

INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
30 SEPTEMBER 2017



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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO
THE BOARD OF DIRECTORS OF AL AHLI BANK OF KUWAIT K.S.C.P.**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Ahli Bank of Kuwait K.S.C.P. (the "Bank") and its subsidiaries (collectively "the Group") as at 30 September 2017 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months 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 violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations or of the Bank's Articles of Association and Memorandum of Incorporation during the nine months period ended 30 September 2017 that might have had a material effect on the business of the Bank or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL AHLI BANK OF KUWAIT K.S.C.P. (continued)

Report on other Legal and Regulatory Requirements (continued)

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 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 months period ended 30 September 2017 that might have had a material effect on the business of the Bank or on its financial position.



TALAL Y. AL-MUZAINI
LICENCE NO. 209A
DELOITTE & TOUCHE
AL-WAZZAN & CO.

23 October 2017
Kuwait




WALEED A. AL OSAIMI
LICENCE NO. 68A
EY
(AL-AIBAN, AL-OSAIMI & PARTNERS)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)**

As at 30 September 2017

	Notes	(Audited)		
		30 September 2017 KD 000	31 December 2016 KD 000	30 September 2016 KD 000
ASSETS				
Cash and balances with banks		445,961	494,678	307,194
Kuwait Government treasury bonds		345,595	223,142	219,398
Central Bank of Kuwait bonds		140,559	173,715	241,109
Loans and advances		3,066,214	3,029,384	3,183,179
Investment securities	4	172,294	237,905	321,191
Investment in an associate		19,118	18,263	17,694
Premises and equipment		51,368	46,695	53,462
Intangible assets		17,473	17,698	35,893
Other assets		41,931	43,333	46,550
TOTAL ASSETS		4,300,513	4,284,813	4,425,670
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks and other financial institutions		514,052	734,771	788,926
Customers' deposits		2,979,713	2,899,908	2,970,902
Medium term borrowings	5	150,488	-	-
Other liabilities		93,588	94,331	108,776
TOTAL LIABILITIES		3,737,841	3,729,010	3,868,604
EQUITY				
Share capital		161,917	161,917	161,917
Share premium		108,897	108,897	108,897
Treasury shares	7	(5,003)	(4,958)	(4,930)
Reserves		296,155	289,301	290,382
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		561,966	555,157	556,266
Non-controlling interests		706	646	800
TOTAL EQUITY		562,672	555,803	557,066
TOTAL LIABILITIES AND EQUITY		4,300,513	4,284,813	4,425,670


 A blue ink signature of Talal Mohamed Reza Behbehani, written over a horizontal line.

Talal Mohamed Reza Behbehani
Chairman


 A blue ink signature of Abdulla M. Al Sumait, written over a horizontal line.

Abdulla M. Al Sumait
Deputy Chief General Manager

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

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
For the period ended 30 September 2017

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
		<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>
Interest income		48,649	46,300	138,338	133,919
Interest expense		(19,547)	(19,193)	(55,441)	(52,455)
NET INTEREST INCOME		29,102	27,107	82,897	81,464
Net fees and commission income		7,217	6,864	22,628	22,408
Net foreign exchange gain		1,001	1,086	3,452	3,241
Net gain / (loss) on investment securities		168	(165)	461	(2,557)
Dividend income		296	224	1,797	1,908
Share of results from an associate		701	721	1,736	2,002
Other operating income		672	307	1,735	1,557
OPERATING INCOME		39,157	36,144	114,706	110,023
Staff expenses		(7,988)	(8,533)	(24,342)	(26,047)
Other operating expenses		(5,848)	(5,062)	(16,532)	(14,947)
Depreciation and amortisation		(953)	(1,176)	(2,653)	(3,426)
OPERATING EXPENSES		(14,789)	(14,771)	(43,527)	(44,420)
OPERATING PROFIT FOR THE PERIOD		24,368	21,373	71,179	65,603
Provision / impairment losses	8	(17,783)	(15,265)	(46,359)	(42,320)
PROFIT FOR THE PERIOD BEFORE TAXATION		6,585	6,108	24,820	23,283
Taxation	9	(678)	(1,346)	(2,659)	(3,438)
NET PROFIT FOR THE PERIOD		5,907	4,762	22,161	19,845
Attributable to:					
Shareholders of the Bank		5,880	4,750	22,094	19,803
Non-controlling interests		27	12	67	42
		5,907	4,762	22,161	19,845
BASIC AND DILUTED EARNINGS PER SHARE					
ATTRIBUTABLE TO THE SHAREHOLDERS OF					
THE BANK	10	4 fils	3 fils	14 fils	12 fils

