



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the nine months ended 30 September 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 September 2019 (reviewed)	31 December 2018 (audited)	30 September 2018 (reviewed)
As at 30 September 2019 / US\$ 000's			
ASSETS			
Cash and bank balances	401,873	341,567	277,044
Treasury portfolio	1,655,850	818,000	534,654
Financing assets	1,316,727	1,208,947	1,177,479
Real estate Investments	1,815,757	1,840,010	1,770,282
Proprietary investments	276,527	234,012	235,638
Co-investments	74,352	77,644	79,955
Assets held-for-sale	101,213	147,141	-
Receivables and prepayments	471,368	229,142	264,107
Property and equipment	24,584	92,902	92,537
Total	6,138,251	4,989,365	4,431,696
LIABILITIES			
Clients' funds	74,469	46,639	25,167
Placements from financial, non-financial institutions and individuals	2,675,375	1,628,389	1,119,747
Customer current accounts	169,432	177,906	160,276
Term financing	268,016	256,137	260,079
Liabilities directly associated with assets held-for-sale	39,936	42,749	-
Payables and accruals	526,902	517,857	533,960
Total	3,754,130	2,669,677	2,099,229
Equity of investment account holders	971,485	896,910	916,490
OWNERS' EQUITY			
Share capital	975,638	975,638	975,638
Treasury shares	(47,158)	(85,424)	(89,029)
Statutory reserve	117,301	117,301	105,893
Investment fair value reserve	(4,909)	(4,725)	-
Foreign currency translation reserve	(36,655)	(43,380)	(26,713)
Retained earnings	67,039	98,318	121,830
Share grant reserve	1,198	1,086	1,086
Total equity attributable to shareholders of Bank	1,072,454	1,058,814	1,088,705
Non-controlling interests	314,786	323,408	327,272
Non-controlling interests held-for-sale	25,396	40,556	-
Total owners' equity	1,412,636	1,422,778	1,415,977
Total liabilities, equity of investment account holders and owners' equity	6,138,251	4,989,365	4,431,696

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the nine months ended 30 September 2019 / (US\$ 000's)	Attributable to shareholders of the Bank								Non-controlling interests	Non-controlling interests held for sale	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*	975,638	(85,424)	117,301	(4,725)	(43,380)	98,318	1,086	1,058,814	323,408	40,556	1,422,778
Profit for the period	-	-	-	-	-	73,562	-	73,562	(3,317)	-	70,245
Fair value changes during the period	-	-	-	(184)	-	-	-	(184)	-	-	(184)
Total recognised income and expense	-	-	-	(184)	-	73,562	-	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)	(223)	-	(2,442)
Issue of shares under incentive scheme	-	-	-	-	-	-	112	112	-	-	112
Purchase of treasury shares	-	(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	(4,909)	(36,655)	67,039	1,198	1,072,454	314,786	25,396	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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (Continued) for the nine months ended 30 September 2019 / (US\$ 000's)	Attributable to shareholders of the Bank								Non-controlling interests	Total owners' equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Retained earnings	Share grant reserve	Foreign currency translation reserve	Total		
30 September 2018 (reviewed)										
Balance at 1 January 2018 (as previously reported)	975,638	3,058	(58,417)	105,893	122,825	1,026	-	1,150,023	345,770	1,495,793
Impact of adoption of FAS 30	-	-	-	-	(16,586)	-	-	(16,586)	(13,092)	(29,678)
Balance at 1 January 2018 (restated)	975,638	3,058	(58,417)	105,893	106,239	1,026	-	1,133,437	332,678	1,466,115
Profit for the period	-	-	-	-	103,438	-	-	103,438	1,222	104,660
Total recognised income and expense	-	-	-	-	103,438	-	-	103,438	1,222	104,660
Dividends declared	-	-	-	-	(82,412)	-	-	(82,412)	-	(82,412)
Transfer to zakah and charity fund	-	-	-	-	(2,432)	-	-	(2,432)	(522)	(2,954)
Derecognition on loss of control	-	-	-	-	(35)	-	-	(35)	(745)	(780)
Issue of shares under incentive scheme	-	-	-	-	62	60	-	122	49	171
Purchase of treasury shares	-	-	(72,311)	-	-	-	-	(72,311)	-	(72,311)
Sale of treasury shares	-	(3,058)	41,699	-	(3,030)	-	-	35,611	-	35,611
Foreign currency translation differences	-	-	-	-	-	-	(26,713)	(26,713)	(11,793)	(38,506)
Non-controlling interests arising on acquisition of a subsidiary	-	-	-	-	-	-	-	-	6,383	6,383
Balance at 30 September 2018	975,638	-	(89,029)	105,893	121,830	1,086	(26,713)	1,088,705	327,272	1,415,977

