

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

30 June 2010 (Unaudited)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2010 KD 000's	2009 KD 000's	2010 KD 000's	2009 KD 000's
Interest income		117,961	131,695	246,046	289,143
Interest expense		30,260	39,962	66,387	95,793
Net interest income		87,701	91,733	179,659	193,350
Net fees and commissions		25,336	25,486	50,235	48,900
Net gains from investment securities		471	1,571	1,455	10,207
Net gains from dealing in foreign currencies		5,365	5,362	10,631	16,542
Dividend income		2,041	859	2,688	1,521
Share of profit of associates		3,780	2,396	4,773	4,058
Other operating income		786	119	1,332	750
Net operating income		125,480	127,526	250,773	275,328
Staff expenses		25,141	23,032	47,350	44,433
Other administrative expenses		15,231	14,727	29,212	44,732
Depreciation of premises and equipment		2,360	1,690	4,452	3,601
Amortisation of intangible assets		1,134	1,131	2,291	2,270
Operating expenses		43,866	40,580	83,305	95,036
Operating profit before provision for credit losses and impairment losses		81,614	86,946	167,468	180,292
Provision charge for credit losses - specific		3,783	3,930	5,960	6,069
Provision (release)/charge for credit losses - general		333	13,359	(968)	21,664
Impairment losses for investment securities		4,017	3,086	8,043	18,165
Operating profit before taxation		73,481	66,571	154,433	134,394
Taxation	3	4,148	3,656	8,445	7,553
Profit for the period		69,333	62,915	145,988	126,841
Attributable to:					
Shareholders of the parent Bank		68,974	62,553	145,234	126,078
Non-controlling interests		359	362	754	763
		69,333	62,915	145,988	126,841
Basic and diluted earnings per share attributable to shareholders of the parent Bank	4	21 fils	20 fils	45 fils	40 fils

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

30 June 2010 (Unaudited)

	Three months ended 30 June		Six months ended 30 June	
	2010 KD 000's	2009 KD 000's	2010 KD 000's	2009 KD 000's
Profit for the period	69,333	62,915	145,988	126,841
Other comprehensive income				
Change in fair value of investments available for sale	(2,528)	17,486	225	14,007
Net gains on investment securities transferred to statement of income	(377)	(1,061)	(1,185)	(9,839)
Impairment losses for investment securities transferred to statement of income	4,017	3,086	8,043	18,165
Share of other comprehensive (loss)/income of associates	(338)	145	(72)	1,843
Exchange differences on translation of foreign operations	(6,853)	(1,725)	(4,676)	16,954
Other comprehensive (loss)/income for the period included in equity	(6,079)	17,931	2,335	41,130
Total comprehensive income for the period	63,254	80,846	148,323	167,971
Attributable to:				
Shareholders of the parent Bank	62,808	80,565	147,353	166,713
Non-controlling interests	446	281	970	1,258
	63,254	80,846	148,323	167,971

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2010 (Unaudited)

		Audited	
	30 June	31 December	30 June
	2010	2009	2009
Notes	KD 000's	KD 000's	KD 000's
Assets			
Cash and short term funds	1,122,101	1,622,240	1,133,865
Central Bank of Kuwait bonds	344,429	281,489	116,642
Kuwait Government treasury bills	-	32,477	136,575
Kuwait Government treasury bonds	470,302	373,202	437,004
Deposits with banks	754,873	723,509	1,224,558
Loans and advances to customers	7,722,159	7,817,110	7,259,010
Investment securities	1,137,962	1,171,046	1,171,083
Investment in associates	508,713	387,815	132,116
Land, premises and equipment	155,534	152,929	144,813
Goodwill and other intangible assets	242,150	249,556	246,650
Other assets	81,475	95,883	111,846
Total assets	12,539,698	12,907,256	12,114,162
Liabilities			
Due to banks and financial institutions	4,057,159	4,269,109	4,248,348
Customer deposits	6,417,590	6,600,243	6,044,130
Other liabilities	194,112	199,241	201,530
Total liabilities	10,668,861	11,068,593	10,494,008
Equity			
Equity attributable to shareholders of the parent Bank			
Share capital - authorised, issued and fully paid shares of 100 fils each	327,085	297,350	297,350
Proposed bonus shares	-	29,735	-
Statutory reserve	148,675	148,675	135,159
Share premium account	569,006	569,006	569,006
Treasury shares	(57,536)	(59,172)	(153,821)
Treasury shares reserve	18,376	19,973	41,122
General reserve	117,058	117,058	117,058
Retained earnings	698,428	553,241	574,500
Foreign currency translation reserve	10,384	15,264	7,589
Cumulative changes in fair values	18,452	11,453	15,952
Share based payment reserve	6,820	5,549	4,135
Total share capital and reserves	1,856,748	1,708,132	1,608,050
Proposed cash dividend	-	117,150	-
	1,856,748	1,825,282	1,608,050
Non-controlling interests	14,089	13,381	12,104
Total equity	1,870,837	1,838,663	1,620,154
Total liabilities and equity	12,539,698	12,907,256	12,114,162

