

NATIONAL BANK OF KUWAIT GROUP

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

31 MARCH 2018 (UNAUDITED)



Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18-21st Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena

Deloitte.

**Deloitte & Touche
Al-Wazzan & Co.**

Ahmed Al-Jaber Street, Sharq
Dar Al-Awadi Complex, Floors 7 & 9
P.O. Box 20174, Safat 13062
Kuwait

Tel : + 965 22408844, 22438060
Fax: + 965 22408855, 22452080
www.deloitte.com

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL BANK OF KUWAIT S.A.K.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Bank of Kuwait S.A.K.P. (the "Bank") and its subsidiaries (collectively the "Group") as at 31 March 2018, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three 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 regulation, as amended, or the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 2018 that might have had a material effect on the business of the Bank or on its financial position.

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 organization of banking business, and its related regulations, during the three months period ended 31 March 2018 that might have had a material effect on the business of the Bank or on its financial position.

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

BADER A. AL-WAZZAN
LICENCE NO. 62 A
DELOITTE & TOUCHE
AL-WAZZAN & CO.

8 April 2018
Kuwait

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

31 March 2018 (Unaudited)

	Notes	Three months ended 31 March	
		2018 KD 000's	2017 KD 000's
Interest income		204,000	168,231
Interest expense		69,806	46,621
Net interest income		134,194	121,610
Murabaha and other Islamic financing income		42,458	35,937
Finance cost and Distribution to depositors		13,065	10,003
Net income from Islamic financing		29,393	25,934
Net interest income and net income from Islamic financing		163,587	147,544
Net fees and commissions		37,037	33,643
Net investment income		4,289	5,133
Net gains from dealing in foreign currencies		7,145	8,030
Other operating income		1,387	1,031
Non-interest income		49,858	47,837
Net operating income		213,445	195,381
Staff expenses		38,231	36,523
Other administrative expenses		21,864	20,189
Depreciation of premises and equipment		3,662	4,007
Amortisation of intangible assets		774	792
Operating expenses		64,531	61,511
Operating profit before provision for credit losses and impairment losses		148,914	133,870
Provision charge for credit losses and impairment losses	3	42,332	37,737
Operating profit before taxation		106,582	96,133
Taxation	4	7,615	6,415
Profit for the period		98,967	89,718
Attributable to:			
Shareholders of the Bank		93,587	85,355
Non-controlling interests		5,380	4,363
		98,967	89,718
Basic earnings per share attributable to shareholders of the Bank	5	15 fils	14 fils

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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

31 March 2018 (Unaudited)

	Three months ended 31 March	
	2018 KD 000's	2017 KD 000's
Profit for the period	98,967	89,718
Other comprehensive income		
Investments available for sale:		
Net change in fair value	-	17,957
Net transfer to consolidated statement of income	-	(3,392)
Investment in debt securities measured at FVOCI :		
Net change in fair value	(13,546)	-
Net transfer to consolidated statement of income	(365)	-
	(13,911)	14,565
Share of other comprehensive income of associates	17	150
Exchange differences on translation of foreign operations	(4,025)	8,798
Other comprehensive (loss) income for the period reclassifiable to consolidated statement of income in subsequent periods	(17,919)	23,513
Net loss on investments in equity instruments designated at FVOCI (not reclassifiable to consolidated statement of income in subsequent periods)	(45)	-
Total comprehensive income for the period	81,003	113,231
Attributable to:		
Shareholders of the Bank	77,839	108,555
Non-controlling interests	3,164	4,676
	81,003	113,231


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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2018 (Unaudited)

		Audited	
	31 March	31 December	31 March
	2018	2017	2017
Notes	KD 000's	KD 000's	KD 000's
Assets			
Cash and short term funds	3,216,093	2,743,640	2,705,067
Central Bank of Kuwait bonds	719,024	655,591	738,955
Kuwait Government treasury bonds	1,015,349	1,076,211	766,890
Deposits with banks	2,583,614	2,488,188	2,321,857
Loans, advances and Islamic financing to customers	14,837,745	14,502,609	14,048,746
Investment securities	3,177,757	3,348,996	3,157,752
Investment in associates	59,255	63,187	72,233
Land, premises and equipment	333,381	324,277	260,698
Goodwill and other intangible assets	581,587	581,906	585,940
Other assets	260,437	249,996	187,238
Total assets	26,784,242	26,034,601	24,845,376
Liabilities			
Due to banks and other financial institutions	7,670,860	7,469,303	7,432,480
Customer deposits	14,277,549	13,779,607	13,151,268
Certificates of deposit issued	476,552	490,835	450,335
Global medium term notes	216,045	221,173	-
Subordinated Tier 2 bonds	124,742	124,734	124,709
Other liabilities	573,479	387,848	340,023
6c			
Total liabilities	23,339,227	22,473,500	21,498,815
Equity			
Share capital	6	621,332	591,744
Proposed bonus shares	6	-	29,588
Statutory reserve		295,872	295,872
Share premium account		803,028	803,028
Treasury shares	6	(67,772)	(77,799)
Treasury shares reserve		13,991	13,994
Other reserves	6	1,246,245	1,372,964
Equity attributable to shareholders of the Bank		2,912,696	3,029,391
Perpetual Tier 1 Capital Securities		210,700	210,700
Non-controlling interests		321,619	321,010
Total equity		3,445,015	3,561,101
Total liabilities and equity		26,784,242	24,845,376


