



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the nine months ended 30 September 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2021 / US\$ 000's	30 September 2021 (reviewed)	31 December 2020 (audited)	30 September 2020 (reviewed)
	ASSETS		
Cash and bank balances	479,444	536,502	337,361
Treasury portfolio	2,726,882	1,878,546	1,767,975
Financing assets	1,275,680	1,267,266	1,234,951
Real estate Investments	1,851,407	1,812,315	1,840,586
Proprietary investments	172,148	216,108	287,898
Co-investments	135,813	126,319	103,774
Receivables and prepayments	655,455	605,658	482,435
Property and equipment	138,134	144,149	107,146
Total	7,434,963	6,586,863	6,162,126
LIABILITIES			
Clients' funds	132,610	130,935	94,320
Placements from financial, non-financial institutions and individuals	2,947,392	2,418,000	2,278,800
Customer current accounts	130,977	140,756	124,001
Term financing	1,311,877	1,089,077	933,275
Payables and accruals	485,554	465,038	400,382
Total	5,008,410	4,243,806	3,830,778
Equity of investment account holders	1,218,909	1,156,993	1,122,234
OWNERS' EQUITY			
Share capital	1,000,638	975,638	975,638
Treasury shares	(35,779)	(63,979)	(66,142)
Statutory reserve	24,058	19,548	15,039
Investment fair value reserve	(13,717)	5,593	(21,785)
Foreign currency translation reserve	(53,762)	(46,947)	(35,733)
Retained earnings	44,422	22,385	7,455
Share grant reserve	1,093	1,093	1,321
Total equity attributable to shareholders of Bank	966,953	913,331	875,793
Non-controlling interests	240,691	272,733	333,321
Total owners' equity	1,207,644	1,186,064	1,209,114
Total liabilities, equity of investment account holders and owners' equity	7,434,963	6,586,863	6,162,126

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the nine months ended 30 September 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 September 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	-	-	-	-	-	60,340	-	60,340	7,936	68,276	
Fair value changes during the period	-	-	-	2,693	-	-	-	2,693	439	3,132	
Transfer to income statement on disposal of sukuk	-	-	-	(22,003)	-	-	-	(22,003)	-	(22,003)	
Total recognised income and expense	-	-	-	(19,310)	-	60,340	-	41,030	8,375	49,405	
Bonus Shares issued for 2020	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	-	54,977	-	-	-	4,092	-	59,069	-	59,069	
Foreign currency translation differences	-	-	-	-	(6,815)	-	-	(6,815)	(2,022)	(8,837)	
Acquisition of NCI without a change in control	-	-	-	-	-	7,783	-	7,783	(38,253)	(30,470)	
Balance at 30 September 2021	1,000,638	(35,779)	24,058	(13,717)	(53,762)	44,422	1,093	966,953	240,691	1,207,644	

