31 March 2011 KD 000's</i>	<i>3 months ended 31 March 2010 KD 000's</i>
INCOME			
Financing income		124,606	129,736
Investment income (loss)		28,609	(3,790)
Fee and commission income		16,629	17,216
Net (loss) gain from foreign currencies		(156)	3,956
Other income		22,846	20,889
		<u>192,534</u>	<u>168,007</u>
EXPENSES			
Staff costs		30,980	27,044
General and administrative expenses		26,108	22,385
Finance costs		13,196	8,632
Depreciation		16,239	10,674
Impairment		51,677	22,511
		<u>138,200</u>	<u>91,246</u>
PROFIT BEFORE ESTIMATED DISTRIBUTION TO DEPOSITORS		54,334	76,761
Estimated distribution to depositors	3	(38,742)	(49,945)
PROFIT AFTER ESTIMATED DISTRIBUTION TO DEPOSITORS		15,592	26,816
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(228)	(322)
Provision for National Labour Support Tax (NLST)		(1)	(772)
Provision for Zakat (based on Zakat Law No. 46/2006)		6	(233)
PROFIT FOR THE PERIOD		15,369	25,489
Attributable to:			
Equityholders of the Bank		22,625	30,905
Non-controlling interests		(7,256)	(5,416)
		<u>15,369</u>	<u>25,489</u>
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITYHOLDERS OF THE BANK	4	8.5 fils	11.6 fils

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 COMPREHENSIVE
INCOME (UNAUDITED)

Period ended 31 March 2011

		<i>3 months ended</i> <i>31 March</i> <i>2011</i> <i>KD 000's</i>	<i>3 months ended</i> <i>31 March</i> <i>2010</i> <i>KD 000's</i>
Profit before estimated distribution to depositors		54,334	76,761
Other comprehensive income (loss)			
Change in fair value of available for sale investments during the period	5	(956)	(18,158)
Change in fair value of currency swaps and profit rate swaps, and forward foreign exchange contracts	5	(363)	271
Loss (gain) realised on available for sale investments during the period	5	5,948	(218)
Impairment losses transferred to the interim condensed consolidated statement of income	5	11,722	162
Share of other comprehensive loss of associates	5	(756)	(1,521)
Exchange differences on translation of foreign operations	6	(26,945)	18,229
Other comprehensive loss for the period included directly in fair value reserve and foreign exchange translation reserve		(11,350)	(1,235)
Total comprehensive income before estimated distribution to depositors		42,984	75,526

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 2011

		<i>(Unaudited)</i> 31 March 2011 KD 000's	<i>(Audited)</i> 31 December 2010 KD 000's	<i>(Unaudited)</i> 31 March 2010 KD 000's
ASSETS				
Cash and balances with banks and financial institutions	7	436,251	447,585	408,296
Short-term murabaha		1,356,997	1,597,372	1,339,073
Receivables		5,663,930	5,545,915	5,257,386
Trading properties		242,932	221,226	104,945
Leased assets		1,348,536	1,272,703	1,288,918
Investments		1,230,301	1,183,050	1,068,739
Investment in associates		361,784	339,307	385,898
Investment properties		660,042	561,377	493,546
Other assets		635,393	629,293	632,299
Property and equipment		816,910	750,671	672,693
TOTAL ASSETS		12,753,076	12,548,499	11,651,793
LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND TOTAL EQUITY				
LIABILITIES				
Due to banks and financial institutions		1,840,617	2,211,580	1,936,117
Depositors' accounts		8,243,673	7,649,082	7,195,093
Other liabilities		636,066	602,135	574,242
TOTAL LIABILITIES		10,720,356	10,462,797	9,705,452
DEFERRED REVENUE		514,447	515,874	470,574
FAIR VALUE RESERVE	5	(27,404)	(42,999)	(53,061)
FOREIGN EXCHANGE TRANSLATION RESERVE	6	(16,447)	10,498	25,760
EQUITY ATTRIBUTABLE TO THE EQUITYHOLDERS OF THE BANK				
Share capital	8	268,904	248,985	248,985
Share premium		464,766	464,766	464,766
Proposed issue of bonus shares		-	19,919	-
Treasury shares		(20,313)	(26,722)	(35,070)
Reserves		523,510	534,078	496,716
Profit for the period attributable to equityholders of the Bank		22,625		30,905
		1,259,492	1,241,026	1,206,302
Proposed cash dividend		-	49,304	-
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITYHOLDERS OF THE BANK		1,259,492	1,290,330	1,206,302
Non-controlling interests		302,632	311,999	296,766
TOTAL EQUITY		1,562,124	1,602,329	1,503,068
TOTAL LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND TOTAL EQUITY		12,753,076	12,548,499	11,651,793

