



# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2021 / US\$ 000's	30 June 2021 (reviewed)	31 December 2020 (audited)	30 June 2020 (reviewed)
<b>ASSETS</b>			
Cash and bank balances	593,229	536,502	598,969
Treasury portfolio	2,379,758	1,878,546	1,594,462
Financing assets	1,252,936	1,267,266	1,275,622
Investment in real estate	1,817,499	1,812,315	1,808,534
Proprietary investments	171,357	216,108	251,328
Co-investments	128,272	126,319	98,558
Receivables and prepayments	578,336	605,658	399,555
Property and equipment	135,741	144,149	107,743
<b>Total</b>	<b>7,057,128</b>	<b>6,586,863</b>	<b>6,134,771</b>
<b>LIABILITIES</b>			
Clients' funds	88,776	130,935	104,383
Placements from financial, non-financial institutions and individuals	2,722,879	2,418,000	2,296,788
Customer current accounts	150,462	140,756	127,694
Term financing	1,269,419	1,089,077	929,532
Payables and accruals	428,670	465,038	396,175
<b>Total</b>	<b>4,660,206</b>	<b>4,243,806</b>	<b>3,854,572</b>
<b>Equity of investment account holders</b>	<b>1,221,554</b>	<b>1,156,993</b>	<b>1,098,723</b>
<b>OWNERS' EQUITY</b>			
Share capital	1,000,638	975,638	975,638
Treasury shares	(62,234)	(63,979)	(76,801)
Statutory reserve	24,058	19,548	125,312
Investment fair value reserve	4,109	5,593	(12,906)
Foreign currency translation reserve	(50,258)	(46,947)	(48,929)
Retained earnings	17,940	22,385	(110,273)
Share grant reserve	1,093	1,093	1,198
<b>Total equity attributable to shareholders of Bank</b>	<b>935,346</b>	<b>913,331</b>	<b>853,239</b>
Non-controlling interests	240,022	272,733	328,237
<b>Total owners' equity</b>	<b>1,175,368</b>	<b>1,186,064</b>	<b>1,181,476</b>
<b>Total liabilities, equity of investment account holders and owners' equity</b>	<b>7,057,128</b>	<b>6,586,863</b>	<b>6,134,771</b>

CONDENSED CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2021 / US\$ 000's	Six months ended		Three months ended	
	30 June 2021 (reviewed)	30 June 2020 (reviewed)	30 June 2021 (reviewed)	30 June 2020 (unreviewed)
<b>Investment banking income</b>				
Asset management	1,599	2,727	794	1,889
Deal related income	33,138	38,237	16,353	24,624
	<b>34,737</b>	<b>40,964</b>	<b>17,147</b>	<b>26,513</b>
<b>Commercial banking income</b>				
Income from financing	39,784	41,268	18,126	19,173
Treasury and investment income	33,323	17,372	22,509	9,184
Fee and other income	2,257	3,206	701	1,124
Less: Return to investment account holders	(16,093)	(15,978)	(7,804)	(6,620)
Less: Finance expense	(17,558)	(13,494)	(8,991)	(5,492)
	<b>41,713</b>	<b>32,374</b>	<b>24,541</b>	<b>17,369</b>
<b>Income from proprietary and co-investments</b>				
Direct investment income, net	13,921	19,300	2,780	11,215
Dividend from co-investments	5,010	4,109	2,610	1,863
	<b>18,931</b>	<b>23,409</b>	<b>5,390</b>	<b>13,078</b>
<b>Real estate income</b>				
Development and sale	7,346	9,256	3,913	6,436
Rental and operating income	2,134	1,157	990	563
	<b>9,480</b>	<b>10,413</b>	<b>4,903</b>	<b>6,999</b>
<b>Treasury and other income</b>				
Finance income	6,405	35,240	3,208	27,695
Dividend and net gain on treasury investments	52,493	(10,933)	26,040	(21,967)
Other income, net	17,251	15,059	9,392	7,381
	<b>76,149</b>	<b>39,366</b>	<b>38,640</b>	<b>13,109</b>