 Nasser Musaed Abdullah Al-Sayer
 Chairman

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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

31 March 2018 (Unaudited)

	Notes	Three months ended 31 March	
		2018 KD 000's	2017 KD 000's
Operating activities			
Profit for the period		98,967	89,718
Adjustments for:			
Net investment income		(4,289)	(5,133)
Depreciation of premises and equipment		3,662	4,007
Amortisation of intangible assets		774	792
Provision charge for credit losses and impairment losses	3	42,332	37,737
Share based payment reserve		-	93
Taxation	4	7,615	6,415
Operating profit before changes in operating assets and liabilities		149,061	133,629
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		(63,433)	9,934
Kuwait Government treasury bonds		60,862	(273,789)
Deposits with banks		(95,426)	86,058
Loans, advances and Islamic financing to customers		(374,082)	(472,272)
Other assets		(10,441)	8,775
Due to banks and other financial institutions		201,557	84,677
Customer deposits		497,942	543,176
Certificates of deposit issued		(14,283)	34,346
Other liabilities		(1,932)	8,360
Tax paid		(3,923)	(5,362)
Net cash from operating activities		345,902	157,532
Investing activities			
Purchase of investment securities		(413,578)	(404,083)
Proceeds from sale/redemption of investment securities		547,754	444,830
Dividend income		150	1,028
Acquisition of non-controlling interests		(5,033)	-
Proceeds from sale of land, premises and equipment		744	291
Purchase of land, premises and equipment		(13,510)	(9,910)
Net cash from investing activities		116,527	32,156
Financing activities			
Dividends paid	6	-	(166,184)
Dividend paid by a subsidiary to non-controlling interests		-	(5,400)
Proceeds from sale of treasury shares		10,024	-
Net cash from (used in) financing activities		10,024	(171,584)
Increase in cash and short term funds		472,453	18,104
Cash and short term funds at 1 January		2,743,640	2,686,963
Cash and short term funds at 31 March		3,216,093	2,705,067

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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 March 2018 (Unaudited)

	Equity attributable to shareholders of the Bank										KD 000's
	Share capital	Proposed bonus shares	Statutory reserve	Share premium account	Treasury shares	Treasury shares reserve	Other reserves (Note 6)	Total	Perpetual Tier 1 Securities	Non-controlling interests	
Balance at 31 December 2017	591,744	29,588	295,872	803,028	(77,799)	13,994	1,372,964	3,029,391	210,700	321,010	3,561,101
Impact of adopting IFRS 9 at 1 January 2018 (Refer note 9)	-	-	-	-	-	-	(27,085)	(27,085)	-	(112)	(27,197)
Restated balance as at 1 January 2018	591,744	29,588	295,872	803,028	(77,799)	13,994	1,345,879	3,002,306	210,700	320,898	3,533,904
Profit for the period	-	-	-	-	-	-	93,587	93,587	-	5,380	98,967
Other comprehensive loss	-	-	-	-	-	-	(15,748)	(15,748)	-	(2,216)	(17,964)
Total comprehensive income	-	-	-	-	-	-	77,839	77,839	-	3,164	81,003
Issue of bonus shares (Note 6)	29,588	(29,588)	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	10,027	(3)	-	10,024	-	-	10,024
Transfer to dividends payable (Note 6)	-	-	-	-	-	-	(174,883)	(174,883)	-	-	(174,883)
Acquisition of non-controlling interests	-	-	-	-	-	-	(2,590)	(2,590)	-	(2,443)	(5,033)
At 31 March 2018	621,332	-	295,872	803,028	(67,772)	13,991	1,246,245	2,912,696	210,700	321,619	3,445,015
At 1 January 2017	563,566	28,178	281,783	803,028	(77,799)	13,994	1,271,813	2,884,563	210,700	309,469	3,404,732
Profit for the period	-	-	-	-	-	-	85,355	85,355	-	4,363	89,718
Other comprehensive income	-	-	-	-	-	-	23,200	23,200	-	313	23,513
Total comprehensive income	-	-	-	-	-	-	108,555	108,555	-	4,676	113,231
Issue of bonus shares (Note 6)	28,178	(28,178)	-	-	-	-	-	-	-	-	-
Dividends paid (Note 6)	-	-	-	-	-	-	(166,184)	(166,184)	-	-	(166,184)
Share based payment in a subsidiary	-	-	-	-	-	-	54	54	-	39	93
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	(5,400)	(5,400)
Change in effective holding in a subsidiary	-	-	-	-	-	-	(38)	(38)	-	127	89
At 31 March 2017	591,744	-	281,783	803,028	(77,799)	13,994	1,214,200	2,826,950	210,700	308,911	3,346,561