Nasser Musaed Abdullah Al-Sayer
Vice Chairman

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 June 2010 (Unaudited)

	Notes	Six months ended 30 June	
		2010 KD 000's	2009 KD 000's
Operating activities			
Profit for the period		145,988	126,841
Adjustments:			
Dividend income		(2,688)	(1,521)
Net gains from investment securities		(1,455)	(10,207)
Share of profit of associates		(4,773)	(4,058)
Depreciation of premises and equipment		4,452	3,601
Amortisation of intangible assets		2,291	2,270
Provision charge for credit losses		4,992	27,733
Impairment losses for investment securities		8,043	18,165
Share based payment reserve	6	1,271	1,170
Taxation	3	8,445	7,553
Operating profit before changes in operating assets and liabilities		166,566	171,547
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		(62,940)	40,255
Kuwait Government treasury bills		32,477	(136,575)
Kuwait Government treasury bonds		(97,100)	40,137
Deposits with banks		(31,364)	(62,643)
Loans and advances to customers		89,763	(331,789)
Other assets		14,408	6,788
Due to banks and financial institutions		(211,950)	(373,905)
Customer deposits		(182,653)	498,881
Other liabilities		5,063	(44,756)
Tax paid		(13,677)	(8,879)
Net cash used in operating activities		(291,407)	(200,939)
Investing activities			
Purchase of investment securities		(894,989)	(942,405)
Sale/redemption of investment securities		928,568	985,993
Dividend income		2,688	1,521
Investment in associates (net)		(116,108)	6,391
Proceeds from sale of land, premises and equipment		984	854
Acquisition of land, premises and equipment		(8,041)	(15,976)
Net cash (used in)/ from investing activities		(86,898)	36,378
Financing activities			
Dividends paid	7	(117,197)	(117,374)
Purchase of treasury shares		(94)	-
Sale of treasury shares		133	-
Net cash used in financing activities		(117,158)	(117,374)
Decrease in cash and short term funds		(495,463)	(281,935)
Exchange difference on translation of foreign operations		(4,676)	16,954
Cash and short term funds at 1 January		1,622,240	1,398,846
Cash and short term funds at 30 June		1,122,101	1,133,865

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30 June 2010 (Unaudited)

KD 000's

	Equity attributable to shareholders of the parent Bank														
	Share capital	Proposed bonus shares	Statutory reserve	Share premium account	Treasury shares	Treasury shares reserve	General reserve	Retained earnings	Proposed cash dividend	Foreign currency translation reserve	Cumulative changes in fair values	Share based payment reserve	Total	Non-controlling interests	Total
At 31 December 2009	297,350	29,735	148,675	569,006	(59,172)	19,973	117,058	553,241	117,150	15,264	11,453	5,549	1,825,282	13,381	1,838,663
Issue of bonus shares (Note 7)	29,735	(29,735)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on treasury shares sold	-	-	-	-	-	-	-	(47)	47	-	-	-	-	-	-
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(117,197)	-	-	-	(117,197)	-	(117,197)
Sale of treasury shares	-	-	-	-	1,730	(1,597)	-	-	-	-	-	-	133	-	133
Purchase of treasury shares	-	-	-	-	(94)	-	-	-	-	-	-	-	(94)	-	(94)
Share based payment (Note 6)	-	-	-	-	-	-	-	-	-	-	-	1,271	1,271	-	1,271
Dividend paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(262)	(262)
Total comprehensive income for the period	-	-	-	-	-	-	-	145,234	-	(4,880)	6,999	-	147,353	970	148,323
At 30 June 2010	327,085	-	148,675	569,006	(57,536)	18,376	117,058	698,428	-	10,384	18,452	6,820	1,856,748	14,089	1,870,837