SAMIR YAQOOB AL NAFISI
(CHAIRMAN)

MOHAMMAD AL-OMAR
(CHIEF EXECUTIVE OFFICER)

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 CHANGES IN EQUITY (UNAUDITED)

Period ended 31 March 2011

	Attributable to equityholders of the Bank										Non-controlling interests KD 000's	Total equity KD 000's			
	Reserves														
	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	Employee share options reserve KD 000's	Treasury shares reserve KD 000's	Sub total KD 000's	Profit for the period KD 000's			Sub total KD 000's	Proposed cash dividend KD 000's	Sub total KD 000's
At 31 December 2010	248,985	464,766	19,919	(26,722)	254,288	270,359	4,239	5,192	534,078	-	1,241,026	49,304	1,290,330	311,999	1,602,329
Movements during the period:															
Issue of bonus shares (Note 8)	19,919	-	(19,919)	-	-	-	-	-	-	-	-	-	-	-	-
Zakat	-	-	-	-	-	(11,894)	-	-	(11,894)	-	(11,894)	-	(11,894)	-	(11,894)
Cash dividends paid	-	-	-	-	-	-	-	-	-	-	-	(49,304)	(49,304)	-	(49,304)
Net movement in treasury shares	-	-	-	6,409	-	-	-	-	-	-	6,409	-	6,409	-	6,409
Profit on sale of treasury shares	-	-	-	-	-	-	1,326	-	1,326	-	1,326	-	1,326	-	1,326
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	22,625	-	-	22,625	(2,111)	(2,111)
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	22,625	-	-	22,625	(7,256)	15,369
At 31 March 2011	268,904	464,766	-	(20,313)	254,288	258,465	4,239	6,518	523,510	22,625	1,259,492	-	1,259,492	302,632	1,562,124
At 31 December 2009	230,542	464,766	18,443	(36,662)	243,237	255,999	4,237	4,398	507,871	-	1,184,960	56,857	1,241,817	324,138	1,565,955
Movements during the period:															
Issue of bonus shares	18,443	-	(18,443)	-	-	-	-	-	-	-	-	-	-	-	-
Zakat	-	-	-	-	-	(11,349)	-	-	(11,349)	-	(11,349)	-	(11,349)	-	(11,349)
Cash dividends paid	-	-	-	-	-	-	-	-	-	-	-	(56,857)	(56,857)	-	(56,857)
Net movement in treasury shares	-	-	-	1,592	-	-	-	-	-	-	1,592	-	1,592	-	1,592
Profit on sale of treasury shares	-	-	-	-	-	-	194	-	194	-	194	-	194	-	194
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	30,905	-	-	30,905	(21,956)	(21,956)
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	30,905	-	-	30,905	(5,416)	25,489
At 31 March 2010	248,985	464,766	-	(35,070)	243,237	244,650	4,237	4,592	496,716	30,905	1,206,302	-	1,206,302	296,766	1,503,068

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 CASH FLOWS

(UNAUDITED)

Period ended 31 March 2011

	<i>Note</i>	<i>3 months ended 31 March 2011 KD 000's</i>	<i>3 months ended 31 March 2010 KD 000's</i>
OPERATING ACTIVITIES			
Profit for the period		15,369	25,489
Adjustment for:			
Depreciation		16,239	10,674
Impairment		51,677	22,511
Dividend income		(3,596)	(5,336)
Gain on part sale of associates and subsidiaries		-	(3,421)
(Loss) / gain on sale of investments		96	(528)
Share of loss of associates		(3,109)	26,082
Other investment income		(9,580)	(8,172)
		<u>67,096</u>	<u>67,299</u>
Changes in operating assets and liabilities			
<i>(Increase) decrease in operating assets:</i>			
Receivables		(54,073)	(70,815)
Leased assets		(73,959)	(3,927)
Trading properties		(21,706)	21,441
Other assets		(26,860)	(106,986)
<i>Increase (decrease) in operating liabilities:</i>			
Due to banks and financial institutions		(370,963)	475,192
Depositors' accounts		594,591	(66,734)
Other liabilities		19,563	(22,243)
Net cash from operating activities		<u>133,689</u>	<u>293,227</u>
INVESTING ACTIVITIES			
Purchase of investments, net		(49,010)	(14,541)
Purchase of investment properties, net		(94,595)	(5,263)
Purchase of property and equipment, net		(82,290)	(63,580)
Purchase of investment in associates, net		(36,104)	(4,554)
Dividend income received		4,307	7,153
Net cash used in investing activities		<u>(257,692)</u>	<u>(80,785)</u>
FINANCING ACTIVITIES			
Cash dividends paid		(49,304)	(56,857)
Purchase of treasury shares, net		7,735	1,786
Net cash used in financing activities		<u>(41,569)</u>	<u>(55,071)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(165,572)</u>	157,371
Cash and cash equivalents at 1 January		1,519,915	1,246,693
CASH AND CASH EQUIVALENTS AT 31 MARCH	7	<u>1,354,343</u>	<u>1,404,064</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 2011

1 INCORPORATION AND REGISTRATION

The interim condensed consolidated financial information of Kuwait Finance House K.S.C. ("the Bank") and its subsidiaries (collectively "the Group") for the period ended 31 March 2011 were authorised for issue by the Chairman on 10 April 2011 in accordance with a resolution of the Bank's Board of Directors on 6 April 2011.