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

31 March 2018 (Unaudited)

1 Incorporation and registration

The interim condensed consolidated financial information of National Bank of Kuwait S.A.K.P. (the “Bank”) and its subsidiaries (collectively the “Group”) for the three months period ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 8 April 2018. The Bank is a public shareholding company incorporated in the State of Kuwait in 1952 and is registered as a bank (commercial registration number – 8490) with the Central Bank of Kuwait. The Bank’s registered office is at Abdullah Al Ahmed Street, P.O. Box 95, Safat 13001, Kuwait.

2 Accounting policies

Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’. The accounting policies used in the preparation of these 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 2017 except for the changes described below arising from the partial adoption of IFRS 9 ‘Financial Instruments’ effective from 1 January 2018.

The annual consolidated financial statements for the year ended 31 December 2017 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 requirement of IAS 39, ‘Financial Instruments: Recognition and Measurement’, 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 specifically provided for.

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 2017. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

Changes in accounting policies

Adoption of IFRS 9 ‘Financial Instruments’

The Group has adopted IFRS 9 Financial Instruments effective from 1 January 2018 with the exception of requirements of the expected credit losses (ECL) on credit facilities which have been replaced by the provisioning requirements of Central Bank of Kuwait. IFRS 9 sets out the requirements for recognising and measuring financial assets and financial liabilities, impairment of financial assets and hedge accounting. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The Group has not restated comparative information for 2017 as permitted by the transitional provisions of the standard. Therefore the information presented for 2017 does not reflect the requirements of IFRS 9 and is not comparable to the information presented for 2018. Differences in the carrying amount of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018 and are disclosed in Note 9.

The key changes to the Group’s accounting policies resulting from the adoption of IFRS 9 are summarised below:

Classification and Measurement of Financial assets

The Group determines the classification of financial assets based on the business model it uses to manage the financial assets and the contractual cashflow characteristics of the financial assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

2 Accounting policies (continued)

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument by instrument basis but at a higher level of aggregated portfolios and is based on a number of observable factors. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. Interest is defined as consideration for time value of money and for the credit risk associated with the principal and for other basic lending risks and costs as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. The Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cashflows that are unrelated to a basic lending arrangement do not give rise to contractual cashflows that are solely payment of principal and interest. In such cases, the financial asset is measured at fair value through profit or loss.

The Group classifies its financial assets upon initial recognition into the following categories :

- Financial assets carried at amortised cost
- Financial assets carried at fair value through other comprehensive income (FVOCI)
- Financial assets carried at fair value through profit or loss (FVTPL)

Financial assets carried at Amortised cost:

A financial asset is carried at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows ; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets carried at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated statement of income. Any gain or loss on derecognition is recognised in the consolidated statement of income.

31 March 2018 (Unaudited)

2 Accounting policies (continued)

Financial assets carried at fair value through other comprehensive income (FVOCI):

(i) Debt Securities at FVOCI

A debt investment is carried at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt Securities at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses are recognised in the consolidated statement of income. Fair value changes which are not part of an effective hedging relationship are recognised in other comprehensive income and presented in the cumulative changes in fair values as part of equity until the asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of income.

(ii) Equity investments at FVOCI

Upon initial recognition, the Group makes an irrevocable election to classify some of its equity investments as equity investments at FVOCI if they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument by instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Changes in fair values including foreign exchange component are recognised in other comprehensive income and presented in the cumulative changes in fair values as part of equity. Cumulative gains and losses previously recognised in other comprehensive income are transferred to retained earnings on derecognition and are not recognised in the consolidated statement of income. Dividend income on equity investments at FVOCI are recognised in the consolidated statement of income unless they clearly represent a recovery of part of the cost of the investment in which case they are recognised in other comprehensive income. Equity investments at FVOCI are not subject to impairment assessment.