	Equity attributable to shareholders of the parent Bank														
	Share capital	Proposed bonus shares	Statutory reserve	Share premium account	Treasury shares	Treasury shares reserve	General reserve	Retained earnings	Proposed cash dividend	Foreign currency translation reserve	Cumulative changes in fair values	Share based payment reserve	Total	Non-controlling interests	Total
At 31 December 2008	270,318	27,032	135,159	569,006	(153,821)	41,122	117,058	448,422	117,374	(9,008)	(8,086)	2,965	1,557,541	11,025	1,568,566
Issue of bonus shares (Note 7)	27,032	(27,032)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(117,374)	-	-	-	(117,374)	-	(117,374)
Share based payment (Note 6)	-	-	-	-	-	-	-	-	-	-	-	1,170	1,170	-	1,170
Dividend paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(179)	(179)
Total comprehensive income for the period	-	-	-	-	-	-	-	126,078	-	16,597	24,038	-	166,713	1,258	167,971
At 30 June 2009	297,350	-	135,159	569,006	(153,821)	41,122	117,058	574,500	-	7,589	15,952	4,135	1,608,050	12,104	1,620,154

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

1 Incorporation and registration

The interim condensed consolidated financial information of National Bank of Kuwait S.A.K. (“the Bank”) and its subsidiaries (collectively “the Group”) for the period ended 30 June 2010 were authorised for issue in accordance with a resolution of the directors on 7 July 2010. The Bank is a public shareholding company incorporated in Kuwait in 1952 and is registered as a Bank with the Central Bank of Kuwait. The Bank’s head office is at Abdullah Al Ahmed Street, P.O. Box 95, Safat 13001, Kuwait.

2 Accounting policies

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. Except as described 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 2009.

The annual consolidated financial statements for the year ended 31 December 2009 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, Financial Instruments: Recognition and Measurement, 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.

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2009. Further, results for the interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

The following new standards and amendments to standards are applicable for the Group from 1 January 2010.

IFRS 3 (Revised) – Business Combinations and consequential amendments to IAS 27 – Consolidated and Separate Financial Statements. The main changes in the Group’s accounting policies are as follows:

- Acquisition related costs are expensed in the statement of income in the periods in which the costs are incurred;
- Changes in ownership interest in a subsidiary that do not result in a loss of control are treated as transaction between equity holders and are accounted for within equity;
- Equity interest held prior to control being obtained are remeasured to fair value at the date of obtaining control, and any gain or loss is recognised in the statement of income.

3 Taxation

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	KD 000’s	KD 000’s	KD 000’s	KD 000’s
National labour support tax	1,312	1,101	2,862	2,193
Contribution to Kuwait Foundation for the Advancement of Sciences	642	617	1,227	1,138
Taxation on overseas branches and subsidiaries	1,637	1,664	3,154	3,293
Zakat	557	274	1,202	929
	<u>4,148</u>	<u>3,656</u>	<u>8,445</u>	<u>7,553</u>

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

4 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent Bank by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent Bank by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into shares. The diluted earnings per share arising from the issue of employee share options do not result in any change from the reported basic earnings per share.

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	KD 000's	KD 000's	KD 000's	KD 000's
Profit attributable to shareholders of the parent bank	68,974	62,553	145,234	126,078
Weighted average number of shares outstanding during the period net of treasury shares (thousands)	3,222,961	3,156,058	3,222,908	3,156,058
Basic and diluted earnings per share	21 fils	20 fils	45 fils	40 fils

Earnings per share calculations for the periods ended 30 June 2009 have been adjusted to take account of the bonus shares issued in 2010.

5 Treasury shares

The Bank held the following treasury shares at 30 June 2010.

	30 June	Audited	30 June
	2010	31 December 2009	2009
Number of treasury shares	47,870,540	44,741,494	104,354,250
Treasury shares as a percentage of total shares in issue	1.5%	1.5%	3.5%
Cost of treasury shares (KD thousand)	57,536	59,172	153,821
Market value of treasury shares (KD thousand)	55,530	50,110	133,573

Movement in treasury shares was as follows:

	<i>No. of shares</i>	
	2010	2009
Balance as at 1 January	44,741,494	94,867,500
Purchases	86,006	-
Sales	(1,313,150)	-
Bonus issue	4,356,190	9,486,750
Balance as at 30 June	47,870,540	104,354,250

6 Share based payment reserve

The Bank operates equity settled share based compensation plans. The fair value of outstanding options amounts to KD 7,573 thousand at 30 June 2010 (30 June 2009: KD 8,348 thousand). The expense accrued on account of share based compensation plans for the period ended 30 June 2010 amounts to KD 1,271 thousand (30 June 2009: KD 1,170 thousand) and has been included as part of staff expenses in the interim condensed consolidated statement of income.

