



The Commercial Bank of Kuwait Group

Interim Condensed Consolidated Financial Information

31 March 2015



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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Commercial Bank of Kuwait K.P.S.C. ("the Bank") and its subsidiary (together called "the Group") as of 31 March 2015 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity, and cash flows for the three month period then ended. Management 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. 25 of 2012, as amended and its executive regulations, or of the Memorandum of Incorporation and Articles of Association of the Bank as amended, during the three month period ended 31 March 2015 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 2015, that might have had a material effect on the business of the Bank or on its financial position.

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 March 2015 (Unaudited)

			(Audited)	
	Note	31 March 2015 KD 000's	31 December 2014 KD 000's	31 March 2014 KD 000's
ASSETS				
Cash and short term funds	5	819,808	525,302	543,492
Treasury and Central Bank bonds		325,414	363,883	334,725
Due from banks and other financial institutions	6	436,273	701,745	334,431
Loans and advances	7	2,228,939	2,319,664	2,322,162
Investment securities	8	227,539	208,934	328,088
Premises and equipment		30,351	30,000	28,466
Intangible assets		9,809	9,809	9,809
Other assets		21,238	53,426	14,096
TOTAL ASSETS		4,099,371	4,212,763	3,915,269
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		225,771	324,579	221,449
Due to other financial institutions		610,157	679,492	454,447
Customer deposits		2,582,274	2,554,251	2,597,490
Other liabilities		118,751	100,669	69,633
TOTAL LIABILITIES		3,536,953	3,658,991	3,343,019
EQUITY				
Equity attributable to shareholders of the Bank				
Share capital		141,194	141,194	127,202
Proposed bonus shares		-	-	13,992
Treasury shares		-	-	(3,541)
Reserves		255,771	253,453	303,296
Retained earnings		138,969	132,646	121,355
		535,934	527,293	562,304
Proposed dividend		25,415	25,415	8,864
		561,349	552,708	571,168
Non-controlling interests		1,069	1,064	1,082
TOTAL EQUITY		562,418	553,772	572,250
TOTAL LIABILITIES AND EQUITY		4,099,371	4,212,763	3,915,269

Ali Mousa M. Al Mousa
ChairmanElham Yousry Mahfouz
Chief Executive Officer

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**

Period ended 31 March 2015 (Unaudited)

	Note	Three months ended 31 March	
		2015 KD 000's	2014 KD 000's
Interest income	9	27,591	26,503
Interest expense		(6,451)	(5,273)
NET INTEREST INCOME		21,140	21,230
Fees and commissions		8,111	7,358
Net gain from dealing in foreign currencies		971	1,261
Net gain from investment securities		579	2,192
Gain on disposal of assets pending sale		1,712	33
Dividend income		3,342	1,236
Other operating income		327	263
OPERATING INCOME		36,182	33,573
Staff expenses		(5,163)	(5,236)
General and administrative expenses		(3,571)	(3,526)
Depreciation and amortisation		(101)	(240)
OPERATING EXPENSES		(8,835)	(9,002)
OPERATING PROFIT BEFORE PROVISIONS		27,347	24,571
Impairment and other provisions	10	(20,835)	(18,920)
PROFIT BEFORE TAXATION		6,512	5,651
Taxation		(187)	(235)
NET PROFIT FOR THE PERIOD		6,325	5,416
Attributable to:			
Shareholders of the Bank		6,323	5,415
Non-controlling interests		2	1
		6,325	5,416
Basic and diluted earnings per share attributable to shareholders of the Bank (fils)	11	4.5	3.9

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.


INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2015 (Unaudited)

	Three months ended	
	31 March	
	2015	2014
	KD 000's	KD 000's
Net profit for the period	6,325	5,416
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified subsequently to consolidated statement of income:		
Changes in fair value of investment securities	2,743	3,202
Net (gain) loss on disposal / impairment of investment securities	(422)	203
	2,321	3,405
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,646	8,821
Attributable to:		
Shareholders of the Bank	8,641	8,822
Non-controlling interests	5	(1)
	8,646	8,821

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2015 (Unaudited)

