



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the three months ended 31 March 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2017 / US\$ 000's	31 March 2017 (reviewed)	31 December 2016 (audited)	31 March 2016 (reviewed)
ASSETS			
Cash and bank balances	126,432	156,448	84,378
Placements with financial institutions	183,577	213,898	143,641
Financing assets	975,542	961,490	897,057
Investment securities	560,801	527,203	582,979
Assets acquired-for-leasing	244,703	246,257	200,229
Investment properties	485,758	488,436	311,395
Development properties	280,972	280,972	179,453
Equity-accounted investees	113,408	79,010	81,399
Intangible assets	143,031	54,891	25,472
Property, plant and equipment	126,023	169,153	-
Other assets	22,643	125,643	196,296
Total assets	3,240,247	3,303,401	2,702,299
LIABILITIES			
Investors' funds	39,259	44,565	13,541
Placements from financial institutions, other entities and individuals	595,127	570,515	376,069
Customer current accounts	183,533	192,783	174,526
Financing liabilities	174,774	168,992	169,400
Other liabilities	190,517	182,649	103,946
Total liabilities	1,183,210	1,159,504	837,482
Equity of investment account holders	992,005	1,022,190	965,168
OWNERS' EQUITY			
Share capital	657,794	597,995	597,995
Treasury shares	(340)	(340)	(8,873)
Capital adjustment account	24,320	24,320	22,392
Statutory reserve	95,475	93,768	72,055
Retained earnings	110,108	201,993	126,445
Investment fair value reserve	-	-	806
Share grant reserve	862	902	893
Foreign currency translation reserve	(10,614)	(10,614)	-
Total equity attributable to shareholders of the Bank	877,605	908,024	697,913
Non-controlling interests	187,427	213,683	201,736
Total owners' equity	1,065,032	1,121,707	899,649
Total liabilities, equity of investment account holders and owners' equity	3,240,247	3,303,401	2,702,299

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the three months ended 31 March 2017 / (US\$ 000's) (reviewed)	Attributable to shareholders of the Bank							Non- controlling interests	Total owners' equity	
	Share capital	Treasury shares	Capital adjustment account	Statutory reserve	Retained earnings	Share grant reserve	Foreign currency translation reserve			Total
Balance at 1 January 2017	597,995	(340)	24,320	93,768	201,993	902	(10,614)	908,024	213,683	1,121,707
Profit for the period	-	-	-	-	31,915	-	-	31,915	1,636	33,551
Total recognised income and expense	-	-	-	-	31,915	-	-	31,915	1,636	33,551
Bonus shares issued	59,799	-	-	-	(59,799)	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(59,799)	-	-	(59,799)	-	(59,799)
Transfer to zakah and charity fund	-	-	-	-	(3,509)	-	-	(3,509)	-	(3,509)
Acquisition of additional interests in a subsidiary	-	-	-	1,707	5,458	(40)	-	7,125	(25,186)	(18,061)
Changes in non-controlling interests	-	-	-	-	(6,151)	-	-	(6,151)	6,151	-
Derecognition of a subsidiary	-	-	-	-	-	-	-	-	(8,857)	(8,857)
Balance at 31 March 2017	657,794	(340)	24,320	95,475	110,108	862	(10,614)	877,605	187,427	1,065,032

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (continued) for the three months ended 31 March 2017 / (US\$ 000's) (reviewed)	Attributable to shareholders of the Bank							Non- controlling interests	Total owners' equity	
	Share capital	Treasury shares	Capital adjustment account	Statutory reserve	Retained earnings	Investment fair value reserve	Share grant reserve			Total
Balance at 1 January 2016	597,995	(4,053)	22,420	72,055	6,581	(230)	893	695,661	197,760	893,421
Profit for the period	-	-	-	-	6,064	-	-	6,064	3,976	10,040
Fair value changes	-	-	-	-	-	1,036	-	1,036	-	1,036
Total recognised income and expense	-	-	-	-	6,064	1,036	-	7,100	3,976	11,076
Purchase of treasury shares	-	(5,095)	-	-	-	-	-	(5,095)	-	(5,095)
Sale of treasury shares	-	275	-	-	-	-	-	275	-	275
Loss on sale of treasury shares, net	-	-	(28)	-	-	-	-	(28)	-	(28)
Balance at 31 March 2016	597,995	(8,873)	22,392	72,055	12,645	806	893	697,913	201,736	899,649

The Board of Directors approved the condensed consolidated interim financial information on 2 May 2017, and signed on its behalf by:

H.E. Shaikh Ahmed Bin Khalifa Al-Khalifa
Chairman

Ahmed Al Mutawa
Vice Chairman

Hisham Alrayes
Chief Executive Officer & Board Member

The above Condensed Consolidated Balance Sheet, Income Statement, Statement of Cash Flow and the Changes in Owners' Equity have been extracted from Condensed Consolidated Interim Financial Statements of GFH Financial Group B.S.C. for the three months ended 31st March 2017, which were reviewed by KPMG, who have expressed an Unqualified Opinion.

