

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

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

30 SEPTEMBER 2012



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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 30 September 2012 and the related interim condensed consolidated statements of income and comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine 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 nine month period ended 30 September 2012.

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 nine month period ended 30 September 2012.

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7 October 2012
Kuwait

Kuwait Finance House K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

Period ended 30 September 2012

	<i>KD 000's</i>				
	<i>Three months ended</i>		<i>Nine months ended</i>		
	<i>30 September 2012</i>	<i>30 September 2011</i>	<i>30 September 2012</i>	<i>30 September 2011</i>	
	<i>Notes</i>				
INCOME					
Financing income		151,611	119,696	400,966	370,176
Investment income		44,808	24,229	121,754	83,252
Fee and commission income		16,576	17,967	48,716	49,911
Net gain (loss) from foreign currencies		4,007	(4,715)	15,520	(9,288)
Other income		452	39,514	24,943	83,103
		<u>217,454</u>	<u>196,691</u>	<u>611,899</u>	<u>577,154</u>
EXPENSES					
Staff costs		30,981	26,516	93,099	87,958
General and administrative expenses		27,527	24,916	78,139	74,853
Finance costs		19,591	5,953	39,541	34,531
Depreciation		14,805	13,080	47,179	44,590
Impairment		40,130	48,232	149,347	155,215
		<u>133,034</u>	<u>118,697</u>	<u>407,305</u>	<u>397,147</u>
PROFIT BEFORE ESTIMATED DISTRIBUTION TO DEPOSITORS					
Estimated distribution to depositors	3	84,420 (47,911)	77,994 (46,680)	204,594 (116,465)	180,007 (121,117)
PROFIT AFTER ESTIMATED DISTRIBUTION TO DEPOSITORS					
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		36,509 (350)	31,314 (262)	88,129 (781)	58,890 (726)
National Labour Support Tax (NLST)		(640)	(474)	(1,072)	(821)
Zakat (based on Zakat Law No. 46/2006)		(236)	(179)	(360)	(293)
PROFIT FOR THE PERIOD					
		<u>35,283</u>	<u>30,399</u>	<u>85,916</u>	<u>57,050</u>
Attributable to:					
Equityholders of the Bank		33,734	25,329	75,868	70,798
Non-controlling interests		1,549	5,070	10,048	(13,748)
		<u>35,283</u>	<u>30,399</u>	<u>85,916</u>	<u>57,050</u>
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITYHOLDERS OF THE BANK					
	4	11.87 fils	8.86 fils	26.64 fils	24.65 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 30 September 2012

		<i>KD 000's</i>			
		<i>Three months ended</i>		<i>Nine months ended</i>	
<i>Notes</i>	<i>30 September 2012</i>	<i>30 September 2011</i>	<i>30 September 2012</i>	<i>30 September 2011</i>	
	Profit before estimated distribution to depositors	84,420	77,994	204,594	180,007
	Other comprehensive income (loss)				
	Change in fair value of financial assets available for sale during the period	5 (12,735)	(8,569)	(11,713)	(10,589)
	Change in fair value of currency swaps, profit rate swaps, and forward foreign exchange contracts	5 656	(622)	1,200	(1,697)
	Loss (gain) realised on financial assets available for sale during the period	5 2,765	(343)	(10,866)	5,275
	Impairment losses transferred to the interim condensed consolidated statement of income	5 7,240	8,598	19,450	25,701
	Share of other comprehensive income (loss) of associates	5 2,054	(2,182)	205	(2,751)
	Exchange differences on translation of foreign operations	6 2,429	(21,791)	19,254	(63,732)
	Other comprehensive income (loss) for the period included directly in fair value reserve and foreign exchange translation reserve	2,409	(24,909)	17,530	(47,793)
	Total comprehensive income before estimated distribution to depositors	86,829	53,085	222,124	132,214