Financial assets carried at fair value through profit or loss:

Financial assets in this category are those assets which have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management designates an instrument at FVTPL that otherwise meet the requirements to be measured at amortised cost or at FVOCI only if it eliminates, or significantly reduces, an accounting mismatch that would otherwise arise. Financial assets with contractual cashflows not representing solely payment of principal and interest are mandatorily required to be measured at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value. Changes in fair value are recognised in the consolidated statement of income. Interest income is recognised using the effective interest method. Dividend income from equity investments measured at FVTPL is recognised in the consolidated statement of income when the right to the payment has been established.

Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition other than in the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line.

31 March 2018 (Unaudited)

2 Accounting policies (continued)

Impairment of financial assets

The Group recognises Expected Credit Losses (ECL) for debt instruments (other than loans, advances and Islamic financing to customers) measured at amortised cost or FVOCI. The Group applies a three stage approach to measure the expected credit loss as follows:

Stage 1 : 12-month ECL

The Group measures loss allowances at an amount equal to 12-month ECL on financial assets where there has not been significant increase in credit risk since their initial recognition or on exposures that are determined to have a low credit risk at the reporting date. The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Stage 2 : Lifetime ECL – not credit impaired

The Group measures loss allowances at an amount equal to lifetime ECL on financial assets where there has been a significant increase in credit risk since initial recognition but are not credit impaired.

Stage 3 : Lifetime ECL – credit impaired

The Group measures loss allowances at an amount equal to lifetime ECL on financial assets that are determined to be credit impaired based on objective evidence of impairment.

Life time ECL is ECL that result from all possible default events over the expected life of a financial instrument. The 12 month ECL is the portion of life time expected credit loss that result from default events that are possible within the 12 months after the reporting date. Both life time ECLs and 12 month ECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

Determining the stage of impairment

At each reporting date, the Group assesses whether a financial asset or group of financial assets is credit impaired. The Group considers a financial asset to be credit impaired when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred or when contractual payments are 90 days past due.

At each reporting date, the Group also assesses whether there has been significant increase in credit risk since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date with the risk of default at the date of initial recognition. The quantitative criteria used to determine a significant increase in credit risk is a series of relative and absolute thresholds. All financial assets that are 30 days past due are deemed to have significant increase in credit risk since initial recognition and migrated to stage 2 even if other criteria do not indicate a significant increase in credit risk.

Measurement of ECLs

ECLs are probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial instrument. Cash shortfall represent the difference between cashflows due to the Group in accordance with the contract and the cashflows that the Group expects to receive. The key elements in the measurement of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group estimates these elements using appropriate credit risk models taking into consideration the internal and external credit ratings of the assets, nature and value of collaterals, forward looking macro economic scenarios etc.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented as a deduction from the the gross carrying amount of the financial assets for financial assets carried at amortised cost. In the case of debt instruments measured at FVOCI, the Group recognises the ECL charge in the consolidated statement of income and a corresponding amount is recognised in other comprehensive income with no reduction in the carrying amount of the financial asset in the consolidated statement of financial position.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

31 March 2018 (Unaudited)

2 Accounting policies (continued)*Impairment of credit facilities*

The Group recognises provision charge for credit facilities in accordance with the existing accounting policy for impairment of financial assets carried at amortised cost as disclosed in the annual consolidated financial statements for the year ended 31 December 2017. This complies in all material respects with the specific and general provision requirements of the Central Bank of Kuwait.

Hedge accounting

The general hedge accounting requirements of IFRS 9 aim to simplify hedge accounting, creating a stronger link with risk management strategy and permitting hedge accounting to be applied to a greater variety of hedging instruments and risks. The adoption of general hedge accounting requirements of IFRS 9 does not result in any change in accounting policies of the Group and does not have any material effect on the Group's consolidated financial statements.

Changes and implications resulting from the adoption of IFRS 9 are explained in Note 9.

Adoption of IFRS 15 'Revenue from Contracts with customers'

The Group has adopted IFRS 15 Revenue from contracts with customers effective from 1 January 2018. This standard supersedes IAS 11 Construction Contracts and IAS 18 Revenue along with related IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31. This standard removes inconsistencies and weaknesses in previous revenue recognition requirements, provides a more robust framework for addressing revenue issues and improves comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The adoption of this standard does not result in any change in accounting policies of the Group and does not have any material effect on the Group's consolidated financial statements.

3 Provision charge for credit losses and impairment losses

	Three months ended 31 March	
	2018 KD 000's	2017 KD 000's
Provision charge for credit facilities – specific	41,093	11,954
Provision (reversal) charge for credit facilities – general	(1,153)	23,171
Other impairment losses	2,392	2,612
	<u>42,332</u>	<u>37,737</u>

4 Taxation

	Three months ended 31 March	
	2018 KD 000's	2017 KD 000's
National labour support tax	2,335	2,131
Zakat	1,034	928
Contribution to Kuwait Foundation for the Advancement of Sciences	754	678
Overseas tax	3,492	2,678
	<u>7,615</u>	<u>6,415</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

31 March 2018 (Unaudited)

5 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Bank (adjusted for interest and profit paid on Perpetual Tier 1 Capital Securities) by the weighted average number of shares outstanding during the period net of treasury shares. There are no dilutive potential shares that are convertible into shares.

