

**The Commercial Bank of Kuwait S.A.K.**

**Interim Consolidated Financial Report**

**30 June 2009**

**Bader & Co. PricewaterhouseCoopers**

P.O. Box 20174, Safat 13062  
Dar Al Awadi Complex, 7<sup>th</sup> Floor  
Ahmed Al Jaber Street, Sharq – Kuwait  
Telephone (965) 22408844  
Facsimile (965) 22408855  
E-mail: pwc.kwt@kw.pwc.com

Member of **RSM** International

Kuwait Airways Building, 7<sup>th</sup> Floor  
Shuhada Street, P.O. Box 2115 Safat  
13022 – State of Kuwait  
T + 965 22410010  
F + 965 22412761  
www.albazie.com

**The Commercial Bank of Kuwait SAK  
Kuwait**

**REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF COMMERCIAL BANK OF KUWAIT S.A.K**

*Introduction*

We have reviewed the accompanying condensed consolidated balance sheet of Commercial Bank of Kuwait S.A.K (“the Bank”) and its subsidiaries (together called “the Group”) as of 30 June 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of this interim 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 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 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*

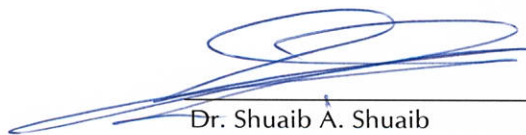
Furthermore, based on our review, the interim consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies’ Law of 1960, as amended, or of the Articles of Association of the Bank have occurred during the period ended 30 June 2009 that might have had a material effect on the business of the Group 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 Organization of Banking Business, and its related regulations.



Ali Mohammed Al Hamad  
Licence No. 111A  
PricewaterhouseCoopers

Kuwait  
07 July 2009



Dr. Shuaib A. Shuaib  
Licence No. 33A  
Albazie & Co.  
Member of RSM International

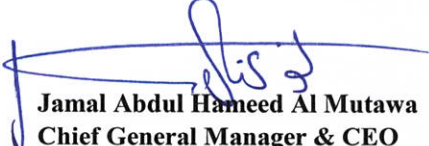
**CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)**

30 June 2009

	Note	30-06-2009 KD 000's	31-12-2008 KD 000's	30-06-2008 KD 000's
<b>ASSETS</b>				
Cash and short term funds	5	53,484	319,709	191,623
Treasury and Central Bank bonds		313,481	251,811	262,595
Due from banks and other financial institutions	6	601,925	939,161	1,281,322
Loans and advances	7	2,437,991	2,430,381	2,293,399
Investment securities	8	225,131	130,492	186,993
Premises and equipment		30,902	30,784	28,705
Goodwill and intangible assets		18,655	18,662	18,670
Other assets		16,896	185,651	34,575
<b>TOTAL ASSETS</b>		<b>3,698,465</b>	<b>4,306,651</b>	<b>4,297,882</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks and other financial institutions		1,103,374	1,042,693	1,106,160
Customer deposits		2,056,409	2,644,840	2,596,050
Subordinated loan		-	-	15,888
Other liabilities		86,394	121,725	103,291
<b>Total liabilities</b>		<b>3,246,177</b>	<b>3,809,258</b>	<b>3,821,389</b>
<b>EQUITY</b>				
Equity attributable to shareholders of the parent Bank				
Share capital		127,202	127,202	127,202
Treasury shares		(75)	-	(22,626)
Reserves		231,622	226,805	255,525
Retained earnings		92,708	91,814	115,538
<b>Proposed dividend</b>		<b>-</b>	<b>50,881</b>	<b>-</b>
<b>Non-controlling interests</b>		<b>451,457</b>	<b>496,702</b>	<b>475,639</b>
		831	691	854
<b>Total equity</b>		<b>452,288</b>	<b>497,393</b>	<b>476,493</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,698,465</b>	<b>4,306,651</b>	<b>4,297,882</b>

The interim consolidated financial report has been approved for issue by the Board of Directors on 07 July 2009 and signed on their behalf by:

  
**Abdulmajeed Haji AlShatti**  
 Chairman & Managing Director

  
**Jamal Abdul Hameed Al Mutawa**  
 Chief General Manager & CEO

The attached notes 1 to 15 form part of the interim consolidated financial report.

**CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)**

Period ended 30 June 2009

	Note	Period From			
		01-04-2009 to 30-06-2009 KD 000's	01-04-2008 to 30-06-2008 KD 000's	01-01-2009 to 30-06-2009 KD 000's	01-01-2008 to 30-06-2008 KD 000's
Interest income	9	42,279	64,245	91,555	132,156
Interest expense		(17,746)	(33,727)	(41,832)	(71,779)
<b>NET INTEREST INCOME</b>		<b>24,533</b>	<b>30,518</b>	<b>49,723</b>	<b>60,377</b>
Fees and commissions		10,335	8,269	17,981	15,457
Fund management fees		320	598	590	1,169
Dividend income		331	2,046	2,212	4,661
Net gain from dealing in foreign currencies		1,167	1,233	805	2,817
Net gain from investment securities		13,359	2,056	11,930	29,636
Other operating income		203	315	386	525
<b>OPERATING INCOME</b>		<b>50,248</b>	<b>45,035</b>	<b>83,627</b>	<b>114,642</b>
Staff		(4,776)	(5,029)	(9,507)	(9,280)
General and administration		(3,210)	(3,576)	(6,244)	(6,420)
Depreciation		(526)	(528)	(965)	(914)
<b>OPERATING EXPENSES</b>		<b>(8,512)</b>	<b>(9,133)</b>	<b>(16,716)</b>	<b>(16,614)</b>
<b>PROFIT BEFORE PROVISIONS</b>		<b>41,736</b>	<b>35,902</b>	<b>66,911</b>	<b>98,028</b>
Impairment and other provisions	10	(44,187)	2,228	(66,070)	(24,175)
<b>(LOSS)/ PROFIT FROM OPERATIONS</b>		<b>(2,451)</b>	<b>38,130</b>	<b>841</b>	<b>73,853</b>
Taxes and contributions		131	(1,649)	(22)	(3,187)
Directors' fees		-	(65)	-	(130)
<b>NET (LOSS)/ PROFIT FOR THE PERIOD</b>		<b>(2,320)</b>	<b>36,416</b>	<b>819</b>	<b>70,536</b>
<b>Attributable to:</b>					
Shareholders of the parent Bank		(2,441)	36,349	894	70,469
Non-controlling interests		121	67	(75)	67
		<b>(2,320)</b>	<b>36,416</b>	<b>819</b>	<b>70,536</b>
(Loss)/ earnings per share attributable to shareholders of the parent Bank (fils)	11	(1.9)	28.9	0.7	55.8

The attached notes 1 to 15 form part of the interim consolidated financial report.


**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

Period ended 30 June 2009

	Period From			
	01-04-2009 to 30-06-2009 KD 000's	01-04-2008 to 30-06-2008 KD 000's	01-01-2009 to 30-06-2009 KD 000's	01-01-2008 to 30-06-2008 KD 000's
Net (loss)/ profit for the period	(2,320)	36,416	819	70,536
<b>Other comprehensive income:</b>				
Changes in fair value of financial assets	11,546	(1,521)	12,159	1,866
Net (loss)/ gain on disposal/ impairment of financial assets	(8,138)	5,434	(7,063)	(6,229)
	3,408	3,913	5,096	(4,363)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,088</b>	<b>40,329</b>	<b>5,915</b>	<b>66,173</b>
<b>Attributable to:</b>				
Shareholders of the parent Bank	978	40,262	5,711	66,106
Non-controlling interests	110	67	204	67
	<b>1,088</b>	<b>40,329</b>	<b>5,915</b>	<b>66,173</b>

The attached notes 1 to 15 form part of the interim consolidated financial report.



The Commercial Bank of Kuwait S.A.K.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Period ended 30 June 2009

KD 000's

	Attributable to shareholders of the parent Bank												
	Reserves												
	Share Capital	Proposed Bonus Shares	Treasury Shares	Share Premium	Statutory Reserve	General Reserve	Treasury Shares Reserve	Property Revaluation Reserve	Fair Valuation Reserve	Retained Earnings	Proposed Dividend	Non-controlling Interests	Total
<b>Balance 31-12-2007</b>	121,145	6,057	(7,223)	66,791	60,572	17,927	52,242	22,915	39,684	44,372	102,534	-	527,016
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(4,866)	70,966	-	73	66,173
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	781	781
Treasury shares purchased	-	-	(17,315)	-	-	-	-	-	-	-	-	-	(17,315)
Treasury shares sold	-	-	1,912	-	-	-	260	-	-	-	-	-	2,172
Bonus shares issued	6,057	(6,057)	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	200	(102,534)	-	(102,334)
<b>Balance 30-06-2008</b>	<b>127,202</b>	<b>-</b>	<b>(22,626)</b>	<b>66,791</b>	<b>60,572</b>	<b>17,927</b>	<b>52,502</b>	<b>22,915</b>	<b>34,818</b>	<b>115,538</b>	<b>-</b>	<b>854</b>	<b>476,493</b>
<b>Balance 31-12-2008</b>	<b>127,202</b>	<b>-</b>	<b>-</b>	<b>66,791</b>	<b>63,601</b>	<b>17,927</b>	<b>45,603</b>	<b>25,336</b>	<b>7,547</b>	<b>91,814</b>	<b>50,881</b>	<b>691</b>	<b>497,393</b>
Total comprehensive income for the period	-	-	-	-	-	-	-	-	4,817	894	-	204	5,915
Treasury shares purchased	-	-	(75)	-	-	-	-	-	-	-	-	-	(75)
Dividend paid	-	-	-	-	-	-	-	-	-	-	(50,881)	(64)	(50,945)
<b>Balance 30-06-2009</b>	<b>127,202</b>	<b>-</b>	<b>(75)</b>	<b>66,791</b>	<b>63,601</b>	<b>17,927</b>	<b>45,603</b>	<b>25,336</b>	<b>12,364</b>	<b>92,708</b>	<b>-</b>	<b>831</b>	<b>452,288</b>