<b>Total income</b>	<b>181,010</b>	<b>146,526</b>	<b>90,621</b>	<b>77,068</b>
Operating expenses	59,760	57,649	27,575	30,908
Finance expense	63,396	66,944	29,733	34,637
Impairment allowances	13,709	1,547	8,508	(2,081)
<b>Total expenses</b>	<b>136,865</b>	<b>126,140</b>	<b>65,816</b>	<b>63,464</b>
<b>Profit for the period</b>	<b>44,145</b>	<b>20,386</b>	<b>24,805</b>	<b>13,604</b>
<b>Attributable to:</b>				
Shareholders of Bank	37,044	15,054	20,922	9,972
Non-controlling interests	7,101	5,332	3,883	3,632
	<b>44,145</b>	<b>20,386</b>	<b>24,805</b>	<b>13,604</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share (US cents)	<b>1.21</b>	<b>0.45</b>	<b>0.68</b>	<b>0.30</b>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the six months ended 30 June 2021 / (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 June 2021 (reviewed)										
Balance at 1 January 2021 (as previously reported)	975,638	(63,979)	19,548	5,593	(46,947)	22,385	1,093	913,331	272,733	1,186,064
Effect of adoption of FAS 32	-	-	-	-	-	(2,096)	-	(2,096)	-	(2,096)
Balance at 1 January 2021 (restated)	975,638	(63,979)	19,548	5,593	(46,947)	20,289	1,093	911,235	272,733	1,183,968
Profit for the period	-	-	-	-	-	37,044	-	37,044	7,101	44,145
Fair value changes during the period	-	-	-	11,200	-	-	-	11,200	(6)	11,194
Transfer to income statement on disposal of sukuk	-	-	-	(12,684)	-	-	-	(12,684)	-	(12,684)
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,484)</b>	<b>-</b>	<b>37,044</b>	<b>-</b>	<b>35,560</b>	<b>7,095</b>	<b>42,655</b>
Bonus Shares issued	25,000	-	-	-	-	(25,000)	-	-	-	-
Dividends declared for 2020	-	-	-	-	-	(17,000)	-	(17,000)	-	(17,000)
Transfer to zakah and charity fund	-	-	-	-	-	(1,572)	-	(1,572)	(142)	(1,714)
Transfer to statutory reserve	-	-	4,510	-	-	(4,510)	-	-	-	-
Purchase of treasury shares	-	(26,777)	-	-	-	-	-	(26,777)	-	(26,777)
Sale of treasury shares	-	28,522	-	-	-	921	-	29,443	-	29,443
Foreign currency translation differences	-	-	-	-	(3,311)	-	-	(3,311)	(1,411)	(4,722)
Acquisition of NCI without a change in control	-	-	-	-	-	7,768	-	7,768	(38,253)	(30,485)
<b>Balance at 30 June 2021</b>	<b>1,000,638</b>	<b>(62,234)</b>	<b>24,058</b>	<b>4,109</b>	<b>(50,258)</b>	<b>17,940</b>	<b>1,093</b>	<b>935,346</b>	<b>240,022</b>	<b>1,175,368</b>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the six months ended 30 June 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 June 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	-	-	-	-	-	15,054	-	15,054	5,332	20,386
Fair value changes during the period	-	-	-	(20,643)	-	-	-	(20,643)	(267)	(20,910)
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,643)</b>	<b>-</b>	<b>15,054</b>	<b>-</b>	<b>(5,589)</b>	<b>5,065</b>	<b>(524)</b>
Additional capital contribution to subsidiary	-	-	-	-	-	(59,893)	-	(59,893)	(14,311)	(74,204)
Modification loss on financing assets	-	-	-	-	-	(14,016)	-	(14,016)	(11,279)	(25,295)
Government grant	-	-	-	-	-	3,118	-	3,118	936	4,054
Dividends declared	-	-	-	-	-	(30,000)	-	(30,000)	-	(30,000)
Transfer to zakah and charity fund	-	-	-	-	-	(1,388)	-	(1,388)	(258)	(1,646)
Purchase of treasury shares	-	(48,237)	-	-	-	-	-	(48,237)	-	(48,237)
Sale of treasury shares	-	69,907	-	-	-	(20,650)	-	49,257	-	49,257
