CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2014 US$ 000's

	note	30 June 2014 (reviewed)	31 December 2013 (audited)	30 June 2013 (reviewed)
ASSETS				
Cash and bank balances	11	53,109	21,847	33,452
Placements with financial institutions		4,995	-	692
Investment securities	12	177,566	196,141	175,300
Investment property		259,404	259,404	259,404
Development properties	13	44,172	-	-
Assets held-for-sale	14	160,252	184,076	22,246
Equity-accounted investees		17,706	73,417	236,480
Intangible assets	10	125,220	-	-
Property, plant and equipment		135,138	299	-
Other assets	15	241,211	172,669	144,653
Total assets		**1,218,773**	907,853	872,227
LIABILITIES				
Investors' funds		11,035	19,166	14,437
Placements from financial and other institutions	16	101,352	93,511	110,435
Financing liabilities	17	253,484	207,767	215,538
Other liabilities		134,708	60,408	70,978
Total liabilities		**500,579**	380,852	411,388
Equity of investment account holders		**1,655**	2,155	2,139
OWNERS' EQUITY				
Share capital	8	837,901	972,281	770,061
Treasury shares		(912)	(912)	(912)
Capital adjustment account	8	(229,656)	(229,656)	(91,296)
Statutory reserve		68,146	68,146	67,519
Accumulated losses	8	(144,408)	(286,255)	(287,713)
Other reserves		1,442	1,242	1,041
Foreign currency translation reserve		(471)	-	-
Total equity attributable to shareholders of the Bank (page 4)		**532,042**	524,846	458,700
Non-controlling interests		184,497	-	-
Total owners' equity (page 4)		**716,539**	524,846	458,700
Total liabilities, equity of investment account holders and owners' equity		**1,218,773**	907,853	872,227

The Board of Directors approved the condensed consolidated interim financial information consisting of pages 2 to 20 on 13 August 2014.

Ahmed Al Mutawa
Chairman

Mosabah Saif Al Mautairy
Vice Chairman

Hisham Alrayes
Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2014

US$ 000's

	note	Six months ended		Three months ended	
		30 June 2014 (reviewed)	30 June 2013 (reviewed)	**30 June 2014** (reviewed)	30 June 2013 (reviewed)
Management and other fees		623	5,244	119	503
Income from placements with financial institutions		117	251	50	14
Share of profits of equity-accounted investees		2,635	1,096	-	554
Income from investment securities, net		2,025	343	1,189	343
Foreign exchange gain, net		94	341	88	(4)
Other income	19	37,347	17,214	34,176	11,972
Income from investment banking business		**42,841**	24,489	**35,622**	13,382
Revenue from industrial business	20	45,322	-	22,857	-
Total income		**88,163**	24,489	**58,479**	13,382
Staff cost		6,842	4,404	4,742	3,250
Investment advisory expenses		2,738	1,630	2,022	848
Finance expense		7,073	8,559	3,453	4,167
Other expenses		10,839	4,990	8,427	3,002
Total expenses of investment banking business		**27,492**	19,583	**18,644**	11,267
Cost of sales		37,742	-	19,976	-
Other operating expenses		2,349	-	331	-
Total expenses of industrial business		**40,091**	-	**20,307**	-
Total expenses		**67,583**	19,583	**38,951**	11,267
Profit from continuing operations before impairment allowances		**20,580**	4,906	**19,528**	2,115
Impairment allowances		(10,000)	(1,500)	(10,000)	(500)
Profit from continuing operations		**10,580**	3,406	**9,528**	1,615
Gain from discontinued operations, net		-	776	-	1,080
PROFIT FOR THE PERIOD		**10,580**	4,182	**9,528**	2,695
Attributable to:					
Shareholders of the Bank		7,467	4,182	7,161	2,695
Non-controlling interests		3,113	-	2,367	-
		10,580	4,182	**9,528**	2,695
Earnings per share					
Basic and diluted earnings per share (US cents)		0.24	0.19	0.23	0.12
Earnings per share – continuing operations					
Basic and diluted earnings per share (US cents)		0.24	0.16	0.23	0.07

The condensed consolidated interim financial information consists of pages 2 to 20.