	Three months ended 31 March	
	2018 KD 000's	2017 KD 000's
Profit attributable to shareholders of the Bank	<u>93,587</u>	<u>85,355</u>
Weighted average number of shares outstanding during the period net of treasury shares (thousands)	<u>6,113,644</u>	<u>6,107,901</u>
Basic earnings per share	<u>15 fils</u>	<u>14 fils</u>

Earnings per share calculations for the period ended 31 March 2017 have been adjusted to take account of the bonus shares issued in 2018.

6 Shareholders' equity

a) The authorised share capital of the Bank comprises 7,500,000,000 shares (31 December 2017: 6,000,000,000 shares and 31 March 2017: 6,000,000,000 shares) of KD 0.100 each. The increase in the authorised share capital was approved by the Extraordinary General Assembly meeting of the shareholders held on 10 March 2018. The issued and fully paid up share capital of the Bank comprises 6,213,319,893 shares (31 December 2017: 5,917,447,518 shares and 31 March 2017: 5,917,447,518 shares) of KD 0.100 each.

b) Treasury shares

	31 March 2018	Audited 31 December 2017	31 March 2017
Number of treasury shares	92,399,050	101,018,981	101,018,981
Treasury shares as a percentage of total shares in issue	1.5%	1.7%	1.7%
Cost of treasury shares (KD thousand)	67,772	77,799	77,799
Market value of treasury shares (KD thousand)	69,299	73,542	66,673
Weighted average market value per treasury share (fils)	761	718	715

c) Dividend and bonus shares

The Annual General Assembly meeting of the shareholders held on 10 March 2018 approved 5% bonus shares (2017: 5%) and a cash dividend of 30 fils per share (2017: 30 fils per share) for the year ended 31 December 2017. The cash dividend payable amounting to KD 174,883 thousand is included in other liabilities as at 31 March 2018 and was paid subsequently. The bonus shares increased the number of issued and fully paid up shares by 295,872,375 (2017: 281,783,215) and share capital by KD 29,588 thousand (2017: KD 28,178 thousand).

National Bank of Kuwait Group
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
 INFORMATION

31 March 2018 (Unaudited)

6 Shareholders' equity (continued)

	General reserve	Retained earnings	Foreign currency translation reserve	Cumulative changes in fair values	Share based payment reserve	Proposed cash dividend	Total other reserves
Balance at 31 December 2017	117,058	1,252,044	(234,491)	49,479	14,381	174,493	1,372,964
Impact of adopting IFRS 9 at 1 January 2018 (Refer note 9)	-	(22,092)	-	(4,993)	-	-	(27,085)
Restated balance as at 1 January 2018	117,058	1,229,952	(234,491)	44,486	14,381	174,493	1,345,879
Profit for the period	-	93,587	-	-	-	-	93,587
Other comprehensive loss	-	-	(2,583)	(13,165)	-	-	(15,748)
Total comprehensive income (loss)	-	93,587	(2,583)	(13,165)	-	-	77,839
Dividend on treasury shares sold	-	(390)	-	-	-	390	-
Transfer to dividends payable	-	-	-	-	-	(174,883)	(174,883)
Realised loss on equity investments at FVOCI	-	(19)	-	19	-	-	-
Acquisition of non-controlling interests	-	(2,590)	-	-	-	-	(2,590)
At 31 March 2018	117,058	1,320,540	(237,074)	31,340	14,381	-	1,246,245
At 1 January 2017	117,058	1,163,193	(237,915)	49,121	14,172	166,184	1,271,813
Profit for the period	-	85,355	-	-	-	-	85,355
Other comprehensive income	-	-	8,651	14,549	-	-	23,200
Total comprehensive income	-	85,355	8,651	14,549	-	-	108,555
Dividends paid	-	-	-	-	-	-	-
Share based payment in a subsidiary	-	-	-	-	54	(166,184)	(166,184)
Change in effective holding in a subsidiary	-	(38)	-	-	-	-	54
							(38)
At 31 March 2017	117,058	1,248,510	(229,264)	63,670	14,226	-	1,214,200

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

7 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 and Private Banking, Corporate Banking, Investment Banking and Asset Management, Islamic Banking 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 and Private 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. 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.