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 30 September 2012

		<i>KD 000's</i>		
	<i>Notes</i>	<i>(Unaudited)</i> <i>30 September</i> <i>2012</i>	<i>(Audited)</i> <i>31 December</i> <i>2011</i>	<i>(Unaudited)</i> <i>30 September</i> <i>2011</i>
ASSETS				
Cash and balances with banks and financial institutions	7	945,964	619,554	588,147
Short-term murabaha		1,228,868	1,478,052	1,388,367
Receivables		6,552,199	5,864,821	5,760,382
Trading properties		280,087	273,686	245,821
Leased assets		1,535,130	1,422,442	1,380,236
Financial assets available for sale		1,241,769	1,302,177	1,362,789
Investment in associates		448,596	490,062	407,981
Investment properties		509,586	536,358	679,497
Other assets		661,837	705,551	736,589
Property and equipment		745,621	767,130	760,751
TOTAL ASSETS		14,149,657	13,459,833	13,310,560
LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND EQUITY				
LIABILITIES				
Due to banks and financial institutions		2,376,912	1,818,636	1,838,648
Depositors' accounts		8,937,063	8,881,845	8,742,249
Other liabilities		629,410	681,673	660,567
TOTAL LIABILITIES		11,943,385	11,382,154	11,241,464
DEFERRED REVENUE		692,730	608,475	568,795
FAIR VALUE RESERVE	5	(14,727)	(13,003)	(27,060)
FOREIGN EXCHANGE TRANSLATION RESERVE	6	(55,551)	(74,805)	(53,234)
EQUITY ATTRIBUTABLE TO THE EQUITYHOLDERS OF THE BANK				
Share capital	8	290,416	268,904	268,904
Share premium		464,766	464,766	464,766
Proposed issue of bonus shares		-	21,512	-
Treasury shares		(54,028)	(46,813)	(43,203)
Reserves		544,361	544,361	525,174
Profit for the period attributable to equityholders of the Bank		75,868	-	70,798
Proposed cash dividend		-	39,623	-
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITYHOLDERS OF THE BANK		1,321,383	1,292,353	1,286,439
Non-controlling interests		262,437	264,659	294,156
TOTAL EQUITY		1,583,820	1,557,012	1,580,595
TOTAL LIABILITIES, DEFERRED REVENUE, FAIR VALUE RESERVE, FOREIGN EXCHANGE TRANSLATION RESERVE AND EQUITY		14,149,657	13,459,833	13,310,560



MOHAMMED ALI AL-KHUDAIRI
(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 30 September 2012

KD 000's

	Attributable to equityholders of the Bank											Non-controlling interests	Total equity		
	Reserves														
	Share capital	Share premium	Proposed issue of bonus shares	Treasury shares	Statutory reserve	Voluntary reserve	Employees' share options reserve	Treasury shares reserve	Sub total	Profit for the period	Sub total			Proposed cash dividend	Sub total
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	-	-	-	-	-	(10,413)	-	-	(10,413)	-	(10,413)	-	(10,413)	-	(10,413)
Cash dividends paid	-	-	-	-	-	-	-	-	-	-	(49,304)	-	(49,304)	-	(49,304)
Net movement in treasury shares	-	-	-	(16,481)	-	-	-	-	-	-	(16,481)	-	(16,481)	-	(16,481)
Profit on sale of treasury shares	-	-	-	-	-	-	-	1,509	1,509	-	1,509	-	1,509	-	1,509
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,095)	(4,095)
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	70,798	-	-	70,798	(13,748)	57,050
At 30 September 2011	268,904	464,766	-	(43,203)	254,288	259,946	4,239	6,701	525,174	70,798	1,286,439	-	1,286,439	294,156	1,580,595
At 31 December 2011	268,904	464,766	21,512	(46,813)	262,491	270,950	4,244	6,676	544,361	-	1,252,730	39,623	1,292,353	264,659	1,557,012
Movements during the period:															
Issue of bonus shares (Note 8)	21,512	-	(21,512)	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends paid	-	-	-	-	-	-	-	-	-	-	(39,623)	-	(39,623)	-	(39,623)
Net movement in treasury shares	-	-	-	(7,215)	-	-	-	-	-	-	(7,215)	-	(7,215)	-	(7,215)
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,270)	(12,270)
Profit for the period	-	-	-	-	-	-	-	-	-	75,868	-	-	75,868	10,048	85,916
At 30 September 2012	290,416	464,766	-	(54,028)	262,491	270,950	4,244	6,676	544,361	75,868	1,321,383	-	1,321,383	262,437	1,583,820

