

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2017 / US\$ 000's	30 June 2017 (reviewed)	31 December 2016 (audited)	30 June 2016 (reviewed)
ASSETS			
Cash and bank balances	162,074	156,448	77,598
Placements with financial institutions	261,300	213,898	97,503
Financing assets	987,226	961,490	945,967
Investment securities	452,611	527,203	540,971
Assets acquired-for-leasing	265,377	246,257	236,137
Investment properties	484,973	488,436	282,581
Development properties	882,765	280,972	178,228
Equity-accounted investees	116,662	79,010	81,398
Intangible assets	-	54,891	-
Property, plant and equipment	120,089	169,153	25,240
Other assets	200,478	125,643	237,420
Total assets	3,933,555	3,303,401	2,703,043
LIABILITIES			
Investors' funds	36,538	44,565	19,973
Placements from financial institutions, other entities and individuals	833,208	570,515	414,528
Customer current accounts	222,543	192,783	137,304
Financing liabilities	204,340	168,992	167,580
Other liabilities	232,562	182,649	117,142
Total liabilities	1,529,191	1,159,504	856,527
Equity of investment account holders	882,297	1,022,190	938,716
OWNERS' EQUITY			
Share capital	657,794	597,995	597,995
Treasury shares	(340)	(340)	(8,467)
Capital adjustment and share subscription in progress	282,130	24,320	22,597
Statutory reserve	95,475	93,768	72,055
Retained earnings	102,095	201,993	18,106
Share grant reserve	966	902	893
Foreign currency translation reserve	-	(10,614)	-
Total equity attributable to shareholders of the Bank	1,138,120	908,024	703,179
Non-controlling interests	383,947	213,683	204,621
Total owners' equity	1,522,067	1,121,707	907,800
Total liabilities, equity of investment account holders and owners' equity	3,933,555	3,303,401	2,703,043

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the six months ended 30 June 2017 / (US\$ 000's) (reviewed)	Attributable to shareholders of the Bank									Non-controlling interests	Total owners' equity
	Share capital	Treasury shares	Capital adjustment account & share subscription in progress	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	197,760	1,121,707	
Profit for the period	-	-	-	-	62,142	-	-	62,142	3,377	65,519	
Total recognised income and expense	-	-	-	-	62,142	-	-	62,142	3,377	65,519	
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)	
Subscription received	-	-	257,810	-	-	-	-	257,810	214,318	472,128	
Acquisition of additional interests in subsidiaries & resulting changes in non-controlling interests	-	-	-	1,707	(38,933)	(40)	10,614	(26,652)	(38,574)	(65,226)	
Issue of shares under incentive scheme, net of forfeitures	-	-	-	-	-	104	-	104	-	104	
Derecognition of a subsidiary	-	-	-	-	-	-	-	-	(8,857)	(8,857)	
Balance at 30 June 2017	657,794	(340)	282,130	95,475	102,095	966	-	1,138,120	383,947	1,522,067	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (continued) for the six months ended 30 June 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	-	-	-	-	11,525	-	-	11,525	6,443	17,968	
Transfer to income statement on disposal of investments	-	-	-	-	-	230	-	230	-	230	
Total recognised income and expense	-	-	-	-	11,525	230	-	11,755	6,443	18,198	
Purchase of treasury shares	-	(5,095)	-	-	-	-	-	(5,095)	-	(5,095)	
Sales of treasury shares	-	681	-	-	-	-	-	681	-	681	
Gain on sale of treasury shares, net	-	-	177	-	-	-	-	177	-	177	
Issue of shares under incentive scheme	-	-	-	-	-	-	-	-	418	418	
Balance at 30 June 2016	597,995	(8,467)	22,597	72,055	18,106	-	893	703,179	204,621	907,800	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2017 / US\$ 000's	30 June 2017 (reviewed)	30 June 2016 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	65,519	17,968
Adjustments for:		
Fair value changes in investment securities	-	5,313
Income from investment securities	(8,869)	(5,563)
Share of profit of equity-accounted investees	(4,013)	(125)
Foreign exchange (gain) / loss	2,134	1,432
Gain on sale of subsidiaries	(6,719)	-
Gain on sale of investment property	-	(46,082)
Other income	-	(10,295)
Finance expenses	19,065	2,519
Impairment allowances (reversal) / charge	(3,496)	18,265
Depreciation and amortisation	816	940
	5,169	(15,628)
Changes in:		
Placements with financial institutions, (original maturity of more than 3 months)	195	-
Financing assets	(16,636)	(86,546)
Assets acquired for leasing	(19,120)	(56,267)
Other assets	(13,541)	8,408
CBB Reserve balance	2,494	(2,162)
Investors' funds	(8,027)	(7,755)
Placements from financial, other entities and individuals	262,693	74,438
Customer current accounts	29,760	(16,748)
Equity of investment account holders	(139,893)	(6,199)
Other liabilities	(6,601)	(21,353)
Net cash generated from/ (used in) operating activities	96,491	(129,812)
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(743)	(24)
Purchase of investment securities	(74,718)	(30,010)
Proceeds from sale of investment securities	25,134	93,915
Proceeds from sale of private equity subsidiaries	64,414	-
Proceeds from sale of investment property	-	2,066
Dividend/income from sukuk investment	6,973	4,430
Net cash generated from investing activities	21,060	70,377
FINANCING ACTIVITIES		
Financing liabilities, net	29,297	(4,800)
Finance expense paid	(17,168)	(2,519)
Dividend paid (including non-controlling interests)	(59,799)	-
Acquisition of additional stake in a subsidiary	(15,228)	-
Purchase of treasury shares	-	(4,820)
Net cash used in financing activities	(62,898)	(12,139)
Net increase / (decrease) in cash and cash equivalents during the period	(4,347)	(71,574)
Cash and cash equivalents at 1 January	312,572	194,460
CASH AND CASH EQUIVALENTS AT 30 June	308,225	122,886
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance)	111,228	25,383
Placements with financial institutions (original maturity of less than 3 months)	255,997	97,503
	367,225	122,886