Islamic Banking

Islamic banking represents the financial results of Boubyan Bank K.S.C.P., the Islamic banking subsidiary of the Group.

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 and market risk management. Group Centre includes any residual in respect of transfer pricing and inter segment allocations.

International

International includes all branches, subsidiaries and associates outside Kuwait.

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

	31 March 2018						
	Consumer and Private Banking KD 000's	Corporate Banking KD 000's	Investment Banking and Asset Management KD 000's	Islamic Banking KD 000's	Group Centre KD 000's	International KD 000's	Total KD 000's
<i>Three months</i>							
Net operating income	65,625	44,476	7,051	35,321	11,024	49,948	213,445
Profit (loss) for the period	39,233	18,123	4,150	12,653	(1,517)	26,325	98,967
Total assets	4,454,326	5,178,360	78,116	4,210,486	3,634,156	9,228,798	26,784,242
Total liabilities	4,709,728	2,687,736	33,292	3,750,100	1,896,098	10,262,273	23,339,227

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

31 March 2018 (Unaudited)

7 Segmental analysis (continued)

31 March 2017

	Consumer and Private Banking KD 000's	Corporate Banking KD 000's	Investment Banking and Asset Management KD 000's	Islamic Banking KD 000's	Group Centre KD 000's	International KD 000's	Total KD 000's
<i>Three months</i>							
Net operating income	60,651	47,628	6,942	30,271	5,486	44,403	195,381
Profit (loss) for the period	33,912	38,553	4,180	10,547	(22,960)	25,486	89,718
Total assets	4,252,111	5,578,591	81,828	3,673,149	2,951,941	8,307,756	24,845,376
Total liabilities	4,426,042	2,725,036	17,258	3,251,503	1,747,856	9,331,120	21,498,815

8 Commitments and contingent liabilities

	31 March 2018 KD 000's	Audited 31 December 2017 KD 000's	31 March 2017 KD 000's
Commitments on behalf of customers for which there are corresponding liabilities by the customers concerned:			
Acceptances	147,879	144,001	187,978
Letters of credit	476,234	328,943	274,279
Guarantees	3,760,707	3,755,718	3,614,618
	4,384,820	4,228,662	4,076,875

Irrevocable commitments to extend credit amount to KD 719,806 thousand (31 December 2017: KD 713,129 thousand, 31 March 2017: KD 705,861 thousand). 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.

In the normal course of business, the Group has exposure to various indirect credit commitments which, though not reflected in the interim condensed consolidated statement of financial position, are subject to normal credit standards, financial controls and monitoring procedures.

These credit commitments do not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded. Credit losses, if any, which may result from exposure to such commitments are not expected to be significant.

The Group has commitments in respect of capital expenditure amounting to KD 49,066 thousand (31 December 2017: KD 60,019 thousand, 31 March 2017: KD 73,892 thousand).

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

9 Impacts of IFRS 9 adoption

The following table shows the original classification and measurement categories in accordance with IAS 39 and the new classification and measurement categories under IFRS 9 for the Group's financial assets other than Loans, advances and Islamic financing to customers as at 1 January 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 KD 000's	Remeasurement ECL KD 000's	Reclassification KD 000's	New carrying amount under IFRS 9 KD 000's
Financial assets						
Cash and short term funds			2,743,640	(395)	-	2,743,245
Deposits with banks	Loans and receivables	Amortised cost	2,488,188	(491)	-	2,487,697
Central Bank of Kuwait bonds	HTM	Amortised cost	655,591	(13)	-	655,578
Kuwait Government treasury bonds	HTM	Amortised cost	919,218	(72)	-	919,146
Kuwait Government treasury bonds	AFS	Amortised cost	156,993	(12)	(985)	155,996
Investment securities						
Debt securities	AFS	FVOCI	2,167,749	-	-	2,167,749
Debt securities	AFS	Amortised cost	795,099	(22,375)	(73)	772,651
Debt securities	HTM	Amortised cost	138,493	(2,781)	-	135,712
Equities	AFS	FVOCI	36,275	-	-	36,275
Equities	AFS	FVTPL	26,183	-	-	26,183
Equities	FVTPL	FVOCI	3,477	-	-	3,477
Other investments	AFS	FVTPL	145,789	-	-	145,789
Other investments	FVTPL	FVTPL	35,931	-	-	35,931
Derivative assets	FVTPL	FVTPL	27,680	-	-	27,680
Other financial assets	Loans and receivables	Amortised cost	134,882	-	-	134,882
			<u>10,475,188</u>	<u>(26,139)</u>	<u>(1,058)</u>	<u>10,447,991</u>

(HTM: Held to maturity, AFS: Available for sale, FVOCI: Fair value through other comprehensive income, FVTPL: Fair value through profit or loss)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

9 Impacts of IFRS 9 adoption (continued)

The adoption of IFRS 9 did not result in any change in the classification and measurement of loans, advances and islamic financing to customers. Loans, advances and islamic financing to customers are carried at amortised cost using effective interest method less any amounts written off and provision for impairment. The provision for impairment is based on the provisioning requirements of Central Bank of Kuwait.