Annual general meeting held on 11 March 2009 approved the distribution of cash dividend of 40% (40 fils per share) to the shareholders registered in the parent Bank's records as of the date of annual general meeting.

The attached notes 1 to 15 form part of the interim consolidated financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)**

Period ended 30 June 2009

	Note	Period Ended	
		30-06-2009 KD 000's	30-06-2008 KD 000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit from operations		841	73,853
Adjustments for :			
Provisions for loans and advances		37,565	21,855
Income from investment securities		(14,142)	(34,297)
Foreign exchange and other (gains)/ losses on investment securities		(423)	725
Foreign exchange gain on financing activities		-	(492)
Depreciation		965	914
Other provisions and valuation adjustments		28,504	2,329
		<u>53,310</u>	<u>64,887</u>
Changes in operating assets and liabilities:			
Treasury and Central Bank bonds		(61,670)	(54,950)
Due from banks and other financial institutions		337,236	(75,339)
Loans and advances		(45,175)	(101,033)
Other assets		74,654	(10,318)
Due to banks and other financial institutions		60,681	96,664
Customer deposits		(588,431)	(39,800)
Other liabilities		(38,508)	(1,929)
Net cash used in operating activities		<u>(207,903)</u>	<u>(121,818)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of investment securities		45,811	131,914
Acquisition of investment securities		(54,305)	(73,818)
Dividend income from investment securities		2,212	4,661
Proceeds from disposal of premises and equipment		-	9
Acquisition of premises and equipment		(1,084)	(1,872)
Net cash (used in)/ from investing activities		<u>(7,366)</u>	<u>60,894</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Purchase of treasury shares		(75)	(17,315)
Sale of treasury shares		-	2,172
Dividends paid		(50,881)	(102,334)
Net cash used in financing activities		<u>(50,956)</u>	<u>(117,477)</u>
Net decrease in cash and short term funds		(266,225)	(178,401)
Cash and short term funds at the beginning of the period		319,709	370,024
<b>Cash and short term funds at the end of the period</b>	<b>5</b>	<b><u>53,484</u></b>	<b><u>191,623</u></b>

The attached notes 1 to 15 form part of the interim consolidated financial report.


**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (UNAUDITED)**

30 June 2009

**1 INCORPORATION AND REGISTRATION**

The Commercial Bank of Kuwait (the Parent Bank) is a public shareholding company incorporated in Kuwait and is registered as a Bank with the Central Bank of Kuwait. The Parent Bank and its subsidiaries are together referred to as "the Group" in these interim consolidated financial report.

The address of the registered office of the Bank is: The Commercial Bank of Kuwait S.A.K., P.O. Box 2861, 13029 Safat, Kuwait.

**2 SIGNIFICANT ACCOUNTING POLICIES**

The interim consolidated financial report has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". However, this does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the Government 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 provision, which has been replaced by the Central Bank of Kuwait's requirement for a minimum general provision.

The policy of the Group for calculation of the impairment provisions for loans and advances complies in all material respects with the specific provision requirements of the Central Bank of Kuwait.

The accounting policies used in the preparation of the interim consolidated financial report are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2008, except for the adoption of amendments in IAS 34 "Interim Financial Reporting"

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the period ended 30 June 2009 are not necessarily indicative of the results that may be expected for the year ending 31 December 2009. For further information, refer to the consolidated financial statements included in the Group's annual report for the year ended 31 December 2008.