CONDENSED CONSOLIDATED INCOME STATEMENT for the three months ended 31 March 2017 / US\$ 000's	Three months ended	
	31 March 2017 (reviewed)	31 March 2016 (reviewed)
Income from investment banking services	12,156	-
Fee and commission income	1,713	8,747
Income from placements with financial institutions	609	469
Income from financing assets and assets acquired-for-leasing	17,746	16,165
Share of profits of equity-accounted investees, net	1,120	125
Income from investment securities, net	2,812	1,232
Gain on sale of a subsidiary	25,600	-
Foreign exchange gain, net	262	417
Other income	3,439	6,396
Operating income before return to investment account holders and finance expenses	65,457	33,551
Return to investment account holders before Group's share as Mudarib	(11,016)	(9,953)
Group's share as Mudarib	5,875	5,703
Operating income before return to investment account holders	(5,141)	(4,250)
Less: Finance expense	(9,237)	(3,972)
Operating income	51,079	25,329
Income from settlement of litigations	-	3,807
Total income	51,079	29,136
Staff cost	10,619	7,329
Investment advisory expenses	2,550	3,244
Other operating expenses	10,204	7,065
Total expenses	23,373	17,638
Profit for the period before impairment	27,706	11,498
Impairment allowances reversal / (charge) for the period	5,845	(1,458)
PROFIT FOR THE PERIOD	33,551	10,040
Profit for the period attributable to:		
Shareholders of the Bank	31,915	6,064
Non-controlling interests	1,636	3,976
	33,551	10,040
Earnings per share		
Basic earnings per share (US cents)	1.28	0.27
Diluted earnings per share (US cents)	1.28	0.27

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the three months ended 31 March 2017 / US\$ 000's	31 March 2017 (reviewed)	31 March 2016 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	33,551	10,040
Adjustments for:	-	-
Fair value changes in investment securities	-	1,734
Income from investment securities	(2,812)	(3,906)
Share of profit of equity-accounted investees	(1,120)	(125)
Foreign exchange (gain) / loss	(262)	(417)
Gain on sale of a subsidiary	(25,600)	-
Other income	-	(9,789)
Finance expenses	9,237	3,972
Impairment allowances reversal / (charge)	(5,845)	1,458
Depreciation and amortisation	413	480
	7,562	3,447
Changes in:		
Placements with financial institutions (more than 3 months)	54	-
Financing assets	(4,952)	(37,636)
Assets acquired for leasing	1,554	(20,359)
Other assets	2,279	20,703
CBB Reserve balance	1,817	305
Investors' funds	(5,306)	(14,187)
Placements from financial, other entities and individuals	24,612	35,979
Customer current accounts	(9,250)	20,474
Equity of investment account holders	(30,185)	20,253
Other liabilities	9,067	(32,031)
Net cash used in operating activities	(2,748)	(3,052)
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(477)	(40)
Purchase of investment securities	(45,840)	(30,010)
Proceeds from sale of a subsidiary	52,966	-
Proceeds from sale of investment securities	5,565	20,594
Dividend income from investments	2,812	3,658
Net cash generated from / (used in) investing activities	15,026	(5,798)
FINANCING ACTIVITIES		
Financing liabilities, net	10,042	-
Finance expense paid	(7,902)	(2,519)
Dividend paid	(59,799)	-
Acquisition of additional stake in a subsidiary	(15,228)	-
Purchase of treasury shares	-	(4,820)
Net cash used in financing activities	(72,887)	(7,339)
Net decrease in cash and cash equivalents during the period	(60,609)	(16,189)
Cash and cash equivalents at 1 January	312,572	194,460
CASH AND CASH EQUIVALENTS AT 31 March	251,963	178,271
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance)	73,494	34,630
Placements with financial institutions (less than 3 months)	178,469	143,641
	251,963	178,271