

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2015 / US\$ 000's	31 December 2015	31 December 2014 (restated)
<b>ASSETS</b>		
Cash and bank balances	122,165	129,938
Placements with financial institutions	122,348	248,482
Financing assets	859,421	782,628
Investment securities	573,453	482,596
Assets acquired for leasing	179,870	114,008
Investment properties	257,932	313,635
Development properties	179,577	131,317
Equity-accounted investees	81,274	21,173
Property, plant and equipment	25,602	166,375
Intangible assets	-	125,176
Other assets	246,133	266,914
<b>Total assets</b>	<b>2,647,775</b>	<b>2,782,242</b>
<b>LIABILITIES</b>		
Investors' funds	5,291	18,675
Placements from financial institutions, other entities and individuals	340,090	339,458
Customer current accounts	174,462	111,684
Financing liabilities	153,619	249,340
Other liabilities	135,977	149,872
<b>Total liabilities</b>	<b>809,439</b>	<b>869,029</b>
<b>Equity of investment account holders</b>	<b>944,915</b>	<b>895,558</b>
<b>OWNERS' EQUITY</b>		
Share capital	597,995	1,253,626
Treasury shares	(4,053)	(912)
Capital adjustment account	22,420	(475,582)
Statutory reserve	72,055	70,060
Retained earnings / (accumulated losses)	6,581	(203,608)
Fair value reserve	(230)	(2,366)
Share grant reserve	893	1,129
Foreign currency translation reserve	-	(780)
<b>Total equity attributable to shareholders of the Bank</b>	<b>695,661</b>	<b>641,567</b>
Non-controlling interests	197,760	376,088
<b>Total owners' equity</b>	<b>893,421</b>	<b>1,017,655</b>
<b>Total liabilities, equity of investment account holders and owners' equity</b>	<b>2,647,775</b>	<b>2,782,242</b>

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2015 / US\$ 000's	31 December 2015	31 December 2014 (restated)
<b>Continuing operations</b>		
Income from investment banking services	23,822	16,152
Management and other fees	6,491	6,915
Income from placements with financial institutions	1,585	1,477
Income from financing assets and assets acquired for leasing	56,890	59,478
Share of profits of equity-accounted investees	-	6,505
Income from investment securities, net	12,825	(2,038)
Foreign exchange (loss) / gain, net	(146)	57
Other income	18,515	46,332
<b>Total income before return to investment account holders and finance expense</b>	<b>119,982</b>	<b>134,878</b>
Return to investment account holders before Bank's share as Mudarib	(43,598)	(33,750)
Bank's share as Mudarib	25,334	10,615
<b>Return to investment account holders</b>	<b>(18,264)</b>	<b>(23,135)</b>
Finance expense	(16,758)	(21,416)
<b>Total income</b>	<b>84,960</b>	<b>90,327</b>
Staff cost	30,464	27,899
Investment advisory expenses	6,469	4,552
Other operating expenses	25,176	26,501
<b>Total expenses</b>	<b>62,109</b>	<b>58,952</b>
<b>PROFIT FOR THE YEAR BEFORE IMPAIRMENT</b>	<b>22,851</b>	<b>31,375</b>
Less: Impairment allowances	(17,016)	(14,120)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>5,835</b>	<b>17,255</b>
<b>Discontinued operations</b>		
Income from industrial business, net	6,190	8,704
Income from assets held-for-sale, net	-	1,392
<b>PROFIT FOR THE PERIOD</b>	<b>12,025</b>	<b>27,351</b>
<b>Profit / (loss) for the year attributable to:</b>		
Shareholders of the Bank	(5,520)	14,983
Non-controlling interests	17,545	12,368
	<b>12,025</b>	<b>27,351</b>
<b>Earnings per share</b>		
Basic earnings per share (US cents)	<b>(0.25)</b>	<b>1.02</b>
Diluted earnings per share (US cents)	<b>(0.25)</b>	<b>1.02</b>
<b>Earnings per share - continuing operations</b>		
Basic earnings per share (US cents)	<b>(0.29)</b>	<b>0.70</b>
Diluted earnings per share (US cents)	<b>(0.29)</b>	<b>0.70</b>