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 30 September 2012

	<i>KD 000's</i>	
	<i>Nine months ended</i>	
<i>Note</i>	<i>30 September 2012</i>	<i>30 September 2011</i>
OPERATING ACTIVITIES		
Profit for the period	85,916	57,050
Adjustment for:		
Depreciation	47,179	44,590
Impairment	149,347	155,215
Dividend income	(9,913)	(8,150)
(Gain) loss on sale of investments	(42,787)	684
Sukuk income	(16,283)	(9,684)
Share of results of associates	(2,512)	(3,482)
Other investment income	(39,520)	(25,090)
	<u>171,427</u>	<u>211,133</u>
Changes in operating assets and liabilities		
<i>(Increase) decrease in operating assets:</i>		
Receivables	(667,055)	(272,162)
Leased assets	(105,325)	(117,875)
Trading properties	(3,468)	(35,465)
Other assets	(2,918)	(120,839)
<i>Increase (decrease) in operating liabilities:</i>		
Due to banks and financial institutions	558,276	(372,932)
Depositors' accounts	55,217	1,093,167
Other liabilities	(67,987)	48,874
Net cash (used in) from operating activities	<u>(61,833)</u>	<u>433,901</u>
INVESTING ACTIVITIES		
Proceeds from (purchase of) investments, net	119,465	(253,200)
Purchase of investment properties	(185,101)	(215,491)
Proceeds from sale of investment properties	254,853	97,577
Purchase of property and equipment	(65,969)	(140,472)
Proceeds from sale of property and equipment	26,265	92,945
Sukuk income received	16,283	9,684
Proceeds from (purchase of) investment in associates, net	25,167	(48,754)
Dividend income received	28,265	10,524
Net cash from (used in) in investing activities	<u>219,228</u>	<u>(447,187)</u>
FINANCING ACTIVITIES		
Cash dividends paid	(39,623)	(49,304)
Purchase of treasury shares, net	(7,215)	(14,972)
Payment of Zakat	-	(10,413)
Net cash used in financing activities	<u>(46,838)</u>	<u>(74,689)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	110,557	(87,975)
Cash and cash equivalents at 1 January	1,475,296	1,519,915
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7 <u>1,585,853</u>	<u>1,431,940</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 30 September 2012

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 30 September 2012 were authorised for issue by the Bank’s Board of Directors on 7 October 2012.

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 2011. The annual consolidated financial statements for the year ended 31 December 2011 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 nine months period ended 30 September 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2012 did not have any material impact on the accounting policies, financial position or performance of the Group.

3 ESTIMATED DISTRIBUTION TO DEPOSITORS AND PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITYHOLDERS OF THE BANK

The 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 30 September 2012 or for the year ending 31 December 2012.

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 2012.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2012

**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 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 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 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
Profit for the period attributable to equity holders of the Bank (thousands KD)	<u>33,734</u>	<u>25,329</u>	<u>75,868</u>	<u>70,798</u>
Weighted average number of shares outstanding during the period (thousands shares)	<u>2,842,926</u>	<u>2,860,388</u>	<u>2,848,354</u>	<u>2,871,925</u>
Basic and diluted earnings per share	<u>11.87 fils</u>	<u>8.86 fils</u>	<u>26.64 fils</u>	<u>24.65 fils</u>

The comparative basic and diluted earnings per share have been restated for bonus shares issued on 26 March 2012 (See Note 8).

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2012

5 FAIR VALUE RESERVE

Changes in fair value of financial assets available for sale, currency swaps, profit rate swaps and forward foreign exchange contracts are reported in the fair value reserve. The 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:

	<i>KD 000's</i>		
	<i>(Unaudited)</i> 30 September 2012	<i>(Audited)</i> 31 December 2011	<i>(Unaudited)</i> 30 September 2011 <i>Total</i>
	<i>Currency swaps, profit rate swaps and forward foreign exchange contracts</i>	<i>Total</i>	<i>Total</i>
	<i>Financial assets available for sale</i>	<i>Financial assets available for sale</i>	<i>Financial assets available for sale</i>
Balance at the beginning of the period/year	(13,378)	(13,003)	(42,999)
Change in fair value of financial assets available for sale during the period/year	(11,713)	(11,713)	(10,589)
Change in fair value of currency swaps and profit rate swaps, and forward foreign exchange contracts	1,200	1,200	(1,697)
(Gain) loss realised on financial assets available for sale during the period/year	-	-	5,275
Impairment losses transferred to the interim condensed consolidated statement of income	(10,866)	(10,866)	-
Share of other comprehensive income (loss) of associates	19,450	19,450	53,934
	205	205	756
Balance at the end of the period/year	(16,302)	(14,727)	(27,060)

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2012

6 FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arises on the consolidation of foreign subsidiaries and equity accounting of foreign associates. The 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>KD 000's</i>		
	<i>(Unaudited)</i> 30 September 2012	<i>(Audited)</i> 31 December 2011	<i>(Unaudited)</i> 30 September 2011
Cash	124,614	91,990	61,428
Balances with Central Banks	311,670	239,103	221,142
Balances with banks and financial institutions - current accounts	362,030	192,377	241,366
Balances with banks and financial institutions - exchange of deposits	147,650	96,084	64,211
Cash and balances with banks and financial institutions	945,964	619,554	588,147
Short-term murabaha - maturing within 3 months of contract date	439,755	757,733	507,760
Tawarruq balances with Central Bank of Kuwait (included within short-term international murabaha)	200,134	98,009	336,033
Cash and cash equivalents	<u>1,585,853</u>	<u>1,475,296</u>	<u>1,431,940</u>