	KD 000's														
	Attributable to shareholders of the Bank														
	Share Capital	Proposed Bonus Shares	Treasury Shares	Reserves						Total Reserves	Retained Earnings	Proposed Dividend	Total	Non-controlling	
Share Premium				Statutory Reserve	General Reserve	Treasury Shares Reserve	Property Revaluation Reserve	Investment Valuation Reserve	Interests					Total	
Balance at 1 January 2014	127,202	13,992	(4,018)	66,791	63,601	17,927	45,603	24,530	81,392	299,844	115,940	8,864	561,824	1,083	562,907
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	3,407	3,407	5,415	-	8,822	(1)	8,821
Treasury shares purchased	-	-	(328)	-	-	-	-	-	-	-	-	-	(328)	-	(328)
Treasury shares sold	-	-	805	-	-	-	45	-	-	45	-	-	850	-	850
Balance at 31 March 2014	127,202	13,992	(3,541)	66,791	63,601	17,927	45,648	24,530	84,799	303,296	121,355	8,864	571,168	1,082	572,250
Balance at 1 January 2015	141,194	-	-	66,791	70,597	17,927	45,380	24,947	27,811	253,453	132,646	25,415	552,708	1,064	553,772
Total comprehensive income for the period	-	-	-	-	-	-	-	-	2,318	2,318	6,323	-	8,641	5	8,646
Balance at 31 March 2015	141,194	-	-	66,791	70,597	17,927	45,380	24,947	30,129	255,771	138,969	25,415	561,349	1,069	562,418

Annual General Assembly of the shareholders' held on 04 April 2015 approved to distribute cash dividend of 18 fils per share (2013: 7 fils per share) and nil bonus shares (2013: 11%) for the year 2014.

Investment valuation reserve includes a loss of KD 5,678 thousand (31 December 2014: KD 5,538 thousand and 31 March 2014: KD 5,327 thousand) arising from foreign currency translation of the Bank's investment in a foreign associate.

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

Period ended 31 March 2015 (Unaudited)

	Note	Three months ended	
		31 March	
		2015	2014
		KD 000's	KD 000's
OPERATING ACTIVITIES			
Profit before taxation		6,512	5,651
Adjustments for:			
Impairment and other provisions	10	20,835	18,920
Income from investment securities		(3,921)	(3,428)
Foreign exchange gain on investment securities		(665)	(494)
Depreciation and amortisation		101	240
Profit before changes in operating assets and liabilities		22,862	20,889
Changes in operating assets and liabilities:			
Treasury and Central Bank bonds		38,469	6,572
Due from banks and other financial institutions		265,472	59,334
Loans and advances		72,665	(6,706)
Other assets		31,338	34,664
Due to banks		(98,808)	27,144
Due to other financial institutions		(69,335)	(36,855)
Customer deposits		28,023	(32,961)
Other liabilities		16,272	4,924
Net cash from operating activities		306,958	77,005
INVESTING ACTIVITIES			
Proceeds from disposal of investment securities		6,472	34,375
Acquisition of investment securities		(21,814)	(4,187)
Dividend income from investment securities		3,342	1,236
Proceeds from disposal of premises and equipment		-	31
Acquisition of premises and equipment		(452)	(2,065)
Net cash (used in) from investing activities		(12,452)	29,390
FINANCING ACTIVITIES			
Purchase of treasury shares		-	(328)
Proceeds from sale of treasury shares		-	805
Net cash from financing activities		-	477
Net increase in cash and short term funds		294,506	106,872
Cash and short term funds at 1 January		525,302	436,620
Cash and short term funds at 31 March	5	819,808	543,492

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2015 (Unaudited)

1 INCORPORATION AND REGISTRATION

The Commercial Bank of Kuwait K.P.S.C ("the Bank") is a public shareholding company incorporated in the State of Kuwait and is registered as a Bank with the Central Bank of Kuwait ("CBK") and listed on the Kuwait Stock Exchange ("KSE"). The address of the registered office of the Bank is P.O. Box 2861, 13029 Safat, State of Kuwait.

The Bank and its subsidiary are together referred to as "the Group" in this interim condensed consolidated financial information.

The interim condensed consolidated financial information of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 08 April 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". 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 2014.

The interim condensed consolidated financial information does not include all the information and notes required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the Government of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all IFRS except for the IAS 39 "Financial Instruments: Recognition and Measurement" requirement for collective provision, which has been replaced by the CBK's requirement for a minimum general provision.

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

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015. For further information, refer to the consolidated financial statements included in the Group's annual report for the year ended 31 December 2014.

3 SUBSIDIARY

Name of entity	Country of incorporation	Principal activities	% of ownership		
			31 March 2015	31 December 2014	31 March 2014
Union Securities Brokerage Company K.S.C (Closed)	Kuwait	Brokerage Services	80	80	80

4 PROVISIONS NO LONGER REQUIRED

Under the terms of Law 41/93, provision no longer required as at 31 March 2015 amounted to KD nil (31 March 2014: KD 5 thousand). The ultimate amount to be ceded to the CBK will depend on the situation at the year end. The identification of provisions no longer required was made on a basis consistent with that adopted at 31 December 2014 and in accordance with the instructions of the CBK.