Treasury shares acquired for share incentive scheme	-	(25,052)	-	-	-	-	-	(25,052)	-	(25,052)
Foreign currency translation differences	-	-	-	-	(19,504)	-	-	(19,504)	(3,991)	(23,495)
NCI arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	63,747	63,747
<b>Balance at 30 June 2020</b>	<b>975,638</b>	<b>(76,801)</b>	<b>125,312</b>	<b>(12,906)</b>	<b>(48,929)</b>	<b>(110,273)</b>	<b>1,198</b>	<b>853,239</b>	<b>328,237</b>	<b>1,181,476</b>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2021 / (US\$ 000's)	30 June 2021 (reviewed)	30 June 2020 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	44,145	20,386
Adjustments for:		
Income from commercial banking	(33,065)	(16,470)
Income from proprietary investments	(18,931)	(23,409)
Income from dividend and gain / (loss) on treasury investments	(85,628)	(8,623)
Foreign exchange (gain) / loss	(1,105)	(1,174)
Finance expense	80,953	80,408
Impairment allowances	13,709	1,547
Depreciation and amortisation	2,621	1,308
	<b>2,699</b>	<b>53,973</b>
Changes in:		
Placements with financial institutions (maturities of more than 3 months)	(100,995)	346,762
Financing assets	14,330	(2,845)
Other assets	44,773	31,581
CBB Reserve and restricted bank balance	(10,319)	44,145
Clients' funds	(42,159)	33,526
Placements from financial and non-financial institutions	304,879	(150,461)
Customer current accounts	9,706	(19,793)
Equity of investment account holders	64,561	(119,822)
Payables and accruals	(36,367)	(52,731)
<b>Net cash generated from operating activities</b>	<b>25,108</b>	<b>164,335</b>
<b>INVESTING ACTIVITIES</b>		
Payments for purchase of equipment	(851)	(233)
Proceeds from sale of proprietary investment securities, net	22,068	1,008
Purchase of treasury portfolio, net	(41,882)	(268,797)
Cash acquired on acquisition of a subsidiary	-	32,856
Proceeds from sale of investment in real estate	1,061	342
Dividends received from proprietary investments and co-investments	74,449	7,128
Advance paid for development of real estate	(5,081)	(12,197)
<b>Net cash used in investing activities</b>	<b>(387,236)</b>	<b>(239,893)</b>
<b>FINANCING ACTIVITIES</b>		
Financing liabilities, net	180,341	650,040
Finance expense paid	(72,767)	(82,595)
Dividends paid	(17,299)	(33,397)
Purchase of treasury shares, net	1,746	(24,124)
<b>Net cash generated from financing activities</b>	<b>92,021</b>	<b>509,924</b>
<b>Net (decrease)/ increase in cash and cash equivalents during the period</b>	<b>(44,107)</b>	<b>434,366</b>
Cash and cash equivalents at 1 January	655,455	367,533
<b>Cash and cash equivalents at 30 June</b>	<b>611,348</b>	<b>801,899</b>
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	538,438	559,020
Placements with financial institutions (less than 3 months)	72,910	242,879
	<b>611,348</b>	<b>801,899</b>

The Board of Directors approved the condensed consolidated interim financial information on 12 August 2021 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 Flows and the Changes in Owners' Equity have been extracted from Condensed Consolidated Financial Statements of GFH Financial Group B.S.C. for the six months ended 30 June 2021, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 12 August 2021".