



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the nine months ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2020 / US\$ 000's	30 September 2020 (reviewed)	31 December 2019 (audited) (restated)	30 September 2019 (reviewed) (restated)
ASSETS			
Cash and bank balances	337,361	364,598	404,126
Treasury portfolio	1,767,975	1,588,661	1,655,850
Financing assets	1,234,951	1,272,777	1,316,727
Real estate investments	1,840,586	1,806,009	1,815,575
Proprietary investments	287,898	268,175	276,527
Co-investments	103,774	96,507	74,352
Receivables and prepayments	482,435	444,689	491,911
Property and equipment	107,146	103,857	103,001
Total	6,162,126	5,945,273	6,138,251
LIABILITIES			
Clients' funds	94,320	70,858	74,469
Placements from financial, non-financial institutions and individuals	2,278,800	2,447,249	2,675,375
Customer current accounts	124,001	147,487	169,432
Term financing	933,275	301,411	290,009
Payables and accruals	400,382	466,852	544,845
Total	3,830,778	3,433,857	3,754,130
Equity of investment account holders	1,122,234	1,218,545	971,485
OWNERS' EQUITY			
Share capital	975,638	975,638	975,638
Treasury shares	(66,142)	(73,419)	(47,158)
Statutory reserve	15,039	125,312	117,301
Investment fair value reserve	(21,785)	7,737	4121
Foreign currency translation reserve	(35,733)	(29,425)	(36,655)
Retained earnings	7,455	(2,498)	58,009
Share grant reserve	1,321	1,198	1,198
Total equity attributable to shareholders of Bank	875,793	1,004,543	1,072,454
Non-controlling interests	333,321	288,328	340,182
Total owners' equity	1,209,114	1,292,871	1,412,636
Total liabilities, equity of investment account holders and owners' equity	6,162,126	5,945,273	6,138,251

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the nine months ended 30 September 2020 / (US\$ 000's)	Attributable to shareholders of the Bank								Non-controlling interests	Total owners' equity
	Share capital	Treasury shares	Statutory reserve	Investment fair value reserve	Foreign currency translation reserve	Retained earnings	Share grant reserve	Total		
30 September 2020 (reviewed)										
Balance at 1 January 2020	975,638	(73,419)	125,312	7,737	(29,425)	(2,498)	1,198	1,004,543	288,328	1,292,871
Profit for the period	-	-	-	-	-	23,167	-	23,164	7,141	30,303
Fair value changes during the period	-	-	-	(16,326)	-	-	-	(16,326)	(64)	(16,390)
Transfer to income statement on disposal of sukuk	-	-	-	(13,196)	-	-	-	(13,196)	-	(13,196)
Total recognised income and expense	975,638	(73,419)	125,312	(21,785)	(29,425)	20,669	1,198	998,188	295,405	1,293,593
Additional capital contribution to subsidiary	-	-	-	-	-	(59,893)	-	(59,893)	(14,311)	(74,204)
Modification loss on financing assets	-	-	-	-	-	(13,892)	-	(13,892)	(11,779)	(25,672)
Government grant	-	-	-	-	-	3,686	-	3,686	1,266	4,952
Dividends declared	-	-	-	-	-	(30,000)	-	(30,000)	(30,000)	(60,000)
Transfer to zakah and charity fund	-	-	-	-	-	(1,388)	-	(1,388)	(258)	(1,646)
Purchase of treasury shares	-	(84,849)	-	-	-	-	-	(84,849)	-	(84,849)
Sale of treasury shares	-	108,652	-	-	-	-	22,000	86,652	-	86,652
Treasury shares acquired for share incentive scheme	-	(16,526)	-	-	-	-	123	(16,403)	-	(16,403)
Foreign currency translation differences	-	-	-	-	(6,308)	-	-	(6,308)	(1,349)	(7,656)
NCI arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	63,747	63,747
Adjustment of accumulated losses with share premium	-	-	(110,273)	-	-	110,273	-	-	-	-
Balance at 30 September 2020	975,638	(66,142)	15,039	(21,785)	(35,733)	7,455	1,321	875,793	333,321	1,209,114