CONDENSED CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2017 / US\$ 000's	Six-months ended		Three-months ended	
	30 June 2017 (reviewed)	30 June 2016 (reviewed)	30 June 2017 (reviewed)	30 June 2016 (reviewed)
Continuing operations				
Income from investment banking activities	73,875	-	36,119	-
Fee and commission income	3,479	10,588	1,766	1,841
Income from placements with financial institutions	1,712	911	1,103	442
Income from financing assets and assets acquired for leasing	36,197	33,817	18,451	17,652
Share of profits of equity-accounted investees, net	4,013	125	2,893	-
Income from investment securities, net	8,870	248	6,058	(984)
Foreign exchange gain / (loss), net	2,134	(1,432)	1,872	(1,849)
Gain on sale of investment property	-	46,082	-	46,082
Other income	12,750	513	9,311	92
Total income before return to investment account holders and finance expense	143,030	90,852	77,573	63,276
Return to investment account holders before Group's share as Mudarib	(22,019)	(21,422)	(11,003)	(11,469)
Group's share as Mudarib	11,448	12,595	5,573	6,893
Return to investment account holders	(10,571)	(8,827)	(5,430)	(4,577)
Finance expense	(19,065)	(8,444)	(9,828)	(4,472)
Operating income	113,394	73,581	62,315	54,227
Income from settlement of litigations	-	9,782	-	-
Total income	113,394	83,363	62,315	54,227
Staff cost	24,049	19,829	13,430	12,500
Investment advisory expenses	5,235	7,656	2,685	-
Other operating expenses	22,087	19,645	11,883	16,992
Total expenses	51,371	47,130	27,998	29,492
Profit before impairment	62,023	36,233	34,317	24,735
Less: Impairment allowances reversal/ (charge) for the period	3,496	(18,265)	(2,349)	(16,807)
Profit for the period	65,519	17,968	31,968	7,928
Attributable to shareholders of the bank	62,142	11,525	30,227	5,461
Attributable to Non-controlling interests	3,377	6,443	1,741	2,467
Profit for the period	65,519	17,968	31,968	7,928
Basic earning per share (US cents)	2.51	0.48	1.22	0.23
Diluted earnings per share (US cents)	1.75	0.48	0.85	0.23

The Board of Directors approved the condensed consolidated interim financial information on 13 August 2017, and signed on its behalf by:

H.E. Shaikh Ahmed Bin Khalifa Al-Khalifa Chairman	Ahmed Al Mutawa Vice Chairman & Chairman of the Audit Committee	Hisham Alrayes Chief Executive Officer & Board Member
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"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 six months ended 30th June 2017, which were reviewed by KPMG, who have expressed an Unqualified Opinion".