



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the nine months ended 30 September 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2017 / US\$ 000's	30 September 2017 (reviewed)	31 December 2016 (audited)	30 September 2016 (reviewed)
ASSETS			
Cash and bank balances	196,677	156,448	119,899
Placements with financial institutions	219,605	213,898	134,657
Financing assets	1,004,511	961,490	988,649
Investment securities	502,627	527,203	549,374
Assets acquired for leasing	259,825	246,257	242,973
Investment properties	482,250	488,436	277,170
Development properties	883,465	280,972	178,381
Equity-accounted investees	117,852	79,010	82,626
Intangible assets	-	54,891	25,129
Property, plant and equipment	122,586	169,153	-
Other assets	207,770	125,643	203,863
Total assets	3,997,168	3,303,401	2,802,721
LIABILITIES			
Investors' funds	38,797	44,565	21,085
Placements from financial institutions, other entities and individuals	894,654	570,515	478,778
Customer current accounts	158,657	192,783	174,681
Financing liabilities	283,481	168,992	129,524
Other liabilities	263,585	182,649	88,607
Total liabilities	1,639,174	1,159,504	892,675
Equity of investment account holders	874,793	1,022,190	1,002,256
OWNERS' EQUITY			
Share capital	975,638	597,995	597,995
Treasury shares	(65,516)	(340)	(340)
Share premium	5,850	-	-
Capital adjustment account	-	24,320	22,723
Statutory reserve	95,475	93,768	72,055
Retained earnings	117,338	191,379	105,288
Share grant reserve	1,026	902	893
Fair value reserve	(98)	-	-
Total equity attributable to shareholders of the Bank	1,129,713	908,024	703,854
Non-controlling interests	353,488	213,683	203,936
Total owners' equity	1,483,201	1,121,707	907,790
Total liabilities, equity of investment account holders and owners' equity	3,997,168	3,303,401	2,802,721

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the nine months ended 30 September 2017 / (US\$ 000's) (reviewed)	Attributable to shareholders of the Bank									Non-controlling interests	Total owners' equity
	Share capital	Share premium	Treasury shares	Capital adjustment account	Statutory reserve	Retained earnings	Share grant reserve	Fair value reserve	Total		
Balance at 1 January 2017	597,995	-	(340)	24,320	93,768	191,379	902	-	908,024	213,683	1,121,707
Profit for the period	-	-	-	-	-	87,233	-	-	87,233	3,808	91,041
Total recognised income and expense	-	-	-	-	-	87,233	-	-	87,233	3,808	91,041
Issuance of share capital	314,530	2,878	-	(24,320)	-	-	-	-	293,088	183,428	476,516
Bonus shares issued	59,799	-	-	-	-	(59,799)	-	-	-	-	-
Dividends declared	-	-	-	-	-	(59,799)	-	-	(59,799)	-	(59,799)
Transfer to zakah and charity fund	-	-	-	-	-	(3,509)	-	-	(3,509)	-	(3,509)
Acquisitions of additional interest in subsidiaries and resulting changes in non-controlling interests	-	-	-	-	1,707	(38,167)	(40)	-	(36,500)	(38,574)	(75,074)
Issue of shares under incentive scheme, net for forfeitures	3,314	3,564	-	-	-	-	164	-	7,042	-	7,042
Decrecognition of a subsidiary	-	-	-	-	-	-	-	-	-	(8,857)	(8,857)
Purchase of treasury shares	-	-	(81,683)	-	-	-	-	-	(81,683)	-	(81,683)
Sales of treasury shares	-	(592)	16,507	-	-	-	-	-	15,915	-	15,915
Change in fair value of investment securities	-	-	-	-	-	-	-	(98)	(98)	-	(98)
Balance at 30 September 2017	975,638	5,850	(65,516)	-	95,475	117,338	1,026	(98)	1,129,713	353,488	1,483,201