8 SHARE CAPITAL

Following approval of the ordinary and extraordinary general assembly meeting of the equityholders' of the Bank held on 26 March 2012, the authorised share capital of the Bank was increased from KD 268,904 thousand to KD 290,416 thousand by way of issuance of 8% bonus shares amounting to KD 21,512 thousand (30 September 2011: KD 19,919 thousand). Accordingly, the authorised, issued and fully paid-up share capital at 30 September 2012, comprises 2,904,164 thousand shares (31 December 2011: 2,689,041 thousand shares and 30 September 2011: 2,689,041 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>KD 000's</i>		
	<i>(Unaudited)</i> 30 September 2012	<i>(Audited)</i> 31 December 2011	<i>(Unaudited)</i> 30 September 2011
Acceptances and letters of credit	199,195	142,951	157,224
Letter of guarantees	1,158,030	994,683	989,036
	<u>1,357,225</u>	<u>1,137,634</u>	<u>1,146,260</u>
Capital commitments	<u>1,737,128</u>	<u>1,544,753</u>	<u>1,566,766</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2012

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>KD 000's</i>						
	<i>Major shareholders</i>	<i>Associates</i>	<i>Board members and executive officers</i>	<i>Other related parties</i>	<i>(Unaudited) 30 September 2012</i>	<i>(Audited) 31 December 2011</i>	<i>(Unaudited) 30 September 2011</i>
	<i>Total</i>						
Related parties							
Receivables	-	58,055	11,523	123,937	193,515	169,054	141,334
Due to banks and financial institutions	1,021,173	26,936	-	15,475	1,063,584	550,343	610,395
Depositors' accounts	30,248	15,640	5,696	31,765	83,349	84,703	104,110
Commitments and contingencies	906	4,422	4	4,995	10,327	10,271	10,217

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2012

10 RELATED PARTY TRANSACTIONS (continued)

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

KD 000's

	The number of Board Members or Executive Officers		The number of related parties		Values	
	(Unaudited) 30 September 2012	(Unaudited) 30 September 2011	(Unaudited) 30 September 2012	(Audited) 31 December 2011	(Unaudited) 30 September 2012	(Audited) 31 December 2011
Board Members						
Finance facilities	4	5	-	1	6,603	8,086
Credit cards	6	6	3	-	46	38
Deposits	19	32	30	31	3,997	5,086
Collateral against finance facilities	3	4	-	-	8,349	8,357
Executive Officers						
Finance facilities	11	13	4	5	4,714	4,773
Credit cards	10	11	4	3	29	26
Deposits	21	24	45	51	3,155	4,122
Collateral against finance facilities	9	12	3	3	5,579	6,921

Compensation of key management personnel is as follows:

	(Unaudited) 30 September 2012	(Unaudited) 30 September 2011
Short-term employee benefits	9,041	8,175
Termination benefits	880	828
	<u>9,921</u>	<u>9,003</u>

Kuwait Finance House K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 30 September 2012

11 SEGMENTAL ANALYSIS

Segment information

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

					<i>KD 000's</i>
<i>30 September 2012 (Unaudited)</i>	<i>Treasury</i>	<i>Investment</i>	<i>Banking</i>	<i>Other</i>	<i>Total</i>
Total assets	3,160,059	3,550,674	6,183,829	1,255,095	14,149,657
Total liabilities	2,432,927	163,050	8,953,825	393,583	11,943,385
Income	37,902	59,553	447,416	67,028	611,899
Profit (loss) before estimated distribution to depositors	12,073	31,018	174,325	(12,822)	204,594
					<i>KD 000's</i>
<i>30 September 2011 (Unaudited)</i>	<i>Treasury</i>	<i>Investment</i>	<i>Banking</i>	<i>Other</i>	<i>Total</i>
Total assets	2,623,524	3,546,434	5,787,286	1,353,316	13,310,560
Total liabilities	1,940,128	300,925	8,564,535	435,876	11,241,464
Income	40,693	43,599	398,363	94,499	577,154
Profit (loss) before estimated distribution to depositors	19,484	(22,475)	171,108	11,890	180,007

12 FIDUCIARY ASSETS

The aggregate value of assets held in a trust or fiduciary capacity by the Bank at 30 September 2012 amounted to KD 651,399 thousand (31 December 2011: KD 672,584 thousand and 30 September 2011: KD 715,572 thousand).

Fee and commission income include fees of KD 2,312 thousand (30 September 2011: KD 1,739 thousand) arising from trust and fiduciary activities.