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	-	23,167	7,141	30,308	
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	-	-	-	(29,522)	-	23,167	-	(6,355)	7,077	722	
Additional capital contribution to subsidiary	-	-	-	-	-	(59,893)	-	(59,893)	(14,311)	(74,204)	
Modification loss on financing assets	-	-	-	-	-	(13,892)	-	(13,892)	(11,180)	(25,072)	
Government grant	-	-	-	-	-	3,686	-	3,686	1,266	4,952	
Dividends declared for 2019	-	-	-	-	-	(30,000)	-	(30,000)	-	(30,000)	
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)	(1,348)	(7,656)	
NCI arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	63,747	63,747	
Adjustment of accumulated losses	-	-	(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 INCOME STATEMENT for the nine months ended 30 September 2021 / US\$ 000's	Nine months ended		Three months ended	
	30 September 2021 (reviewed)	30 September 2020 (reviewed)	30 September 2021 (reviewed)	30 September 2020 (reviewed)
Investment banking income				
Asset management	2,354	3,765	755	1,038
Deal related income	55,786	62,015	22,648	23,778
	58,140	65,780	23,403	24,816
Commercial banking income				
Income from financing	58,842	60,908	19,058	19,641
Treasury and investment income	46,292	26,568	12,968	9,196
Fee and other income	4,021	4,878	1,765	1,672
Less: Return to investment account holders	(23,950)	(24,648)	(7,856)	(8,670)
Less: Finance expense	(26,716)	(22,879)	(9,159)	(9,385)
	58,489	44,827	16,776	12,454
Income from proprietary and co-investments				
Direct investment income, net	14,344	20,374	424	1,074
Dividend from co-investments	10,445	6,415	5,433	2,306
	24,789	26,789	5,857	3,380
Real estate income				
Development and sale	12,268	10,707	4,922	1,451
Rental and operating income	4,135	3,119	2,001	1,962
	16,403	13,826	6,923	3,413
Treasury and other income				
Finance income	9,211	19,410	2,806	6,240
Dividend and net gain/(loss) on treasury investments	80,396	27,890	27,904	16,753
Other income, net	23,179	15,579	5,928	520
	112,786	62,879	36,638	23,513
Total income	270,607	214,101	89,597	67,576
Operating expenses	86,638	80,483	26,877	22,835
Finance expense	98,252	101,190	34,856	34,246
Impairment allowances	17,441	2,120	3,733	573
Total expenses	202,331	183,793	65,466	57,654
Profit for the period	68,276	30,308	24,131	9,922
Attributable to:				
Shareholders of the Bank	60,340	23,167	23,296	8,113
Non-controlling interests	7,936	7,141	835	1,809
	68,276	30,308	24,131	9,922
Earnings per share				
Basic and diluted earnings per share (US cents)	1.78	0.69	0.69	0.24

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended 30 September 2021 / (US\$ 000's)	30 September 2021 (reviewed)	30 September 2020 (reviewed)
	OPERATING ACTIVITIES	
Profit for the period	68,276	30,308
Adjustments for:		
Income from commercial banking	(45,959)	(25,322)
Income from proprietary investments	(24,789)	(26,789)
Income from dividend and gain / (loss) on treasury investments	(129,189)	(44,550)
Foreign exchange (gain) / loss	(1,505)	(1,275)
Finance expense	124,967	124,031
Impairment allowances	17,441	2,120
Depreciation and amortisation	3,533	3,515
	12,775	62,038
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	(96,339)	344,392
Financing assets	(8,414)	37,826
Other assets	(53,684)	(13,593)
CBB Reserve and restricted bank balance	(13,342)	40,827
Clients' funds	1675	23,462
Placements from financial and non-financial institutions	529,392	(168,449)
Customer current accounts	(9,779)	(23,486)
Equity of investment account holders	61,916	(96,311)
Payables and accruals	20,516	(33,610)
Net cash generated from operating activities	444,716	173,096
INVESTING ACTIVITIES		
Payments for purchase of equipment	(1,054)	(329)
Proceeds from sale of proprietary investment securities, net	32,020	(39,074)
Purchase of treasury portfolio, net	(730,773)	(560,013)
Cash acquired on acquisition of a subsidiary	-	32,856
Proceeds from sale of investment in real estate	1,061	944
Dividends received from proprietary investments and co-investments	14,154	8,377
Advance paid for development of real estate	(6,688)	(14,917)
Net cash used in investing activities	(691,280)	(572,156)
FINANCING ACTIVITIES		
Financing liabilities, net	222,800	653,857
Finance expense paid	(116,618)	(136,913)
Dividends paid	(17,485)	(34,927)
Purchase of treasury shares, net	28,200	(14,764)
Net cash generated from financing activities	116,897	467,253
Net increase / (decrease) in cash and cash equivalents during the period	(129,667)	68,193
Cash and cash equivalents at 1 January	655,455	367,533
Cash and cash equivalents at 30 September	525,788	435,726
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	421,631	294,099
Placements with financial institutions (original maturities of 3 months or less)	104,157	141,627
	525,788	435,726

The Board of Directors approved the condensed consolidated interim financial information on 11 November 2021 and signed on its behalf by:

Jassim AlSeddiq
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 nine months ended 30 September 2021, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 11 November 2021".