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 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34, Interim Financial Reporting. Except as noted below, 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 2010. The annual consolidated financial statements for the year ended 31 December 2010 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 made on all applicable credit facilities (net of certain categories of collateral) that are not provided specifically.

Operating results for the three months period ended 31 March 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

The following new and amended standards and interpretations are applicable for the Group effective from 1 January 2011:

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

IFRIC 14 Prepayments of a minimum funding requirement (Amendment)

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2011

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss.

The revised standards and new amendments have not had significant impact on the Group's interim condensed consolidated financial information.

**3 ESTIMATED DISTRIBUTION TO DEPOSITORS AND PROFIT FOR THE PERIOD
ATTRIBUTABLE TO EQUITYHOLDERS 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 equityholders should not be relied upon to indicate distribution of profit to all parties concerned for the period ended 31 March 2011 or for the year ending 31 December 2011.

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 2011.

In addition to the above, the total comprehensive income before estimated distribution to depositors (as per the interim condensed consolidated statement of 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 equityholders.

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

Basic earnings per share is calculated by dividing the profit for the period attributable to equityholders of the Bank by the weighted average number of ordinary shares outstanding during the period after adjusting for treasury shares held by the Group.

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period after adjusting for treasury shares held by the Group plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into shares.

	<i>Three months ended 31 March</i>	
	<i>2011</i>	<i>2010</i>
Profit for the period attributable to equity holders of the Bank (thousands KD)	<u>22,625</u>	<u>30,905</u>
Weighted average number of shares outstanding during the period (thousands shares)	<u>2,667,858</u>	<u>2,653,729</u>
Basic and diluted earnings per share	<u>8.5 fils</u>	<u>11.6 fils</u>

The comparative basic and diluted earnings per share have been restated for bonus shares issued on 14 March 2011 (See Note 8).

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2011

5 FAIR VALUE RESERVE

Changes in fair value of available for sale investments, currency swaps, profit rate swaps and forward foreign exchange contracts 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 equityholders. As a result, the reporting of this reserve as a separate item on the interim condensed consolidated statement of financial position enables a fairer presentation than its inclusion under equity attributable to the equityholders of the Bank.

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

	(Unaudited) 31 March 2011 KD 000's	(Audited) Total 31 December 2010 KD 000's	(Unaudited) Total 31 March 2010 KD 000's
	<i>Currency swaps and profit rate swaps, and forward foreign exchange contracts</i>		
Available for sale Investments	(43,528) (956)		
Total	529 -	(33,597) (32,447)	(33,597) (18,158)
Balance at the beginning of the period/year	-	2,973	271
Change in fair value of available for sale investments	5,948	6,069	(218)
Change in fair value of currency swaps and profit rate swaps, and forward foreign exchange contracts	(363)		
Loss (gain) realised on available for sale investments during the period/year	-	16,930	162
Impairment losses transferred to the interim condensed consolidated statement of income	11,722 (756)	(2,927)	(1,521)
Share of other comprehensive loss of associates	-	-	-
Balance at the end of the period/year	(27,570) 166	(42,999)	(53,061)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2011

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 equityholders. As a result, the reporting of this reserve as a separate item on the interim condensed consolidated statement of financial position enables a fairer presentation than its inclusion under equity attributable to the equityholders of the Bank.

7 CASH AND CASH EQUIVALENTS

	<i>(Unaudited)</i> 31 March 2011 KD 000's	<i>(Audited)</i> 31 December 2010 KD 000's	<i>(Unaudited)</i> 31 March 2010 KD 000's
Cash	63,192	58,125	54,134
Balances with Central Banks	169,379	153,048	112,041
Balances with banks and financial institutions - current accounts	203,534	223,860	233,457
Balances with banks and financial institutions - exchange of deposits	146	12,552	8,664
Cash and balances with banks and financial institutions	<u>436,251</u>	<u>447,585</u>	<u>408,296</u>
Short-term murabaha - maturing within 3 months of contract date	570,993	802,268	550,725
Tawarruq balances with Central Bank of Kuwait (included within short-term international murabaha)	347,099	270,062	445,043
Cash and cash equivalents	<u><u>1,354,343</u></u>	<u><u>1,519,915</u></u>	<u><u>1,404,064</u></u>

8 SHARE CAPITAL

Following approval of the ordinary and extraordinary general assembly meeting of the equityholders' of the Bank held on 14 March 2011, the authorised share capital of the Bank was increased from KD 248,985 thousand to KD 268,904 thousand by way of issuance of 8% bonus shares amounting to KD 19,919 thousand. Accordingly, the authorised, issued and fully paid-up share capital at 31 March 2011, comprises 2,689,040 thousand shares (31 December 2010: 2,489,852 thousand shares and 31 March 2010: 2,489,852 thousand shares) of 100 fils each.