* 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.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (Continued) for the nine months ended 30 September 2019 / (US\$ 000's)	Attributable to shareholders of the Bank								Non-controlling interests	Total owners' equity
	Share capital	Share premium	Treasury shares	Statutory reserve	Retained earnings	Share grant reserve	Foreign currency translation reserve	Total		
30 September 2018 (reviewed)										
Balance at 1 January 2018 (as previously reported)	975,638	3,058	(58,417)	105,893	122,825	1,026	-	1,150,023	345,770	1,495,793
Impact of adoption of FAS 30	-	-	-	-	(16,586)	-	-	(16,586)	(13,092)	(29,678)
Balance at 1 January 2018 (restated)	975,638	3,058	(58,417)	105,893	106,239	1,026	-	1,133,437	332,678	1,466,115
Profit for the period	-	-	-	-	103,438	-	-	103,438	1,222	104,660
Total recognised income and expense	-	-	-	-	103,438	-	-	103,438	1,222	104,660
Dividends declared	-	-	-	-	(82,412)	-	-	(82,412)	-	(82,412)
Transfer to zakah and charity fund	-	-	-	-	(2,432)	-	-	(2,432)	(522)	(2,954)
Derecognition on loss of control	-	-	-	-	(35)	-	-	(35)	(745)	(780)
Issue of shares under incentive scheme	-	-	-	-	62	60	-	122	49	171
Purchase of treasury shares	-	-	(72,311)	-	-	-	-	(72,311)	-	(72,311)
Sale of treasury shares	-	(3,058)	41,699	-	(3,030)	-	-	35,611	-	35,611
Foreign currency translation differences	-	-	-	-	-	-	(26,713)	(26,713)	(11,793)	(38,506)
Non-controlling interests arising on acquisition of a subsidiary	-	-	-	-	-	-	-	-	6,383	6,383
Balance at 30 September 2018	975,638	-	(89,029)	105,893	121,830	1,086	(26,713)	1,088,705	327,272	1,415,977

The Board of Directors approved the condensed consolidated interim financial information on 13 November 2019 and signed on its behalf by:

Jassim AlSeddiqi
Chairman

Hisham Alrayes
Chief Executive Officer & Board Member

The above Consolidated Statement of Financial Position, Income Statement, Statement of Cash Flow and the Changes in Owners' Equity have been extracted from Consolidated Financial Statements of GFH Financial Group B.S.C. for the nine months ended 30 September 2019, which were reviewed by PwC, who have expressed an Unqualified Opinion on 13 November 2019.

CONDENSED CONSOLIDATED INCOME STATEMENT for the nine months ended 30 September 2019 / US\$ 000's	Nine months ended		Three months ended	
	30 September 2019 (reviewed)	30 September 2018 (reviewed)	30 September 2019 (reviewed)	30 September 2018 (reviewed)
Continuing operations				
Investment banking income				
Asset management	2,007	1,766	649	658
Deal related income	77,012	31,600	34,923	-
79,019	33,366	35,572	658	
Commercial banking income				
Income from financing	61,416	50,857	22,654	17,573
Treasury and investment income	21,240	16,549	3,910	5,069
Fee and other income	13,526	5,393	2,781	1,934
Less: Return to investment account holders	(29,615)	(16,782)	(10,485)	(6,015)
Less: Finance expense	(14,143)	(16,566)	(4,355)	(5,965)
52,424	39,451	14,505	12,596	
Income from proprietary and co-investments				
Direct investment income, net	10,371	17,906	285	9,719
Restructuring related income	29,406	35,300	-	-
Dividend from co-investments	1,607	721	1,099	-
41,384	53,927	1,384	9,719	
Real estate income				
Development and sale	18,012	4,912	4,495	501
Rental and operating income	1,901	2,087	654	677
19,913	6,999	5,149	1,178	
Treasury and other income				
Finance income	18,094	663	8,671	190
Dividend and net gain on treasury investments	30,881	1,270	14,351	1,270
Other income, net	12,308	69,622	10,847	45,569
61,283	71,555	33,869	47,029	
Total income	254,023	205,298	90,479	71,180
Operating expenses	70,209	70,966	21,425	28,422
Finance expense	84,669	24,836	30,965	9,428
Impairment allowances	28,433	9,455	16,269	3,756
Total expenses	183,311	105,257	68,659	41,606
Profit from continuing operations	70,712	100,041	21,820	29,574
(Loss) / profit from assets held-for-sale and discontinued operations, net	(4,467)	4,619	-	1,681
Profit for the period	70,245	104,660	21,820	31,255
Attributable to:				
Shareholders of Bank	73,562	103,438	24,429	30,937
Non-controlling interests	(3,317)	(1,222)	(2,609)	318
70,245	104,660	21,820	31,255	
Earnings per share				
Basic and diluted earnings per share (US cents)	1.99	2.91	0.58	0.87
Earnings per share - continuing operations				
Basic and diluted earnings per share (US cents)	2.01	2.81	0.58	0.84

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended 30 September 2019 / (US\$ 000's)	30 September 2019 (reviewed)	30 September 2018 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	70,245	104,660
Adjustments for:		
Income from deal related income	(77,012)	-
Income from commercial banking	(15,926)	(16,549)
Income from proprietary investments	(11,851)	(11,885)
Income from dividend and gain / (loss) on treasury investments	(30,880)	(1,270)
Foreign exchange (gain) / loss	1,567	(351)
Restructuring related income	(29,406)	(80,300)
Other income	-	(4,586)
Finance expense	84,672	41,401
Impairment allowances	28,433	9,455
Depreciation and amortisation	1,636	1,557
21,478	42,132	
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	(123,305)	(15,465)
Financing assets	(107,780)	42,298
Other assets	(122,752)	(25,508)
CBB Reserve and restricted bank balance	(13,165)	(7,972)
Clients' funds	27,830	(14,246)
Placements from financial and non-financial institutions	1,046,986	261,251
Customer current accounts	(8,474)	(29,331)
Equity of investment account holders	74,575	10,137
Payables and accruals	9,045	(8,148)
Net cash generated from operating activities	804,438	255,148