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

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries

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

For the period ended 30 September 2017

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2017 KD 000</i>	<i>2016 KD 000</i>	<i>2017 KD 000</i>	<i>2016 KD 000</i>
Net profit for the period	5,907	4,762	22,161	19,845
Other comprehensive income				
<i>Items that are or will be reclassified subsequently to consolidated income statement:</i>				
<i>Foreign currency translation:</i>				
Exchange difference on translation of foreign operations	156	565	(754)	(2,003)
<i>Investments available for sale:</i>				
Recycling of net (gain) / loss on sale to income statement	(164)	167	(448)	2,519
Recycling of impairment to income statement	-	241	431	507
Effect of changes in fair values of investments available for sale	1,043	(934)	3,195	(3,731)
Other comprehensive income / (loss) for the period	1,035	39	2,424	(2,708)
Total comprehensive income for the period	6,942	4,801	24,585	17,137
Attributable to:				
Shareholders of the Bank	6,911	4,781	24,525	17,134
Non-controlling interests	31	20	60	3
	6,942	4,801	24,585	17,137

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

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the period ended 30 September 2017
Attributable to shareholders of the Bank

	<i>Reserves</i>												
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares (Note 7)</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Treasury shares reserve (Note 7)</i>	<i>Other reserves (Note 7)</i>	<i>Cumulative changes in fair value</i>	<i>Retained earnings</i>	<i>Total reserves</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>
Balance as at 1 January 2017	161,917	108,897	(4,958)	71,251	70,804	8,065	(4,692)	9,991	133,882	289,301	555,157	646	555,803
Net profit for the period	-	-	-	-	-	-	-	-	22,094	22,094	22,094	67	22,161
Other comprehensive income for the period	-	-	-	-	-	-	(745)	3,176	-	2,431	2,431	(7)	2,424
Total comprehensive income for the period	-	-	-	-	-	-	(745)	3,176	22,094	24,525	24,525	60	24,585
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(17,671)	(17,671)	(17,671)	-	(17,671)
Treasury shares purchased	-	-	(45)	-	-	-	-	-	-	-	(45)	-	(45)
Balance as at 30 September 2017	161,917	108,897	(5,003)	71,251	70,804	8,065	(5,437)	13,167	138,305	296,155	561,966	706	562,672
Balance as at 1 January 2016	161,917	108,897	(4,528)	67,815	67,368	8,065	8,775	12,938	124,353	289,314	555,600	859	556,459
Net profit for the period	-	-	-	-	-	-	-	-	19,803	19,803	19,803	42	19,845
Other comprehensive loss for the period	-	-	-	-	-	-	(1,974)	(695)	-	(2,669)	(2,669)	(39)	(2,708)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(1,974)	(695)	19,803	17,134	17,134	3	17,137
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(16,077)	(16,077)	(16,077)	-	(16,077)
Treasury shares purchased	-	-	(402)	-	-	-	-	-	-	-	(402)	-	(402)
Acquisition of non-controlling interest	-	-	-	-	-	-	11	-	-	11	11	(62)	(51)
Balance as at 30 September 2016	161,917	108,897	(4,930)	67,815	67,368	8,065	6,812	12,243	128,079	290,382	556,266	800	557,066