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the nine months ended 30 September 2019 (reviewed)	Attributable to shareholders of the Bank								Non-controlling interests	Total owners' equity
	Share capital	Treasury shares	Statutory reserve	Investment fair value reserve	Foreign currency translation reserve	Retained earnings	Share grant reserve	Total		
30 September 2019 (reviewed)										
Balance at 1 January 2019* (as previously reported)	975,638	(85,424)	117,301	(4,725)	(43,380)	98,318	1,086	1,058,814	323,408	1,422,778
Reclassification of subsidiary held for sale to held-for-use	-	-	-	-	-	25,396	-	25,396	-	25,396
Balance at 1 January 2019* (restated)	975,638	(85,424)	117,301	(4,725)	(43,380)	98,318	1,086	1,058,814	348,804	1,422,778
Profit for the period	-	-	-	-	-	64,532	-	64,532	(3,317)	61,215
Fair value changes during the period	-	-	-	8,846	-	-	-	8,846	-	8,846
Total recognised income and expense	-	-	-	8,846	-	64,532	-	73,378	(3,317)	70,061
Bonus shares issued	55,000	-	-	-	-	(55,000)	-	-	-	-
Extinguishment of treasury shares	(55,000)	50,549	-	-	-	4,451	-	-	-	-
Dividends declared	-	-	-	-	-	(30,000)	-	(30,000)	-	(30,000)
Transfer to zakah and charity fund	-	-	-	-	-	(2,219)	-	(2,219)	(2,23)	(2,442)
Issue of shares under incentive scheme	-	-	-	-	-	112	-	112	-	112
Purchase of treasury shares	-	(146,592)	-	-	-	(146,592)	-	(146,592)	-	(146,592)
Sale of treasury shares	-	134,309	-	-	-	(22,504)	-	111,805	-	111,805
Foreign currency translation differences	-	-	-	-	6,725	-	-	6,725	(5,082)	1,643
Acquisition of NCI without a change in control	-	-	-	-	-	431	-	431	15,160	(14,729)
Balance at 30 September 2019	975,638	(47,158)	117,301	4,121	(36,655)	58,009	1,198	1,072,454	340,182	1,412,636

* The Bank used to recognise gain / (loss) on sale of treasury shares in statutory reserve. The Bank has regrouped the losses on sale of treasury shares of US\$ 24,818 thousand for the year ended 31 December 2018 to retained earnings.

The Board of Directors approved the condensed consolidated interim financial information on 12 November 2020 and signed on its behalf by:

Jassim AlSeddiqi
Chairman

Hisham Alrayes
Chief Executive Officer & Board Member

The above Condensed Consolidated Statement of Financial Position, Income Statement, Statement of Cash Flow and the Changes in Owners' Equity have been extracted from Condensed Consolidated Financial Statements of GFH Financial Group B.S.C. for the nine months ended 30th September 2020, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 12 November 2020.