GULF FINANCE HOUSE BSC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the six months ended 30 June 2014

US$ 000's

30 June 2014 (reviewed)	Attributable to shareholders of the Bank									
	Share Capital	**Treasury shares**	**Capital adjustment account**	**Statutory reserve**	**Accumula-ted losses**	**Other reserves**	**Foreign currency translation reserve**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2014	972,281	(912)	(229,656)	68,146	(286,255)	1,242	-	524,846	-	524,846
Profit for the period	-	-	-	-	7,467	-	-	7,467	3,113	10,580
Foreign currency translation differences	-	-	-	-	-	-	(471)	(471)	(915)	(1,386)
Total recognised income and expense	-	-	-	-	**7,467**	-	**(471)**	**6,996**	**2,198**	**9,194**
Capital reduction (note 8)	(134,380)	-	-	-	134,380	-	-	-	-	-
Share grants vesting expense, net of forfeitures (note 18)	-	-	-	-	-	200	-	200	-	200
Acquisition of subsidiaries (note 10)	-	-	-	-	-	-	-	-	182,299	182,299
Balance at 30 June 2014	**837,901**	**(912)**	**(229,656)**	**68,146**	**(144,408)**	**1,442**	**(471)**	**532,042**	**184,497**	**716,539**

30 June 2013 (reviewed)	Share capital	Treasury shares	Capital adjustment account	Share premium	Statutory reserve	Accumulated losses	Other reserves	Total
Balance at 1 January 2013	595,087	(2,995)	-	13,235	66,356	(291,280)	903	381,306
Profit for the period	-	-	-	-	-	4,182	-	4,182
Total recognised income and expense	-	-	-	-	-	4,182	-	4,182
Transfer to statutory reserve (note 8)	-	-	-	-	1,003	(1,003)	-	-
Conversion of murabaha to capital	174,974	(8,528)	(91,296)	(13,235)	-	-	-	61,915
Purchase of treasury shares	-	(1,192)	-	-	-	-	-	(1,192)
Sale of treasury shares	-	10,997	-	-	-	-	-	10,997
Gain on sale of treasury shares	-	-	-	-	286	-	-	286
Share grants vesting expense, net of forfeitures (note 18)	-	806	-	-	(126)	-	138	818
Gain on partial disposal of assets held-for-sale	-	-	-	-	-	388	-	388
Balance at 30 June 2013	770,061	(912)	(91,296)	-	67,519	(287,713)	1,041	458,700

The condensed consolidated interim financial information consists of pages 2 to 20.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2014

US$ 000's

	30 June 2014 (reviewed)	30 June 2013 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	10,580	4,182
Adjustments for:		
Impairment in investment securities	9,000	1,500
Gain on sale of investment securities	(2,025)	(343)
Gain from discontinued operations	-	(776)
Share of profit of equity-accounted investees	(2,635)	(1,096)
Foreign exchange gain	(94)	(341)
Finance expenses	7,073	8,559
Other income	(37,342)	(16,186)
Depreciation and amortisation	62	993
	(15,381)	(3,508)
Changes in:		
Placement with financial institutions	7,841	-
Investor's funds	(8,131)	(1,923)
Other assets	3,954	(4,699)
Other liabilities	1,880	(2,984)
Net cash used in operating activities	**(9,837)**	(13,114)
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(824)	-
Proceeds from assets held-for-sale	9,890	-
Purchase of investment securities	(30,420)	(153)
Net cash flows on disposal of assets held-for-sale	-	(1,889)
Advance paid for acquisition of investments	(2,696)	(1,904)
Proceeds from sale of investment securities	35,115	2,063
Net cash flow on acquisition of subsidiaries	7,341	-
Net cash generated from / (used in) investing activities	**18,406**	(1,883)
FINANCING ACTIVITIES		
Financing liabilities, net	(7,379)	(10,345)
Finance expense paid	(1,614)	(8,006)
Proceeds from issue of convertible murabaha	-	51,915
Proceeds from sale of treasury shares	-	10,074
Dividends paid	(10)	(80)
Payment to investment account holders	-	(214)
Net cash (used in) / generated from financing activities	**(9,003)**	43,344
Net (decrease) / increase in cash and cash equivalents during the period	**(434)**	28,347
Cash and cash equivalents at 1 January	21,847	5,105
CASH AND CASH EQUIVALENTS AT 30 June	**21,413**	33,452
Cash and cash equivalents comprise:		
Cash and balances with banks (note 11)	21,413	33,452
	21,413	33,452

The condensed consolidated interim financial information consists of pages 2 to 20.