30 June 2010 (Unaudited)

7 Dividends paid

At the Annual General Assembly meeting of the shareholders held on 7 March 2010, 10% bonus shares (2008: 10%) and a cash dividend of 40 fils per share (2008: 45 fils per share) was approved and paid subsequently. This resulted in an increase in the number of authorised and issued shares by 297,349,745 (2008: 270,317,950) and share capital by KD 29,735 thousand (2008: KD 27,032 thousand).

8 Provisions for impairment no longer required

Under the terms of Law 41/93, provisions for impairment no longer required as at 30 June 2010 amounted to KD Nil (2009: Nil). The identification of provisions for impairment no longer required will depend on the final situation at the year end and will be made in accordance with the instructions of Central Bank of Kuwait.

9 Segmental analysis

The Group organises and manages its operations by geographic territory in the first instance, primarily Domestic and International. Within its domestic operations, the Group segments its business into Consumer Banking, Corporate Banking, Investment Banking and Asset Management, and Group Centre. All operations outside Kuwait are classified as International. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment.

Consumer Banking

Consumer Banking provides a diversified range of products and services to individuals. The range includes consumer loans, credit cards, deposits, foreign exchange and other branch related services. This business segment also comprises Private Banking. Private Banking provides a comprehensive range of customised and innovative banking services to high net worth individuals and to institutional clients.

Corporate Banking

Corporate Banking provides a comprehensive product and service offering to business and corporate customers, including lending, deposits, trade finance, foreign exchange and advisory services.

Investment Banking and Asset Management

Investment Banking provides a full range of capital market advisory and execution services. The activities of Asset Management include wealth management, asset management, custody, brokerage and research.

Group Centre

Group Centre includes treasury, investments and other defined Group activities. Treasury provides a comprehensive range of treasury services and products to its clients, and is also responsible for the bank's liquidity management and market risk. Group Centre includes any residual in respect of transfer pricing and inter segment allocations.

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

9 Segmental analysis (continued)

The following table presents net operating income, profit and total assets information in respect of the Group's business segments:

	30 June 2010					
	Consumer Banking KD 000's	Corporate Banking KD 000's	Investment Banking and Asset Management KD 000's	Group Centre KD 000's	International KD 000's	Total KD 000's
<i>Three months</i>						
Net operating income	<u>44,623</u>	<u>44,071</u>	<u>6,018</u>	<u>3,721</u>	<u>27,047</u>	<u>125,480</u>
Profit / (loss)	<u>27,462</u>	<u>37,509</u>	<u>3,227</u>	<u>(14,024)</u>	<u>15,159</u>	<u>69,333</u>
<i>Six months</i>						
Net operating income	<u>87,634</u>	<u>89,457</u>	<u>12,192</u>	<u>7,737</u>	<u>53,753</u>	<u>250,773</u>
Profit / (loss)	<u>54,157</u>	<u>76,459</u>	<u>6,632</u>	<u>(21,817)</u>	<u>30,557</u>	<u>145,988</u>
Total assets	<u>2,760,707</u>	<u>4,267,038</u>	<u>80,322</u>	<u>1,643,586</u>	<u>3,788,045</u>	<u>12,539,698</u>
	30 June 2009					
	Consumer Banking KD 000's	Corporate Banking KD 000's	Investment Banking and Asset Management KD 000's	Group Centre KD 000's	International KD 000's	Total KD 000's
<i>Three months</i>						
Net operating income	<u>44,850</u>	<u>42,500</u>	<u>6,974</u>	<u>6,936</u>	<u>26,266</u>	<u>127,526</u>
Profit / (loss)	<u>24,760</u>	<u>35,862</u>	<u>3,720</u>	<u>(15,348)</u>	<u>13,921</u>	<u>62,915</u>
<i>Six months</i>						
Net operating income	<u>88,347</u>	<u>83,665</u>	<u>13,051</u>	<u>36,884</u>	<u>53,381</u>	<u>275,328</u>
Profit / (loss)	<u>50,538</u>	<u>70,482</u>	<u>6,291</u>	<u>(28,135)</u>	<u>27,665</u>	<u>126,841</u>
Total assets	<u>2,682,800</u>	<u>3,789,690</u>	<u>62,074</u>	<u>1,212,214</u>	<u>4,367,384</u>	<u>12,114,162</u>