**3 SUBSIDIARIES**

Name of entities	Country of incorporation	Principal business	% of Ownership
Al Tijari Investment Company K.S.C (Closed)	Kuwait	Investment banking	100
Union Securities Brokerage Company K.S.C (Closed)	Kuwait	Brokerage services	80

**4 PROVISIONS NO LONGER REQUIRED**

Under the terms of Law 41/93, provision no longer required as at 30 June 2009 amounted to KD 23 thousand (30 June 2008: KD 55 thousand). The ultimate amount to be ceded to the Central Bank of Kuwait will depend on the situation at the year end. The identification of provisions no longer required was made on a basis consistent with that adopted at 31 December 2008 and in accordance with the instructions of the Central Bank of Kuwait.




**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (UNAUDITED)**

30 June 2009

**5 CASH AND SHORT TERM FUNDS**

	30-06-2009 KD 000's	31-12-2008 KD 000's	30-06-2008 KD 000's
Cash and cash items	37,631	42,631	44,834
Balances with the Central Bank of Kuwait	272	29,104	16,982
Deposits with banks maturing within seven days	15,581	247,974	129,807
	<b>53,484</b>	<b>319,709</b>	<b>191,623</b>

Cash and short term funds are classified as "loans and receivables".

**6 DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**

	30-06-2009 KD 000's	31-12-2008 KD 000's	30-06-2008 KD 000's
Deposits with banks	544,945	801,375	1,079,663
Loans and advances to banks	52,791	85,268	144,904
Amounts due from other financial institutions	12,325	56,639	60,709
	<b>610,061</b>	<b>943,282</b>	<b>1,285,276</b>
Less : Specific provision	(8,136)	(4,121)	(3,954)
	<b>601,925</b>	<b>939,161</b>	<b>1,281,322</b>

Due from banks and other financial institutions are classified as "loans and receivables".

**7 LOANS AND ADVANCES**

Loans and advances are classified as "loans and receivables".

**8 INVESTMENT SECURITIES**

Investment securities include a 32% equity holding in Al Cham Bank of KD 6,066 thousand, that is not equity accounted as it is not material to the accompanying interim consolidated financial report.

Investment securities also include 221,421,095 shares acquired at a cost of KD 94,103 thousand under a transaction executed through the Kuwait Stock Exchange where the counterparty subsequently failed to exercise their buy back option within the agreed time frame. As at the balance sheet date, the Parent Bank holds the title of the underlying securities. The counterparty has raised a legal case challenging the Parent Bank's ownership.


**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (UNAUDITED)**

30 June 2009

**9 INTEREST INCOME**

Interest income includes a release of KD 1,203 thousand (30 June 2008: charge KD 10 thousand) due to adjustments arising from revised estimates of future cash flows, discounted at the original contracted rates of interest from a portfolio of performing loans that have had their terms modified during the year 2007, as per Central Bank circular 2/202BS RSA/2007 dated 13 February 2007.

**10 IMPAIRMENT AND OTHER PROVISIONS**

The following amounts were (charged) / released to the condensed consolidated statement of income during the period:

	Period From			
	01-04-2009 to 30-06-2009 KD 000's	01-04-2008 to 30-06-2008 KD 000's	01-01-2009 to 30-06-2009 KD 000's	01-01-2008 to 30-06-2008 KD 000's
Loans and advances to customers - specific	(38,911)	(829)	(40,020)	(2,964)
Loans and advances to customers - general	2,586	4,139	2,455	(18,891)
Non cash facilities	(4,350)	(1,247)	(4,495)	(1,170)
Investment securities	(3,873)	-	(24,492)	-
Other provisions	361	165	482	(1,150)
	<b>(44,187)</b>	<b>2,228</b>	<b>(66,070)</b>	<b>(24,175)</b>

**11 (LOSS)/ EARNINGS PER SHARE**

	Period From			
	01-04-2009 to 30-06-2009	01-04-2008 to 30-06-2008	01-01-2009 to 30-06-2009	01-01-2008 to 30-06-2008
Net (loss)/ profit for the period attributable to shareholders of the parent Bank (KD 000's)	(2,441)	36,349	894	70,469
Weighted average of authorised and subscribed shares (numbers in 000's)	1,272,022	1,272,022	1,272,022	1,272,022
Less: Weighted average of treasury shares held (numbers in 000's)	(22)	(13,190)	(11)	(9,819)
	<b>1,272,000</b>	<b>1,258,832</b>	<b>1,272,011</b>	<b>1,262,203</b>
(Loss)/ earnings per share attributable to shareholders of the parent Bank (fils)	<b>(1.9)</b>	<b>28.9</b>	<b>0.7</b>	<b>55.8</b>



## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (UNAUDITED)

30 June 2009

## 12 RELATED PARTY TRANSACTIONS

During the period certain related parties (directors and officers of the Group, their families and companies of which they are principal owners) were customers of the Group in the ordinary course of business. Such transactions were made on substantially the same terms including interest 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. The balances at the balance sheet date are as follows:

	30-06-2009			30-06-2008		
	Number of Directors/ Executives	Number of Related Members	Amount in KD 000's	Number of Directors/ Executives	Number of Related Members	Amount in KD 000's
<b>Board of Directors</b>						
Loans	1	4	16,937	1	3	34,111
Credit cards	1	1	5	1	4	3
Deposits	7	17	508	7	14	547
<b>Executive Management</b>						
Loans	5	2	162	12	2	307
Credit cards	6	6	3	6	6	22
Deposits	14	31	4,019	14	31	1,002

The loans issued to directors and executive management are mainly repayable within 1 year and have interest rates ranging from 2.00 % to 7.00 % (30 June 2008: 4.75 % to 9.75%). The loans given to related parties are collateralised by real-estate and equities. The fair value of these collaterals as at 30 June 2009 is KD 10,583 thousand (30 June 2008: KD 56,584 thousand).

The transactions included in the condensed consolidated statement of income are as follows:

	Period Ended	
	30-06-2009 KD 000's	30-06-2008 KD 000's
Interest income	1,007	1,179
Interest expense	(99)	(22)
Key management compensation:		
Short-term benefits	(621)	(606)
Post employment benefits	(9)	(8)
Termination benefits	(40)	(104)



## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (UNAUDITED)

30 June 2009

## 13 SEGMENTAL ANALYSIS

## (a) By business segments

The Group operates in three business segments namely banking, brokerage services and investment activities which are segmented between domestic and international activities.

	30-06-2009 KD 000's			30-06-2008 KD 000's		
	Domestic	International	Total	Domestic	International	Total
Interest income	90,375	1,180	91,555	127,977	4,179	132,156
Non interest income	32,557	1,347	33,904	52,936	1,329	54,265
Total revenues	122,932	2,527	125,459	180,913	5,508	186,421
Impairment and other provisions	(62,117)	(3,953)	(66,070)	(24,175)	-	(24,175)
Net profit for the period	3,147	(2,328)	819	68,653	1,883	70,536
Assets	3,651,595	46,870	3,698,465	4,155,448	142,434	4,297,882
Liabilities & Equity	3,674,269	24,196	3,698,465	4,278,616	19,266	4,297,882

## (b) By geographic sector

All business is conducted from Kuwait.

## 14 OFF BALANCE SHEET ITEMS

## (a) Financial instruments with contractual amounts

In the normal course of business the Group makes commitments to extend credit to customers. The contracted amounts represent the credit risk assuming that the amounts are fully advanced and that any collateral is of no value. The total contractual amount of the commitment does not necessarily represent the future cash requirement as in many cases these contracts terminate without being funded.

## (i) Financial instruments with contractual amounts representing credit risk

	30-06-2009 KD 000's	31-12-2008 KD 000's	30-06-2008 KD 000's
Acceptances	151,627	252,065	111,299
Letters of credit	338,565	562,471	726,951
Letters of guarantee	938,454	1,122,408	1,187,325
Others	41,189	42,251	38,688
	<b>1,469,835</b>	<b>1,979,195</b>	<b>2,064,263</b>


**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL REPORT (UNAUDITED)**

30 June 2009

**(ii) Financial instruments with contractual or notional amounts that are subject to credit risk**

	30-06-2009	31-12-2008	30-06-2008
	KD 000's	KD 000's	KD 000's
Foreign exchange contracts - spot and forward	52,400	118,186	134,129
Interest rate swaps	148	213	272

The amount subject to credit risk is insignificant and is limited to the current replacement value of instruments that are favourable to the Group, which is only a fraction of the contractual or notional amounts used to express the volumes outstanding.

The fair value of derivative instruments outstanding as on 30 June 2009 is not material.

**(b) Fiduciary assets**

The Group manages investment/money market funds, the net asset value of which at 30 June 2009 is KD 119,001 thousand (31 December 2008: KD 127,020 thousand and 30 June 2008: KD 209,065 thousand).

**(c) Legal claims**

At the balance sheet date certain legal claims existed against the Group and for which KD 2,637 thousand (31 December 2008: KD 3,109 thousand and 30 June 2008: KD 2,266 thousand) has been provided.

**15 COMPARATIVE FIGURES**

Certain of the prior period amounts have been reclassified to conform with the presentation in the current period.