The following table reconciles the closing impairment allowances for financial assets other than loans, advances and islamic financing to customers determined in accordance with IAS 39 as at 31 December 2017 to the opening ECL allowances determined in accordance with IFRS 9 as at 1 January 2018.

	Impairment allowances under IAS 39 at 31 December 2017	Remeasurement	Expected credit losses under IFRS 9 at 1 January 2018
	KD 000's	KD 000's	KD 000's
Debt investment securities measured at amortised cost	-	25,156	25,156
Debt investment securities measured at FVOCI	-	6,689	6,689
Other financial assets measured at amortised cost	-	983	983
Total expected credit losses	-	32,828	32,828

The ECL charge for the period ended 31 March 2018 is not material and is included in other impairment losses in the consolidated statement of income.

The following table analyses the impact on transition to IFRS 9 to reserves and retained earnings.

	Cumulative changes in fair values	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's
Closing balance under IAS 39 (31 December 2017)	49,479	1,252,044	3,029,391	321,010	3,561,101
Reclassification					
Debt investment securities from available for sale to amortised cost	(1,047)	-	(1,047)	(11)	(1,058)
Equities and other investments from available for sale to FVTPL	(2,513)	2,513	-	-	-
Equities from available for sale to FVOCI	(8,022)	8,022	-	-	-
Recognition of expected credit losses under IFRS 9	6,589	(32,627)	(26,038)	(101)	(26,139)
Impact on adoption of IFRS 9	(4,993)	(22,092)	(27,085)	(112)	(27,197)
Opening balance under IFRS 9 (1 January 2018)	44,486	1,229,952	3,002,306	320,898	3,533,904

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

10 Fair value of financial instruments

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted prices for identical or similar instruments in market that are considered less than active or other valuation techniques in which all significant inputs are observable from market data. Debt securities under this category mainly include sovereign debt instruments in the Middle East & North Africa (MENA) region.

Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's financial instruments recorded at fair value:

<i>31 March 2018</i>	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Debt securities	1,896,538	198,127	14,375	2,109,040
Equities and other investments	52,258	96,194	69,441	217,893
	<u>1,948,796</u>	<u>294,321</u>	<u>83,816</u>	<u>2,326,933</u>
Derivative financial instruments (Note 11)	-	4,906	-	4,906
 <i>31 December 2017</i>	 <i>Level 1 KD 000's</i>	 <i>Level 2 KD 000's</i>	 <i>Level 3 KD 000's</i>	 <i>Total KD 000's</i>
Debt securities	2,074,930	1,030,534	14,377	3,119,841
Equities and other investments	58,829	122,844	65,487	247,160
	<u>2,133,759</u>	<u>1,153,378</u>	<u>79,864</u>	<u>3,367,001</u>
Derivative financial instruments (Note 11)	-	(26,443)	-	(26,443)
 <i>31 March 2017</i>	 <i>Level 1 KD 000's</i>	 <i>Level 2 KD 000's</i>	 <i>Level 3 KD 000's</i>	 <i>Total KD 000's</i>
Debt securities	1,942,021	935,268	14,762	2,892,051
Equities and other investments	82,221	85,370	69,997	237,588
	<u>2,024,242</u>	<u>1,020,638</u>	<u>84,759</u>	<u>3,129,639</u>
Derivative financial instruments (Note 11)	-	(6,763)	-	(6,763)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

10 Fair value of financial instruments (continued)

The table below analyses the movement in level 3 and the income (interest, dividend and realised/unrealised gain) generated during the periods.

	<i>At 1 January 2018 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 31 March 2018 KD 000's</i>	<i>Net gains in the interim condensed consolidated statement of income KD 000's</i>
Debt securities	14,377	-	-	-	(2)	14,375	239
Equities and other investments	65,487	(46)	4,621	(455)	(166)	69,441	666
	<u>79,864</u>	<u>(46)</u>	<u>4,621</u>	<u>(455)</u>	<u>(168)</u>	<u>83,816</u>	<u>905</u>

	<i>At 1 January 2017 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 31 March 2017 KD 000's</i>	<i>Net gains in the interim condensed consolidated statement of income KD 000's</i>
Debt securities	14,765	-	-	-	(3)	14,762	227
Equities and other investments	71,782	27	144	(1,790)	(166)	69,997	1,153
	<u>86,547</u>	<u>27</u>	<u>144</u>	<u>(1,790)</u>	<u>(169)</u>	<u>84,759</u>	<u>1,380</u>

11 Derivative financial instruments

Derivative financial instruments are financial instruments that derive their value by referring to interest rates, foreign exchange rates, index of prices or rates and credit rating or credit index. Notional principal amounts 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.

