



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the three months ended 31 March 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2015 / US\$ 000's	31 March 2015 (reviewed)	31 December 2014 (audited) (restated)	31 March 2014 (reviewed) (restated)
ASSETS			
Cash and bank balances	114,785	129,938	97,550
Placements with financial institutions	226,993	248,482	289,255
Financing assets	752,792	782,628	679,973
Investment securities	628,091	482,596	423,247
Assets acquired for leasing	123,202	114,008	92,910
Investment properties	313,625	313,625	273,967
Development properties	131,317	131,317	116,848
Equity-accounted investees	216,766	26,901	22,158
Intangible assets	125,133	125,176	125,220
Property, plant and equipment	166,199	166,445	159,973
Other assets	296,945	261,116	302,712
Total assets	2,900,768	2,782,242	2,583,813
LIABILITIES			
Investors' funds	13,708	18,675	15,115
Placements from financial, other entities and individuals	340,729	339,458	414,797
Customer current accounts	112,893	111,684	54,433
Financing liabilities	245,099	249,340	280,617
Other liabilities	181,186	149,872	139,226
Total liabilities	893,615	869,029	904,188
Equity of investment account holders	924,153	895,558	853,648
OWNERS' EQUITY			
Share capital	1,494,987	1,253,626	972,281
Treasury shares	(948)	(912)	(912)
Capital adjustment account	(656,943)	(475,582)	(229,656)
Statutory reserve	70,060	70,060	68,146
Accumulated losses	(199,998)	(202,198)	(348,404)
Fair value reserve	(1,785)	(2,366)	(49)
Share grant reserve	1,129	1,129	1,321
Foreign currency translation reserve	(314)	(780)	(542)
Total equity attributable to shareholders of the Bank	706,188	642,977	462,185
Non-controlling interests	376,812	374,678	363,792
Total owners' equity	1,083,000	1,017,655	825,977
Total liabilities, equity of investment account holders and owners' equity	2,900,768	2,782,242	2,583,813

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the three months ended 31 March 2015 / (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	Accumulated losses	Fair value reserve	Share grant reserve	Foreign currency translation reserve	Total		
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	(36,347)	(21)	-	-	(35,559)	187,484	151,925
As restated	1,253,626	(912)	(475,582)	70,060	(202,198)	(2,366)	1,129	(780)	642,977	374,678	1,017,655
Profit for the period	-	-	-	-	2,200	-	-	-	2,200	3,843	6,043
Fair value changes	-	-	-	-	-	581	-	-	581	-	581
Foreign currency translation differences	-	-	-	-	-	466	-	466	466	-	466
Total recognised income and expense	-	-	-	-	2,200	581	-	466	3,247	3,843	7,090
Conversion of Murabaha to capital	241,361	-	(181,361)	-	-	-	-	-	60,000	-	60,000
Purchase of treasury shares	-	(36)	-	-	-	-	-	-	(36)	-	(36)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,709)	(1,709)
Balance at 31 March 2015	1,494,987	(948)	(656,943)	70,060	(199,998)	(1,785)	1,129	(314)	706,188	376,812	1,083,000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the three months ended 31 March 2014 / (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	Accumulated losses	Fair value reserve	Share grant reserve	Foreign currency translation reserve	Total		
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	-	-	-	-	(39,462)	(49)	-	-	(39,511)	181,090	141,579
As restated	972,281	(912)	(229,656)	68,146	(349,647)	(49)	1,242	-	461,405	181,090	642,495
Profit for the period	-	-	-	-	1,243	-	-	-	1,243	1,255	2,498
Foreign currency translation differences	-	-	-	-	-	-	-	(542)	(542)	(852)	(1,394)
Total recognised income and expense	-	-	-	-	1,243	-	-	(542)	701	403	1,104
Share grants vesting expense, net of forfeitures	-	-	-	-	-	-	79	-	79	-	79
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	182,299	182,299
Balance at 31 March 2014	972,281	(912)	(229,656)	68,146	(348,404)	(49)	1,321	(542)	463,265	363,792	827,057

The Board of Directors approved the condensed consolidated interim financial information on 13 May 2015, and signed on its behalf by:

Ahmed Al Mutawa Chairman
Mosab Saif Al Mautairi Vice Chairman
Hisham Alrayes Chief Executive Officer

*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 Gulf Finance House B.S.C. for the three months ended 31st March 2015, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 13 May 2015.