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

10 Commitments and contingent liabilities

	30 June 2010 KD 000's	Audited 31 December 2009 KD 000's	30 June 2009 KD 000's
Commitments on behalf of customers for which there are corresponding liabilities by the customers concerned:			
Acceptances	105,712	81,760	79,552
Letters of credit	348,259	450,898	457,998
Guarantees	1,515,627	1,473,268	1,500,792
	<u>1,969,598</u>	<u>2,005,926</u>	<u>2,038,342</u>

Irrevocable commitments to extend credit amount to KD 98,496 thousands (31 December 2009: KD 113,286 thousands, 30 June 2009: KD 97,210 thousands). This includes commitments to extend credit which are irrevocable over the life of the facility or are revocable only in response to a material adverse change.

11 Derivative financial instruments

The Group deals in interest rate swaps to manage its interest rate risk on interest bearing asset and liabilities or to provide interest rate risk management solutions to customers. Similarly the Group deals in forward foreign exchange contracts for customers and to manage its foreign currency positions and cash flows.

Interest rate swaps used to hedge the change in fair value of the Group's financial assets and liabilities and which qualify as effective hedging instruments are shown as interest rate swaps held as fair value hedges. Other derivative transactions are carried out for customers or used for hedging purpose but do not meet the qualifying criteria for hedge accounting. The risk exposures on account of derivative transactions for customers are covered by entering in to similar transactions with counter parties or by other risk mitigating transactions.

The notional amounts of outstanding derivative financial instruments are as follows:

	30 June 2010 KD 000's	Audited 31 December 2009 KD 000's	30 June 2009 KD 000's
Interest rate swaps (held as fair value hedges)	167,825	165,565	221,896
Interest rate swaps (others)	92,428	112,202	144,084
Forward foreign exchange contracts	1,173,145	1,144,725	919,818
	<u>1,433,398</u>	<u>1,422,492</u>	<u>1,285,798</u>

Notional amounts of derivative financial instruments merely represent amounts to which a rate or price is applied to determine the amounts of cash flows to be exchanged and do not represent the potential gain or loss associated with the market or credit risk of such instruments.

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2010 (Unaudited)

12 Related party transactions

Certain related parties (shareholders, directors and officers of the Bank, companies which they control or over which they exert significant influence, and entities associated with the Group) were customers of the Bank and its subsidiaries 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.

In accordance with Central Bank of Kuwait regulations regarding lending to Board Members and their related parties, such lending is secured by tangible collateral.

Details of the interests, as at the reporting date, of Board Members, Executive Officers and Associates are as follows:

	Number of Board Members or Executive Officers			Number of related parties			Audited		
	30 June 2010	31 December 2009	30 June 2009	30 June 2010	31 December 2009	30 June 2009	30 June 2010 KD 000's	31 December 2009 KD 000's	30 June 2009 KD 000's
Board Members									
Loans (secured)	4	6	6	18	16	19	186,509	219,300	310,419
Contingent liabilities	2	2	2	24	21	20	84,972	104,014	94,567
Credit cards	5	5	5	5	4	1	81	93	21
Deposits	9	8	7	28	25	22	103,881	48,874	104,654
Collateral against loans	4	6	6	18	16	19	350,655	343,842	544,923
Interest and fee income							5,947	23,041	14,434
Interest expense							63	174	96
Executive Officers									
Loans	7	7	5	-	-	-	589	646	638
Contingent liabilities	2	2	3	-	-	-	11	15	13
Credit cards	2	4	6	-	-	-	4	43	11
Deposits	14	15	16	-	-	-	1,622	1,222	1,155
Interest and fee income							4	6	5
Interest expense							6	19	2
Associates									
Placements							158,266	299,126	225,963
Acceptances							54,005	61,652	89,286

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

30 June 2010 (Unaudited)

13 Key management compensation

Compensation for key management, including executive officers, comprises the following:

	Three months ended 30 June		Six months ended 30 June	
	2010	2009	2010	2009
	KD 000's	KD 000's	KD 000's	KD 000's
Salaries and other short term benefits	3,079	2,818	5,751	5,386
Post-employment benefits	318	200	469	381
Share based compensation	418	333	839	728
	3,815	3,351	7,059	6,495

NATIONAL BANK OF KUWAIT GROUP

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 JUNE 2010 (UNAUDITED)