9 CONTINGENCIES AND COMMITMENTS

At the financial position 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 2011 KD 000's	<i>(Audited)</i> 31 December 2010 KD 000's	<i>(Unaudited)</i> 31 March 2010 KD 000's
Acceptances and letters of credit	170,762	166,617	153,335
Letter of guarantees	983,736	1,056,805	963,578
	<u>1,154,498</u>	<u>1,223,422</u>	<u>1,116,913</u>
Capital commitments	<u><u>1,151,656</u></u>	<u><u>1,337,272</u></u>	<u><u>1,579,082</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2011

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>(Unaudited) 31 March</i>	
					2011 KD 000's	2010 KD 000's
Related parties						
Receivables	7,590	100,376	10,810	46,903	165,679	202,887
Due to banks and financial institutions	576,654	7,979	-	749	585,383	418,019
Depositors' accounts	97,257	15,996	7,214	28,553	149,020	88,065
Commitments and contingencies	886	610	34	4,925	6,455	10,238

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2011

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)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
	31 March 2011	31 December 2010	31 March 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	
Board Members								
Finance facilities	5	4	5	4	3	1,512	2,201	1,453
Credit cards	4	5	6	-	-	37	38	4
Deposits	42	39	22	34	51	2,110	5,421	6,333
Collateral against finance facilities	4	3	3	-	-	1,509	3,216	1,419
Executive Officers								
Finance facilities	13	16	15	2	3	1,252	3,086	3,283
Credit cards	12	12	12	3	4	19	26	25
Deposits	32	36	28	47	65	567	4,488	4,795
Collateral against finance facilities	8	8	10	1	1	1,253	3,364	4,420

Compensation of key management personnel is as follows:

	(Unaudited)	(Unaudited)
	31 March 2011	31 March 2010
	KD 000's	KD 000's
Short-term employee benefits	2,291	2,452
Termination benefits	189	176
	<u>2,480</u>	<u>2,628</u>

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2011

11 SEGMENTAL ANALYSIS

Segment information

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

	<i>Treasury KD 000's</i>	<i>Investment KD 000's</i>	<i>Retail and corporate banking KD 000's</i>	<i>Other KD 000's</i>	<i>Total KD 000's</i>
<i>31 March 2011 (Unaudited)</i>					
Income	<u>20,798</u>	<u>9,805</u>	<u>127,545</u>	<u>34,386</u>	<u>192,534</u>
Profit (loss) before estimated distribution to depositors	<u>9,059</u>	<u>(12,273)</u>	<u>78,138</u>	<u>(20,590)</u>	<u>54,334</u>
Total assets	<u>2,875,849</u>	<u>3,283,199</u>	<u>5,201,383</u>	<u>1,392,645</u>	<u>12,753,076</u>
Total liabilities	<u>1,959,989</u>	<u>1,394,925</u>	<u>6,935,889</u>	<u>429,553</u>	<u>10,720,356</u>
<i>31 March 2010 (Unaudited)</i>			<i>Retail and corporate banking KD 000's</i>	<i>Other KD 000's</i>	<i>Total KD 000's</i>
Income (loss)	<u>19,863</u>	<u>(13,046)</u>	<u>115,542</u>	<u>45,648</u>	<u>168,007</u>
Profit (loss) before estimated distribution to depositors	<u>11,267</u>	<u>(21,162)</u>	<u>71,858</u>	<u>14,798</u>	<u>76,761</u>
Total assets	<u>1,882,549</u>	<u>3,175,228</u>	<u>5,425,942</u>	<u>1,168,074</u>	<u>11,651,793</u>
Total liabilities	<u>2,056,044</u>	<u>1,726,868</u>	<u>5,510,584</u>	<u>411,956</u>	<u>9,705,452</u>

12 FIDUCIARY ASSETS

The aggregate value of assets held in a trust or fiduciary capacity by the Bank at 31 March 2011 amounted to KD 851,480 thousand (31 December 2010: KD 860,261 thousand and 31 March 2010: KD 847,011 thousand).

Fee and commission income include fees of KD 906 thousand (31 March 2010: 753 thousand) arising from trust and fiduciary activities.