CONDENSED CONSOLIDATED INCOME STATEMENT for the three months ended 31 March 2015 / US\$ 000's	Three months ended	
	31 March 2015 (reviewed)	31 March 2014 (reviewed) (restated)
Income from investment banking services	11,633	-
Management and other fees	119	504
Income from placements with financial institutions	342	434
Income from financing assets and assets acquired for leasing	14,589	13,992
Share of profits of equity-accounted investees	828	2,635
Income from investment securities, net	2,242	2,285
Foreign exchange (loss) / gain, net	(1,783)	6
Other income	1,001	4,741
Total income before return to investment account holders and finance expenses	28,971	24,597
Less: Return to investment account holders	(5,361)	(6,872)
Less: Finance expense	(4,668)	(6,349)
Income from banking business	18,942	11,376
Revenue from industrial business	28,228	22,465
Less: Cost of sales	(24,245)	(17,766)
Income from industrial business	3,983	4,699
Total income	22,925	16,075
Staff cost	6,745	5,205
Investment advisory expenses	1,582	777
Other operating expenses	6,254	5,577
Total expenses of banking business	14,581	11,559
Other operating expenses of industrial business	2,301	2,018
Total expenses	16,882	13,577
PROFIT FOR THE PERIOD	6,043	2,498
Attributable to:		
Shareholders of the Bank	2,200	1,243
Non-controlling interests	3,843	1,255
	6,043	2,498
Earnings per share		
Basic and diluted earnings per share (US cents)	0.04	0.04
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the three months ended 31 March 2015 / US\$ 000's	31 March 2015 (reviewed)	31 March 2014 (reviewed) (restated)
OPERATING ACTIVITIES		
Profit for the period	6,043	2,498
Adjustments for:		
Fair value changes in investment securities	374	(1,751)
Loss on sale of investment securities	-	915
Share of profit of equity-accounted investees	(828)	(3,170)
Foreign exchange loss / (gain)	1,783	(6)
Income from investment banking services	(11,633)	-
Other income	(94)	(3,537)
Impairment allowance	317	279
Depreciation and amortisation	1,414	2,736
	(2,624)	(2,036)
Changes in:		
Financing assets	29,836	(35,163)
Assets acquired for leasing	(9,194)	(7,868)
Other assets	(19,323)	(37,092)
CBB Reserve balance	(3,647)	(4,987)
Investors' funds	(4,967)	(5,497)
Placements from financial, non-financial institutions and individuals	1,271	(7,234)
Customer current accounts	1,209	22,743
Equity of investment account holders	28,594	82,314
Other liabilities	30,906	44,293
Net cash generated from operating activities	52,061	49,473
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(1,357)	(1,161)
Purchase of investment securities	(155,984)	(57,274)
Advance for investments	-	(3,348)
Proceeds from sale of investment securities	16,703	50,636
Proceeds from sale of assets held-for-sale	-	9,890
Dividend/Income from sukuk investments	955	631
Acquisition of subsidiaries	-	7,341
Net cash (used in) / generated from investing activities	(143,031)	10,063
FINANCING ACTIVITIES		
Financing liabilities, net	(4,155)	(504)
Finance expense paid	(3,422)	(1,499)
Dividend paid (including non-controlling interests)	(1,709)	(10)
Proceeds from issue of convertible murabaha	60,000	-
Purchase of treasury shares	(36)	-
Net cash generated from / (used in) financing activities	50,678	(2,013)
Net (decrease)/increase in cash and cash equivalents during the period	(40,292)	57,523
Cash and cash equivalents at 1 January	333,659	284,282
CASH AND CASH EQUIVALENTS AT 31 March	293,367	341,805
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB reserve)	66,374	52,550
Placements with financial institutions	226,993	289,255
	293,367	341,805