Derivative financial instruments are carried at fair value in the consolidated statement of financial position. Positive fair value represents the cost of replacing all transactions with a fair value in the Group's favour had the rights and obligations arising from that instrument been closed in an orderly market transaction at the reporting date. Credit risk in respect of derivative financial instruments is limited to the positive fair value of the instruments. Negative fair value represents the cost to the Group's counter parties of replacing all their transactions with the Group.

The Group deals in interest rate swaps to manage its interest rate risk on interest bearing assets and liabilities and 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

11 Derivative financial instruments (continued)

Interest rate swaps used to hedge the change in fair value of the Group's financial assets and liabilities and which qualifies as effective hedging instruments are disclosed as 'held as fair value hedges'. Other interest rate swaps and forward foreign exchange contracts 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 financial instruments for customers are covered by entering into opposite transactions (back to back) with counter parties or by other risk mitigating transactions.

Interest rate swaps

Interest rate swaps are contractual agreements between two counter-parties to exchange interest payments on a defined principal amount for a fixed period of time. In cross currency interest rate swaps, the Group exchanges interest payment in two different currencies on a defined principal amount for a fixed period of time and also exchanges defined principal amounts in two different currencies at inception of the contract and re-exchanges principal amounts on maturity.

Forward foreign exchange

Forward foreign exchange contracts are agreements to buy or sell currencies at a specified rate and at a future date.

The fair value of derivative financial instruments included in the financial records, together with their notional amounts is summarised as follows:

	31 March 2018			Audited 31 December 2017			31 March 2017		
	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's
Interest rate swaps (held as fair value hedges)	37,842	36,307	1,839,672	20,989	37,845	1,947,427	22,684	28,660	1,421,589
Interest rate swaps (others)	599	567	94,132	962	926	91,050	1,381	1,339	83,406
Forward foreign exchange contracts	15,833	12,494	3,485,659	5,729	15,352	2,171,714	4,555	5,384	1,795,468
	<u>54,274</u>	<u>49,368</u>	<u>5,419,463</u>	<u>27,680</u>	<u>54,123</u>	<u>4,210,191</u>	<u>28,620</u>	<u>35,383</u>	<u>3,300,463</u>

The net fair value of interest rate swaps held as fair value hedges as at 31 March 2018 is positive KD 1,535 thousand (31 December 2017: negative KD 16,856 thousand, 31 March 2017: negative KD 5,976 thousand). Gain on the hedged fixed income financial assets amounted to KD 9,415 thousand (31 December 2017: KD 41,534 thousand, 31 March 2017: KD 41,607 thousand).

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2018 (Unaudited)

12 Related party transactions

Related parties comprise Board Members and Executive Officers of the Bank, their close family members, companies controlled by them or close family members and associates of the Group. Certain related parties were customers of the Group in the ordinary course of business. Transactions with related parties 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. Lending to Board Members and their related parties is secured by tangible collateral in accordance with regulations of Central Bank of Kuwait.

Details of the interests of related parties are as follows:

	Number of Board Members or Executive Officers		Number of related parties		31 March 2017	31 March 2017 Audited KD 000's	31 March 2018 KD 000's
	31 March 2018	31 December 2017	31 March 2018	31 December 2017			
Board Members							
Loans (secured)	3	3	16	15	15	125,328	154,603
Contingent liabilities	-	-	12	12	13	21,508	19,327
Credit cards	7	7	13	12	10	66	69
Deposits	9	9	69	69	69	37,184	42,312
Collateral against credit facilities	3	3	14	14	13	278,512	301,907
Interest and fee income						5,864	1,397
Interest expense						100	10
Purchase of equipment and other expenses						23	5
Executive Officers							
Loans	2	4	3	6	5	2,795	2,597
Contingent liabilities	4	4	-	-	-	2	2
Credit cards	11	12	2	2	3	47	66
Deposits	12	13	35	31	31	3,782	3,864
Interest and fee income						100	23
Interest expense						9	5

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

31 March 2018 (Unaudited)

12 Related party transactions (continued)

Details of compensation to key management personnel are as follows:

	Three months ended	
	31 March	
	2018	2017
	KD 000's	KD 000's
Salaries and other short term benefits	1,893	1,854
Post-employment benefits	66	82
Share based compensation	202	142
	<u>2,161</u>	<u>2,078</u>