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2015 / US\$ 000's	31 December 2015	31 December 2014 (restated)
<b>OPERATING ACTIVITIES</b>		
Profit for the year	12,025	27,351
Adjustments for:		
Impairment allowances	17,016	14,120
Income from investment securities	(12,825)	2,038
Gain from assets held-for-sale	-	(1,392)
Share of profit of equity-accounted investees	(3,025)	(6,505)
Foreign exchange loss / (gain)	147	(57)
Management and other fees	-	75
Finance expenses	16,758	21,416
Other income	(18,515)	(46,332)
Depreciation and amortisation	2,994	6,013
Investment banking income	(23,822)	(16,152)
	<b>(9,247)</b>	<b>(9,309)</b>
Changes in:		
Financing assets	(76,793)	(139,686)
Asset acquired for leasing	(69,281)	(28,966)
Other assets	29,582	14,577
Investor's funds	(13,384)	(21,103)
Placements from financial, other entities and individual	6,322	(46,260)
Customer current accounts	62,766	91,050
Other liabilities	(59,651)	(68,199)
Equity of investment account holders	49,357	127,695
Movement in CBB reserve	(5,290)	(4,748)
<b>Net cash used in operating activities</b>	<b>(91,309)</b>	<b>(84,949)</b>
<b>INVESTING ACTIVITIES</b>		
Payment for purchase of equipment, net	(663)	(10,932)
Proceeds from assets held-for-sale	-	14,559
Purchase of investment securities	(208,147)	(234,021)
Dividends received	11,942	-
Proceeds from sale of investment securities	144,289	230,710
Acquisition of development property	-	(1,329)
Payment for acquisition of properties	-	(21,977)
Net cash flow on acquisition of subsidiaries	-	7,341
Dividends received from equity-accounted investees	-	5,360
Advance for acquisition of investment	-	1,954
Derecognition of a subsidiary on loss of control	(11,007)	-
<b>Net cash used in investing activities</b>	<b>(63,586)</b>	<b>(8,335)</b>
<b>FINANCING ACTIVITIES</b>		
Financing liabilities, net	(31,073)	(33,568)
Finance expense paid	(8,335)	(14,243)
Proceeds from issue of convertible murabaha	60,000	170,400
Purchase of treasury shares, net	(3,141)	-
Dividends paid (including non-controlling interests)	(1,753)	(10)
<b>Net cash generated from financing activities</b>	<b>15,698</b>	<b>122,719</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	<b>(139,197)</b>	<b>29,295</b>
Cash and cash equivalents at 1 January	333,657	304,362
<b>CASH AND CASH EQUIVALENTS at 31 December</b>	<b>194,460</b>	<b>333,657</b>
Cash and cash equivalents comprise:		
Cash and balances with banks	72,112	85,175
Placements with financial institutions	122,348	248,482
	<b>194,460</b>	<b>333,657</b>

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 2015 / US\$ 000's	Attributable to shareholders of the Bank										Total owners' equity	
	Share capital	Treasury shares	Capital adjustment account	Statutory reserve	Retained earnings / (accumulated losses)	Fair value reserve	Share grant reserve	Foreign currency translation reserve	Total	Non-controlling interests		
Balance at 1 January 2015												
As previously reported	1,253,626	(912)	(475,582)	69,251	(165,851)	(2,345)	1,129	(780)	678,536	187,194	865,730	
Impact of consolidation	-	-	-	809	(37,577)	(21)	-	-	(36,969)	188,894	151,925	
<b>As restated</b>	<b>1,253,626</b>	<b>(912)</b>	<b>(475,582)</b>	<b>70,060</b>	<b>(203,608)</b>	<b>(2,366)</b>	<b>1,129</b>	<b>(780)</b>	<b>641,567</b>	<b>376,088</b>	<b>1,017,655</b>	
Profit for the year	-	-	-	-	(5,520)	-	-	-	(5,520)	17,545	12,025	
Fair value changes	-	-	-	-	-	(203)	-	-	(203)	-	(203)	
Foreign currency translation differences	-	-	-	-	-	-	-	(302)	(302)	(117)	(419)	
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,520)</b>	<b>(203)</b>	<b>-</b>	<b>(302)</b>	<b>(6,025)</b>	<b>17,428</b>	<b>11,403</b>	
Conversion of Murabaha to capital	241,361	-	(181,361)	-	-	-	-	-	60,000	-	60,000	
Capital reduction	(896,992)	-	679,665	-	217,327	-	-	-	-	-	-	
Purchase of treasury shares	-	(4,594)	-	-	-	-	-	-	(4,594)	-	(4,594)	
Sale of treasury shares	-	1,453	-	-	-	-	-	-	1,453	-	1,453	
Loss on sale of treasury shares	-	-	(302)	-	-	-	-	-	(302)	-	(302)	
Transfer to income statement on disposal of investments	-	-	-	-	-	2,339	-	-	2,339	-	2,339	
Transfer to statutory reserve	-	-	-	1,995	(1,995)	-	-	-	-	-	-	
Share grants vesting expense, net of forfeitures	-	-	-	-	-	-	(236)	-	(236)	-	(236)	
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,979)	(3,979)	
Derecognition on loss of control	-	-	-	-	377	-	-	1,082	1,459	(191,777)	(190,318)	
<b>Balance at 31 December 2015</b>	<b>597,995</b>	<b>(4,053)</b>	<b>22,420</b>	<b>72,055</b>	<b>6,581</b>	<b>(230)</b>	<b>893</b>	<b>-</b>	<b>695,661</b>	<b>197,760</b>	<b>893,421</b>	