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

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2017

	Notes	Nine months ended 30 September	
		2017 KD 000	2016 KD 000
OPERATING ACTIVITIES			
Net profit for the period before taxation		24,820	23,283
Adjustments for:			
Net loss on sale of investment securities		(448)	2,519
Dividend income		(1,797)	(1,908)
Depreciation and amortisation		2,653	3,426
Share of results from an associate		(1,736)	(2,002)
Provision / impairment losses	8	46,359	42,320
Operating profit before changes in operating assets and liabilities		69,851	67,638
<i>Changes in operating assets and liabilities</i>			
Deposits with banks		50,574	17,065
Kuwait Government treasury bonds		(122,453)	(15,152)
Central Bank of Kuwait bonds		33,156	(61,396)
Investments at fair value through profit or loss		-	7,120
Loans and advances		(82,517)	(197,255)
Other assets		1,599	(5,928)
Due to banks and other financial institutions		(220,776)	(406,485)
Customers' deposits		79,065	511,630
Other liabilities		276	3,788
Taxes paid		(3,502)	(2,369)
Net cash flows used in operating activities		(194,727)	(81,344)
INVESTING ACTIVITIES			
Purchase of investment securities		(61,376)	(121,127)
Proceeds from sale of investment securities		130,159	122,770
Dividend from investment in an associate		880	881
Net purchase of premises and equipment		(7,037)	(5,282)
Acquisition of non-controlling interest in subsidiary		-	(51)
Dividend income received		1,797	1,908
Net cash flows from / (used in) investing activities		64,423	(901)
FINANCING ACTIVITIES			
Proceeds from issue of medium term notes	5	150,488	-
Dividend paid		(17,671)	(16,077)
Purchase of treasury shares		(45)	(402)
Net cash flows from / (used in) financing activities		132,772	(16,479)
Foreign currency translation difference		(703)	(8,274)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,765	(106,998)
Cash and cash equivalents as at 1 January		337,030	343,971
CASH AND CASH EQUIVALENTS AS AT 30 September		338,795	236,973
Cash and cash equivalents comprise:			
Cash in hand and in current account with other banks		38,874	42,924
Balances with the Central Banks (original maturity not exceeding thirty days)		83,615	65,287
Deposits with banks (original maturity not exceeding thirty days)		216,306	128,762
		338,795	236,973

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

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) At 30 September 2017

1 INCORPORATION AND REGISTRATION

Al Ahli Bank of Kuwait K.S.C.P. ("the Bank") is a public shareholding company incorporated in Kuwait on 23 May 1967 and is registered as a Bank with the Central Bank of Kuwait (CBK). Its registered office is at Al Safat Square, Ahmed Al Jaber Street, Kuwait City. It is engaged in banking, primarily in Kuwait, United Arab Emirates and Egypt.

The interim condensed consolidated financial information of the Bank and its subsidiaries (collectively "the Group") were approved by the Bank's Board of Directors on 23 October 2017.

2 BASIS OF PRESENTATION

- (a) The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" except as noted below.

The annual consolidated financial statements for the year ended 31 December 2016, 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.

- (b) 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 2016, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2017 and which did not result in any material impact on the accounting policies, financial position or performance of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.
- (c) The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2016. Further, results for the nine months period ended 30 September 2017, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)
At 30 September 2017**

3 SEGMENTAL INFORMATION

The Group is organised into segments that engage in business activities which earns revenue and incurs expenses. These segments are regularly reviewed by the chief operating decision maker for resource allocation and performance assessment. During the current period the retail & commercial banking segment has been separated. The Group's operating segments are as follows:

Commerical Banking	- Comprising a full range of credit facilities, deposit and related banking services provided to its corporate and institutional customers.
Retail Banking	- Comprising a full range of products and services to customers which includes loans, credit cards, deposits and wealth management services.
International	- Operations related to overseas subsidiary and branches are classified as International.
Treasury and Investments	- Comprising of treasury services provided to customers and balance sheet managemet activities including money market, deriviatives, property investment activities and residual impact of inter-segment fund transfer pricing.

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
At 30 September 2017
3 SEGMENTAL INFORMATION (continued)

Segmental information for the nine months period ended and as at 30 September is as follows:

	<i>Commerical banking</i>		<i>Retail banking</i>		<i>International</i>		<i>Treasury and Investments</i>		<i>Total</i>	
	2017 <i>KD 000</i>	<i>2016</i> <i>KD 000</i>	2017 <i>KD 000</i>	<i>2016</i> <i>KD 000</i>	2017 <i>KD 000</i>	<i>2016</i> <i>KD 000</i>	2017 <i>KD 000</i>	<i>2016</i> <i>KD 000</i>	2017 <i>KD 000</i>	<i>2016</i> <i>KD 000</i>
Operating income	53,118	55,384	31,725	28,297	21,987	25,785	7,876	557	114,706	110,023
Segment results	24,697	23,002	14,322	10,510	(3,856)	4,859	6,397	(888)	41,560	37,483
Unallocated expense									(16,740)	(14,200)
Profit for the period before taxation									24,820	23,283
Segment assets	1,970,553	2,100,473	545,794	502,440	799,595	905,531	905,833	848,135	4,221,775	4,356,579
Unallocated assets									78,738	69,091
Total assets									4,300,513	4,425,670
Segment liabilities	633,768	596,877	1,553,850	1,432,502	630,889	727,792	863,446	1,052,501	3,681,953	3,809,672
Unallocated liabilities									55,888	58,932
Total liabilities									3,737,841	3,868,604