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2015 (Unaudited)

5 CASH AND SHORT TERM FUNDS

	31 March 2015	<i>(Audited)</i> 31 December 2014	31 March 2014
	KD 000's	KD 000's	KD 000's
Cash and cash items	65,544	89,041	70,431
Balances with the CBK	56,540	31,063	49,170
Deposits with banks maturing within seven days	697,724	405,198	423,891
	819,808	525,302	543,492

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

6 DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 March 2015	<i>(Audited)</i> 31 December 2014	31 March 2014
	KD 000's	KD 000's	KD 000's
Placements with banks	428,789	694,445	320,931
Loans and advances to banks	7,560	7,374	-
Amounts due from other financial institutions	-	-	13,500
	436,349	701,819	334,431
Less : Provision for impairment	(76)	(74)	-
	436,273	701,745	334,431

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

7 LOANS AND ADVANCES

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

During the year 2013, the Ministry of Finance established the Family Support Fund (the "Fund") under Law No. 104/2013 to purchase outstanding balance of installment and consumer loans from the Banks as on 12 June 2013 for loans granted before 30 March 2008. Accordingly, CBK issued a Circular no. 2/BS,IS/305/2013 to all local banks and investment companies regarding formation of the Fund. The Bank has identified such loans amounting to KD 38,818 thousand and submitted report to CBK for approval, as required by the circular. Interest income on such loans is not recognised from 12 June 2013. At the reporting date, loans amounting to KD 31,628 thousand have been settled.


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2015 (Unaudited)

8 INVESTMENT SECURITIES

During the period, the Group recognised an unrealised gain of KD 2,743 thousand (31 March 2014: unrealised gain of KD 3,202 thousand) in the interim condensed consolidated statement of comprehensive income as arising from changes in fair value and recycled fair valuation changes of KD 422 thousand (31 March 2014: KD 203 thousand) to the interim condensed consolidated statement of income on disposal and impairment of "available for sale" investment securities.

Impairment loss of KD 301 thousand (31 March 2014: KD 3,343 thousand) was charged to the interim condensed consolidated statement of income.

The Bank acquired 221,425,059 shares at a cost of KD 94,103 thousand in the year 2009 under a transaction executed through the KSE where the counterparty subsequently failed to exercise their buy back option within the agreed time frame. During 2010, the Bank participated in the rights issue and acquired 127,058,530 shares at a cost of KD 32,401 thousand and thereafter, during the years 2013 to 2015, the Bank received a total of 55,303,974 bonus shares. The counterparty raised a legal case challenging the Bank's ownership that is currently pending at the court of law. On the basis of interim order of the court, there is a restriction on the sale of 221,425,059 shares. As at reporting date, the Bank holds title for 257,496,311 shares carried at a fair value of KD 106,861 thousand (31 December 2014: 248,766,598 shares at a fair value of KD 101,994 thousand and 31 March 2014: 391,521,311 shares at a fair value of KD 199,676 thousand). On the basis of legal counsel, management believes that they have a meritorious defense and accordingly, the Bank has fair valued the investment and recognised the resultant fair valuation gain in the Investment Valuation Reserve.

9 INTEREST INCOME

Interest income includes a release of KD 561 thousand (31 March 2014: KD 65 thousand) due to adjustments arising from revised estimates of future cash flows, discounted at the original contracted rates of interest from a portfolio of performing loans that have had their terms modified during the year 2007, as per Central Bank circular 2/202BS RSA/2007 dated 13 February 2007 and 2/105 dated 23 April 2008.

10 IMPAIRMENT AND OTHER PROVISIONS

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

	Three months ended	
	31 March	
	2015	2014
	KD 000's	KD 000's
Loans and advances - specific	(93,552)	(3,385)
Loans and advances - recoveries	4,315	2,005
Loans and advances - general	71,177	(162)
Investment securities	(301)	(3,343)
Non cash facilities	(1,253)	46
Other provisions	(1,221)	(14,081)
	(20,835)	(18,920)


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2015 (Unaudited)

11 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated 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.

	Three months ended 31 March	
	2015	2014
Net profit for the period attributable to shareholders of the Bank (KD 000's)	<u>6,323</u>	<u>5,415</u>
Weighted average of authorised and subscribed shares (numbers in 000's)	1,411,945	1,411,945
Less: Weighted average of treasury shares held (numbers in 000's)	-	(6,119)
	<u>1,411,945</u>	<u>1,405,826</u>
Basic and diluted earnings per share attributable to shareholders of the Bank (fils)	<u>4.5</u>	<u>3.9</u>

12 RELATED PARTY TRANSACTIONS

During the period, certain related parties (directors and officers of the Group, their families and companies of which they are principal owners) were customers of the Group in the ordinary course of business. The terms of these transactions are approved by the Group's management. The balances at the date of interim condensed consolidated financial position are as follows:

	31 March 2015			31 March 2014		
	Number of Directors/ Executives	Number of Related Members	Amount in KD 000's	Number of Directors/ Executives	Number of Related Members	Amount in KD 000's
Board of Directors						
Loans	-	-	-	-	-	-
Credit cards	3	1	11	-	-	-
Deposits	10	-	219	10	-	114
Executive Management						
Loans	9	-	78	8	-	125
Credit cards	8	3	20	4	9	15
Deposits	13	2	303	13	9	591

The loans issued to directors, key management personnel and related members are repayable within 1 year and have interest rates of 0% (31 March 2014: 0%).