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 2014 (restated) / US\$ 000's	Attributable to shareholders of the Bank										Total owners' equity	
	Share Capital	Treasury shares	Capital adjustment account	Statutory reserve	Accumulated losses	Fair value reserve	Foreign currency translation reserve	Share grant reserve	Total	Non-controlling interests		
Balance at 1 January 2014												
As previously reported	972,281	(912)	(229,656)	68,146	(310,185)	-	-	1,242	500,916	-	500,916	
Impact of consolidation	-	-	-	-	(40,872)	(49)	-	-	(40,921)	182,501	141,580	
<b>As restated</b>	<b>972,281</b>	<b>(912)</b>	<b>(229,656)</b>	<b>68,146</b>	<b>(351,057)</b>	<b>(49)</b>	<b>-</b>	<b>1,242</b>	<b>459,995</b>	<b>182,501</b>	<b>642,496</b>	
Profit for the year	-	-	-	-	14,983	-	-	-	14,983	12,368	27,351	
Fair value changes	-	-	-	-	-	(2,317)	-	-	(2,317)	-	(2,317)	
Foreign currency translation differences	-	-	-	-	-	-	(780)	-	(780)	(1,080)	(1,860)	
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,983</b>	<b>(2,317)</b>	<b>(780)</b>	<b>-</b>	<b>11,886</b>	<b>11,288</b>	<b>23,174</b>	
Transfer to statutory reserve	-	-	-	1,914	(1,914)	-	-	-	-	-	-	
Conversion of Murabaha to capital	415,725	-	(245,325)	-	-	-	-	-	170,400	-	170,400	
Share issue related expenses	-	-	(601)	-	-	-	-	-	(601)	-	(601)	
Capital reduction	(134,380)	-	-	-	134,380	-	-	-	-	-	-	
Share grants vesting expense, net of forfeitures	-	-	-	-	-	-	-	(113)	(113)	-	(113)	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	182,299	182,299	
<b>Balance at 31 December 2014</b>	<b>1,253,626</b>	<b>(912)</b>	<b>(475,582)</b>	<b>70,060</b>	<b>(203,608)</b>	<b>(2,366)</b>	<b>(780)</b>	<b>1,129</b>	<b>641,567</b>	<b>376,088</b>	<b>1,017,655</b>	

The Board of Directors approved the consolidated financial statements on 24 February 2016, and signed on its behalf by:

Ahmed Al Mutawa  
Chairman

Mosabah Saif Al Mautary  
Vice Chairman

Hisham Alrayes  
Chief Executive Officer

"The above Consolidated Balance Sheet, Income Statement, Statement of Cash Flow and the Changes in Owners' Equity have been extracted from Consolidated Statements of GFH Financial Group B.S.C. for the year ended 31st December 2015, which were audited by KPMG, who have expressed an Unqualified Opinion on 24 February 2016".