CONDENSED CONSOLIDATED INCOME STATEMENT for the nine months ended 30 September 2020 / US\$ 000's	Nine months ended		Three months ended	
	30 September 2020 (reviewed)	30 September 2019 (reviewed)	30 September 2020 (reviewed)	30 September 2019 (reviewed)
Continuing operations				
Investment banking income				
Asset management	3,765	2,007	1,038	649
Deal related income	62,015	77,012	23,778	34,923
	65,780	79,019	24,816	35,572
Commercial banking income				
Income from financing	60,908	61,416	19,641	22,654
Treasury and investment income	26,568	21,240	9,196	3,910
Fee and other income	4,878	13,526	1,672	2,781
Less: Return to investment account holders	(24,648)	(29,615)	(8,670)	(10,485)
Less: Finance expense	(22,879)	(14,143)	(9,385)	(4,355)
	44,827	52,424	12,454	14,505
Income from proprietary and co-investments				
Direct investment income, net	20,374	10,371	1,074	285
Restructuring related income	-	29,406	-	-
Dividend from co-investments	6,415	1,607	2,306	1,099
	26,789	41,384	3,380	1,384
Real estate income				
Development and sale	10,707	18,012	1,451	4,495
Rental and operating income	3,119	1,901	1,962	654
	13,826	19,913	3,413	5,149
Treasury and other income				
Finance income	66,493	18,094	31,253	8,671
Dividend and net (loss) gain on treasury investments	(19,193)	21,851	(8,260)	9,577
Other income, net	15,579	12,308	520	10,847
	62,879	52,253	23,513	29,275
Total income	214,101	244,993	67,576	85,885
Operating expenses	80,483	70,209	22,835	21,425
Finance expense	101,990	84,669	34,246	30,965
Impairment allowances	2,120	28,433	573	16,269
	183,793	183,311	57,654	68,669
Profit from continuing operations	30,308	61,682	9,922	17,226
Loss from discontinued operations, net	-	(467)	-	-
Profit for the period	30,308	61,215	9,922	17,226
Attributable to:				
Shareholders of Bank	23,167	64,532	8,113	19,835
Non-controlling interests	7,141	(3,317)	1,809	(2,609)
	30,308	61,215	9,922	17,226
Earnings per share				
Basic and diluted earnings per share (US cents)	0.69	1.91	0.24	0.60
Earnings per share - continuing operations				
Basic and diluted earnings per share (US cents)	0.69	1.93	0.24	0.60

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended 30 September 2020 / (US\$ 000's)	30 September 2020 (reviewed)	30 September 2019 (reviewed) (restated)
OPERATING ACTIVITIES		
Profit for the period	30,308	61,215
Adjustments for:		
Income from deal related income	-	(77,012)
Income from commercial banking	(25,322)	(19,926)
Income from proprietary investments	(26,789)	(11,851)
Income from dividend and gain / (loss) on treasury investments	(44,550)	(21,851)
Foreign exchange (gain) / (loss) on treasury investments	(1,275)	1,567
Restructuring related income	-	(29,406)
Finance expense	124,031	84,672
Impairment allowances	2,120	28,433
Depreciation and amortisation	3,515	16,36
	62,038	21,477
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	344,392	(123,305)
Financing assets	37,826	(107,780)
Other assets	(13,599)	(122,752)
CBB Reserve and restricted bank balance	40,827	(13,165)
Clients' funds	23,462	27,830
Placements from financial and non-financial institutions	(168,449)	(1,046,986)
Customer current accounts	(23,486)	(8,474)
Equity of investment account holders	(96,310)	74,575
Payables and accruals	(33,610)	9,045
Net cash from operating activities	173,096	804,437
INVESTING ACTIVITIES		
Payments for purchase of equipment	(329)	(556)
Proceeds from sale of proprietary investment securities, net	(39,074)	2,156
Purchase of treasury portfolio, net	(560,019)	(419,306)
Cash acquired on acquisition of a subsidiary	32,856	-
Proceeds from sale of investment in real estate	944	38,352
Dividends received from proprietary investments and co-investments	8,377	4,164
Advance paid for development of real estate	(14,977)	(16,282)
Net cash used in investing activities	(572,156)	(391,472)
FINANCING ACTIVITIES		
Financing liabilities, net	653,857	11,312
Finance expense paid	(136,913)	(67,569)
Dividends paid	(34,927)	(30,590)
Acquisition of NCI	-	(9,026)
Purchase of treasury shares, net	(14,764)	(12,283)
Net cash from / (used in) financing activities	467,253	(108,156)
Net increase in cash and cash equivalents during the period	68,193	304,809
Cash and cash equivalents at 1 January	367,523	397,620
Cash and cash equivalents at 30 September *	435,716	702,429
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	294,099	333,483
Placements with financial institutions (original maturities of 3 months or less)	141,627	368,946
	435,726	702,429

* net of expected credit loss of US\$ 167 thousand (30 September 2019: US\$ 55 thousand).