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (continued) for the nine months ended 30 September 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	Investments 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	-	-	-	-	3,947	-	-	3,947	5,758	9,705	
Transfer to income statement on disposal	-	-	-	-	-	230	-	230	-	230	
Total recognised income and expense	-	-	-	-	3,947	230	-	4,177	5,758	9,935	
Purchase of treasury shares	-	(6,878)	-	-	-	-	-	(6,878)	-	(6,878)	
Sales of treasury shares	-	10,591	-	-	-	-	-	10,591	-	10,591	
Gain on sale of treasury shares	-	-	303	-	-	-	-	303	-	303	
Issue of shares under employee incentive scheme	-	-	-	-	-	-	-	-	418	418	
Balance at 30 September 2016	597,995	(340)	22,723	72,055	10,528	-	893	703,854	203,936	907,790	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended 30 September 2017 / US\$ 000's	30 September 2017 (reviewed)	30 September 2016 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	91,041	9,705
Adjustments for:		
Income from investment securities	(12,618)	(2,215)
Share of profit of equity-accounted investees	(5,541)	(1,228)
Foreign exchange (gain) / loss, net	(2,879)	2,442
Income from investment banking activities	(82,026)	(3,321)
Gain on sale of investment property	-	(46,082)
Other income	(18,000)	(7,521)
Finance expenses	32,200	13,909
Impairment allowances	165	25,054
Depreciation and amortisation	1,244	1,380
Changes in:	3,586	(7,877)
Placements with financial institutions (more than 3 months)	295	-
Financing assets	(33,921)	(129,228)
Assets acquired for leasing	(13,568)	(63,103)
Other assets	(40,953)	41,060
CBB Reserve balance	3,382	212
Investors' funds	(5,768)	(6,643)
Placements from financial, other entities and individuals	324,139	138,688
Customer current accounts	(34,126)	20,629
Equity of investment account holders	(147,397)	57,341
Other liabilities	9,407	(47,370)
Net cash generated from operating activities	65,076	3,709
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(1,091)	(681)
Purchase of investment securities	(161,848)	(64,514)
Proceeds from sale of investment securities	59,443	92,180
Proceeds from sale of private equity subsidiaries	108,694	-
Proceeds from sale of investment property	2,862	8,191
Dividend / income from equity securities	14,332	8,355
Net cash generated from investing activities	22,392	43,531
FINANCING ACTIVITIES		
Financing liabilities, net	131,754	(40,401)
Finance expense paid	(26,331)	(12,031)
Dividend paid	(59,799)	-
Acquisition in additional stake in a subsidiary	(15,228)	-
(Purchase) / sale of treasury shares, net	(69,426)	10,464
Net cash used in financing activities	(39,030)	(41,968)
Net increase/(decrease) in cash and cash equivalents during period	48,438	5,272
Cash and cash equivalents at 1 January	312,572	194,460
CASH AND CASH EQUIVALENTS AT 30 September	361,010	199,732
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB reserve account)	146,808	70,058
Placements with financial institutions (less than 3 months)	214,202	129,674
	361,010	199,732

CONDENSED CONSOLIDATED INCOME STATEMENT for the nine months ended 30 September 2017 / US\$ 000'	Nine-months ended		Three-months ended	
	30 September 2017 (reviewed)	30 September 2016 (reviewed)	30 September 2017 (reviewed)	30 September 2016 (reviewed)
Income from investment banking activities	94,182	3,321	20,307	3,321
Fees and commission income	5,509	11,713	2,030	1,125
Income from placements with financial institutions	2,196	1,337	484	426
Income from financing assets and assets acquired for leasing	54,655	51,417	18,458	17,600
Share of profits of equity-accounted investees, net	5,541	1,353	1,528	1,228
Income from investment securities, net	12,618	2,618	3,748	2,370
Foreign exchange gain / (loss), net	2,879	(2,442)	745	(1,010)
Gain on sale of investment property	-	46,082	-	-
Other income	38,709	1,677	25,959	1,164
Total income before return to investment account holders and finance expenses	216,289	117,076	73,259	26,224
Return to investment account holders before Group's share as Mudarib	(31,125)	(31,937)	(91,066)	(10,515)
Group's share as Mudarib	16,072	18,326	4,624	5,731
Return to investment account holders	(15,053)	(13,611)	(4,482)	(4,784)
Finance expense	(32,200)	(13,909)	(13,135)	(5,465)
Operating income	169,036	89,556	55,642	15,975
Income from settlement of litigations	-	9,782	-	-
Total Income	169,036	99,338	55,642	15,975
Staff cost	36,252	27,174	12,203	7,345
Investment advisory expenses	7,814	11,375	2,579	3,719
Other operating expenses	33,764	26,030	11,675	6,385
Total Expenses	77,830	64,579	26,457	17,449
Profit/ (loss) before impairment allowances	91,206	34,759	29,185	(1,474)
Less: Impairment allowances reversal/ (charge) for the period	(165)	(25,054)	(3,661)	(6,789)
PROFIT / (LOSS) FOR THE PERIOD	91,041	9,705	25,524	(8,263)
Attributable to:				
Shareholders of the Bank	87,233	3,947	25,093	(7,578)
Non-controlling interests	3,808	5,758	431	(685)
PROFIT / (LOSS) FOR THE PERIOD	91,041	9,705	25,524	(8,263)
Earnings per share				
Basic earnings per share (US cents)	3.55	0.16	1.04	(0.31)
Diluted earnings per share (US cents)	3.55	0.16	1.04	(0.31)

The Board of Directors approved the condensed consolidated interim financial information on 12 November 2017 and signed on its behalf by:

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

Dr. Ahmed Al Mutawa
Vice Chairman & Chairman of the Audit committee

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 GFH Financial Group B.S.C. for the nine months ended 30th September 2017, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 12 November 2017."