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)
At 30 September 2017**
4 FAIR VALUE OF FINANCIAL INSTRUMENTS

	30 September 2017 KD 000	<i>(Audited)</i> 31 December 2016 KD 000	30 September 2016 KD 000
Available for sale	149,017	214,821	321,191
Held to maturity	23,277	23,084	-
	172,294	237,905	321,191

Valuation of Investments carried at fair value is determined as follows:

	30 September 2017 KD 000	<i>(Audited)</i> 31 December 2016 KD 000	30 September 2016 KD 000
Level 1:			
Equity	4,640	4,860	6,072
Debt securities			
- Government	25,518	20,232	72,221
- Non Government	21,449	62,974	77,249
Level 2:			
Equity	8,161	8,352	9,219
Debt securities			
- Government	27,453	33,904	72,835
- Non Government	20,792	40,885	37,432
Managed funds & Portfolios	21,657	20,511	20,633
Level 3:			
Equity	19,347	23,103	25,530
	149,017	214,821	321,191

The movements in level 3 category above is mainly due to purchase and sale during the period.

Fair values of financial instruments that are carried at amortised cost are not materially different from their carrying values.

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of changes in equity would be immaterial if the relevant risk variables used to fair value the securities classified under level 2 and level 3 were altered by 5 per cent.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)
At 30 September 2017**
5 MEDIUM TERM BORROWINGS

During the period, the Bank established a USD 1.5 billion Reg S Euro Medium Term Note (“EMTN”) programme. Under the EMTN programme, the Bank has successfully issued Senior Unsecured Bonds (the “Bonds”) amounting to USD 500 million with a term of five years maturing in April 2022. The bonds are listed on the Irish Stock Exchange and carry a fixed coupon of 3.50% per annum payable on a semi annual basis. These notes were issued at 99.569 percent of nominal value.

6 RELATED PARTY TRANSACTIONS

These represent transactions with certain related parties (directors and senior management of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence and associate of the Group) who were customers of the Group during the period. The terms of these transactions are approved by the Group’s Board of Directors.

In the normal course of business, these related parties have deposits with the Group and credit facilities granted to them by the Group. The balances included in the interim condensed consolidated financial information are as follows:

	30 September 2017	<i>(Audited)</i> 31 December 2016	30 September 2016
	KD 000	KD 000	KD 000
Loans and advances	45,277	46,944	47,568
Customers’ deposits	39,799	30,779	31,746
Investment securities	2,612	2,612	2,706
Managed portfolio	728	96	73
Commitment and contingent liabilities	20,424	21,552	21,388

Interest income and interest expense includes KD 1,452 thousand (30 September 2016: KD 1,549 thousand) and KD 663 thousand (30 September 2016: KD 564 thousand) respectively on transactions with related parties.

Key management compensation

Compensation for key management is as follows:

	<i>Three months ended</i> 30 September		<i>Nine months ended</i> 30 September	
	2017	2016	2017	2016
	KD 000	KD 000	KD 000	KD 000
Salaries and other benefits	742	987	2,258	2,671
Post employment benefits	41	52	151	155
	783	1,039	2,409	2,826

7 EQUITY

- (a) The shareholders at the Annual General Meeting held on 18 March 2017 approved the distribution of cash dividend of 11 fils per share for the year ended 31 December 2016 (31 December 2015: cash dividend of 10 fils per share) which was subsequently paid. Treasury shares are not entitled to any cash dividends.

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)
At 30 September 2017**

7 EQUITY (continued)

(b) Treasury shares and Treasury shares reserve:

	30 September 2017	<i>(Audited)</i> 31 December 2016	30 September 2016
Number of shares held	12,786,509	12,643,580	12,553,680
Percentage of shares held	0.79%	0.78%	0.78%
Market value (KD 000)	3,951	3,730	3,954
Weighted average market value per share (fils)	306	319	325

The balance in the treasury share reserve account is not available for distribution. Further, an amount equal to the cost of treasury shares is not available for distribution from general reserve throughout the holding period of these treasury shares.