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2015 (Unaudited)

The detail of compensation for key management included in the interim condensed consolidated statement of income are as follows:

	Three months ended 31 March	
	2015 KD 000's	2014 KD 000's
Salaries and other short-term benefits	(223)	(291)
Post employment benefits	(1)	(2)
End of service benefits	(13)	(31)

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of all financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, saving accounts without a specific maturity and variable rate financial instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

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

The method and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2015			
	KD 000's			
	Level 1	Level 2	Level 3	Total
Financial Instruments				
Financial assets at fair value through statement of income:				
Derivative Financial Instruments:				
Forward Foreign Exchange Contracts	772,566	-	-	772,566
Financial assets available for sale:				
Equity securities	145,428	33,057	-	178,485
Debt securities	22,273	25,122	-	47,395
Others	-	1,659	-	1,659
	167,701	59,838	-	227,539

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

31 March 2015 (Unaudited)

	31 December 2014 (Audited)			
	KD 000's			
	Level 1	Level 2	Level 3	Total
Financial Instruments				
Financial assets at fair value through statement of income:				
Derivative Financial Instruments:				
Forward Foreign Exchange Contracts	876,354	-	-	876,354
Financial assets available for sale:				
Equity securities	131,307	33,276	-	164,583
Debt securities	17,445	24,945	-	42,390
Others	-	1,961	-	1,961
	148,752	60,182	-	208,934
	31 March 2014			
	KD 000's			
	Level 1	Level 2	Level 3	Total
Financial Instruments				
Financial assets at fair value through statement of income:				
Derivative Financial Instruments:				
Forward Foreign Exchange Contracts	445,626	-	-	445,626
Financial assets available for sale:				
Equity securities	246,277	35,924	-	282,201
Debt securities	18,665	25,084	-	43,749
Others	-	2,138	-	2,138
	264,942	63,146	-	328,088

There were no transfers between level 1, level 2 and level 3 hierarchy.

14 SEGMENTAL ANALYSIS

The Group operates in banking, brokerage services and investment activities which are segmented between:

- Corporate and Retail banking provides a full range of lending, deposit and related banking services to domestic and international corporate and individual customers.
- Treasury and Investment banking comprises of money market, foreign exchange, treasury bonds, asset management and brokerage services.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2015 (Unaudited)

	KD 000's					
	Corporate and Retail Banking		Treasury and Investment Banking		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2015	2014	2015	2014	2015	2014
Net interest income	19,300	19,186	1,840	2,044	21,140	21,230
Non interest income	9,902	7,477	5,140	4,866	15,042	12,343
Operating income	29,202	26,663	6,980	6,910	36,182	33,573
Impairment and other provisions	(20,581)	(1,610)	(254)	(17,310)	(20,835)	(18,920)
Net profit (loss) for the period	4,212	19,990	2,113	(14,574)	6,325	5,416
Assets	2,291,304	2,331,969	1,808,067	1,583,300	4,099,371	3,915,269
Liabilities & Equity	1,778,039	1,665,379	2,321,332	2,249,890	4,099,371	3,915,269

15 OFF BALANCE SHEET ITEMS

(a) Financial instruments with contractual amounts

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

(i) Financial instruments with contractual amounts representing credit risk

	31 March 2015 KD 000's	(Audited)	
		31 December 2014 KD 000's	31 March 2014 KD 000's
Acceptances	28,398	55,495	30,179
Letters of credit	120,814	158,064	145,336
Letters of guarantee	958,799	905,174	869,329
Others	34,189	34,619	34,809
	1,142,200	1,153,352	1,079,653



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2015 (Unaudited)

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

	KD 000's		
	Positive Fair Value	Negative Fair Value	Notional Amount
31 March 2015			
Foreign exchange contracts - forward	4,176	33,549	772,566
	KD 000's		
	Positive Fair Value	Negative Fair Value	Notional Amount
31 December 2014 (Audited)			
Foreign exchange contracts - forward	1,016	17,055	876,354
	KD 000's		
	Positive Fair Value	Negative Fair Value	Notional Amount
31 March 2014			
Foreign exchange contracts - forward	3,302	1,345	445,626

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

(b) Legal claims

At the reporting date certain legal claims existed against the Group for which KD 1,806 thousand (31 December 2014: KD 1,769 thousand and 31 March 2014: KD 2,037 thousand) have been provided.