(c) Movement in other reserves is as below:

	<i>Property revaluation reserve KD 000</i>	<i>Foreign currency translation reserve KD 000</i>	<i>Employee benefit plan reserve & other reserves KD 000</i>	<i>Total other reserves KD 000</i>
At 1 January 2016	8,956	(78)	(103)	8,775
Other comprehensive (loss) / income for the period	(72)	(1,915)	13	(1,974)
Arising from acquisition of non-controlling interest in a subsidiary	-	-	11	11
As at 30 September 2016	8,884	(1,993)	(79)	6,812
At 1 January 2017	8,519	(13,047)	(164)	(4,692)
Other comprehensive loss for the period	(11)	(731)	(3)	(745)
As at 30 September 2017	8,508	(13,778)	(167)	(5,437)

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)
At 30 September 2017**
8 PROVISION / IMPAIRMENT LOSSES

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2017 KD 000	2016 <i>KD 000</i>	2017 KD 000	2016 <i>KD 000</i>
Provision charge for credit losses	17,783	15,024	45,928	41,813
Investments available for sale	-	241	431	507
	17,783	15,265	46,359	42,320

9 TAXATION

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2017 KD 000	2016 <i>KD 000</i>	2017 KD 000	2016 <i>KD 000</i>
Kuwait Foundation for the Advancement of Sciences	56	45	213	187
National Labour Support Tax	154	125	591	519
Zakat	62	50	237	208
Tax on overseas locations	406	1,126	1,618	2,524
	678	1,346	2,659	3,438

10 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK

Basic and diluted earnings per share are computed by dividing the net profit for the period attributable to shareholders of the Bank by the weighted average number of shares outstanding during the period:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2017	2016	2017	2016
Net profit for the period attributable to shareholders of the Bank (KD 000)	5,880	4,750	22,094	19,803
Weighted average number of the Bank's issued and paid-up shares	1,619,166,234	1,619,166,234	1,619,166,234	1,619,166,234
Less: weighted average number of treasury shares	(12,753,071)	(11,991,526)	(12,714,852)	(11,955,095)
Adjusted weighted average number of shares outstanding during the period	1,606,413,163	1,607,174,708	1,606,451,382	1,607,211,139
Basic and diluted earnings per share attributable to shareholders of the Bank	4 fils	3 fils	14 fils	12 fils

Al Ahli Bank of Kuwait K.S.C.P. and its subsidiaries

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
At 30 September 2017**

11 COMMITMENTS AND CONTINGENT LIABILITIES

Financial instruments with contractual amounts representing credit risk.

	30 September 2017 KD 000	<i>(Audited)</i> 31 December 2016 KD 000	30 September 2016 KD 000
Acceptances	32,698	29,036	29,843
Letters of credit	126,824	147,918	122,784
Guarantees	940,598	960,191	797,602
	<u>1,100,120</u>	<u>1,137,145</u>	<u>950,229</u>

Total commitments to extend credit at the statement of financial position date amounted to KD 488,186 thousand (31 December 2016: KD 426,814 thousand and 30 September 2016: KD 425,131 thousand).

12 DERIVATIVE INSTRUMENTS

The notional or contractual amounts of outstanding derivative instruments together with the fair values are as follows:

	30 September 2017			<i>(Audited)</i> 31 December 2016			30 September 2016		
	<i>Contractual</i>			<i>Contractual</i>			<i>Contractual</i>		
	<i>Assets</i>	<i>Liabilities</i>	<i>amounts</i>	<i>Assets</i>	<i>Liabilities</i>	<i>amounts</i>	<i>Assets</i>	<i>Liabilities</i>	<i>amounts</i>
	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>	<i>KD 000</i>
<i>Held for hedging:</i>									
<i>Fair value hedges</i>									
Interest rate swaps	106	73	82,275	241	1	73,966	26	1,147	72,830
<i>Held for trading:</i>									
Forward foreign exchange contracts	239	272	245,108	332	1,313	365,971	136	121	202,676
Interest rate swaps	-	-	-	-	1,453	13,883	-	6,187	88,883
Currency Options	-	-	-	619	619	13,408	-	-	-
	<u>345</u>	<u>345</u>	<u>327,383</u>	<u>1,192</u>	<u>3,386</u>	<u>467,228</u>	<u>162</u>	<u>7,455</u>	<u>364,389</u>

All derivative contracts are fair valued using observable market inputs and are classified as level 2.