



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the three months ended 31 March 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2021 / US\$ 000's	31 March 2021 (reviewed)	31 December 2020 (audited)	31 March 2020 (unreviewed)
ASSETS			
Cash and bank balances	805,917	536,502	380,199
Treasury portfolio	2,021,232	1,878,546	1,670,938
Financing assets	1,259,791	1,267,266	1,372,183
Investment in real estate	1,820,683	1,812,315	1,686,715
Proprietary investments	174,474	216,108	301,551
Co-investments	120,449	126,319	97,334
Receivables and prepayments	697,301	605,658	522,407
Property and equipment	143,223	144,149	107,020
Total	7,043,070	6,586,863	6,138,347
LIABILITIES			
Clients' funds	84,613	130,935	95,373
Placements from financial, non-financial institutions and individuals	2,589,838	2,418,000	2,360,528
Customer current accounts	159,162	140,756	142,017
Term financing	1,253,204	1,089,077	754,951
Payables and accruals	420,795	465,038	371,926
Total	4,507,612	4,243,806	3,724,795
Equity of investment account holders	1,341,312	1,156,993	1,169,464
OWNERS' EQUITY			
Share capital	975,638	975,638	975,638
Treasury shares	(65,623)	(63,979)	(90,303)
Statutory reserve	19,548	19,548	125,312
Investment fair value reserve	(7176)	5,593	(4,831)
Foreign currency translation reserve	(42,777)	(46,947)	(35,427)
Retained earnings	36,674	22,385	(4,940)
Share grant reserve	1,093	1,093	1,198
Total equity attributable to shareholders of Bank	917,377	913,331	966,647
Non-controlling interests	276,769	272,733	277,441
Total owners' equity	1,194,146	1,186,064	1,244,088
Total liabilities, equity of investment account holders and owners' equity	7,043,070	6,586,863	6,138,347

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the three months ended 31 March 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		
31 March 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	-	-	-	-	-	16,122	-	16,122	3,217	19,339
Fair value changes during the period	-	-	-	(4,479)	-	-	-	(4,479)	358	(4,121)
Transfer to income statement on disposal of sukuk	-	-	-	(8,290)	-	-	-	(8,290)	-	(8,290)
Total recognised income and expense	-	-	-	(12,769)	-	16,122	-	3,353	3,575	6,928
Transfer to zakah and charity fund (subsidiaries)	-	-	-	-	-	(338)	-	(338)	(272)	(610)
Purchase of treasury shares	-	(23,824)	-	-	-	-	-	(23,824)	-	(23,824)
Sale of treasury shares	-	22,180	-	-	-	601	-	22,781	-	22,781
Foreign currency translation differences	-	-	-	-	4,170	-	-	4,170	733	4,903
Balance at 31 March 2021	975,638	(65,623)	19,548	(7,176)	(42,777)	36,674	1,093	917,377	276,769	1,194,146

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the three months ended 31 March 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		
31 March 2020 (unreviewed)										
Balance at 1 January 2020	975,638	(73,419)	125,312	(4,831)	(29,425)	10,070	1,198	1,004,543	288,328	1,292,871
Profit for the period	-	-	-	-	-	5,082	-	5,082	1,700	6,782
Total recognised income and expense	-	-	-	-	-	5,082	-	5,082	1,700	6,782
Modification loss on financing assets	-	-	-	-	-	(14,016)	-	(14,016)	(11,279)	(25,295)
Transfer to zakah and charity fund	-	-	-	-	-	(320)	-	(320)	(258)	(578)
Issue of shares under incentive scheme	-	(25,052)	-	-	-	-	-	(25,052)	-	(25,052)
Purchase of treasury shares	-	(25,397)	-	-	-	-	-	(25,397)	-	(25,397)
Sale of treasury shares	-	33,565	-	-	-	(5,756)	-	27,809	-	27,809
Foreign currency translation differences	-	-	-	-	(6,002)	-	-	(6,002)	(1,050)	(7,052)
Balance at 31 March 2020	975,638	(90,303)	125,312	(4,831)	(35,427)	(4,940)	1,198	966,647	277,441	1,244,088

The Board of Directors approved the condensed consolidated interim financial information on 11 May 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 three months ended 31st March 2021, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 11 May 2021.

CONDENSED CONSOLIDATED INCOME STATEMENT for the three months ended 31 March 2021 / US\$ 000's	Three months ended	
	31 March 2021 (reviewed)	31 March 2020 (unreviewed)
Investment banking income		
Asset management	805	838
Deal related income	16,785	13,613
	17,590	14,451
Commercial banking income		
Income from financing	21,658	22,095
Treasury and investment income	10,814	8,188
Fee and other income	1,556	2,082
Less: Return to investment account holders	(8,289)	(9,358)
Less: Finance expense	(8,566)	(8,002)
	17,173	15,005
Income from proprietary and co-investments		
Direct investment income, net	9,852	8,085
Dividend from co-investments	3,690	2,246
	13,542	10,331
Real estate income		
Development and sale	3,434	2,820
Rental and operating income	1,144	594
	4,578	3,414
Treasury and other income		
Finance income	3,197	7,756
Dividend and net gain on treasury investments	26,453	11,034
Other income, net	7,856	7,467
	37,506	26,257
Total income	90,389	69,458
Operating expenses	32,185	26,741
Finance expense	33,665	32,307
Impairment allowances	5,200	3,628
Total expenses	71,050	62,676
Profit for the period	19,339	6,782
Attributable to:		
Shareholders of Bank	16,122	5,082
Non-controlling interests	3,217	1,700
	19,339	6,782
Earnings per share		
Basic and diluted earnings per share (US cents)	0.53	0.15

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the three months ended 31 March 2021 / (US\$ 000's)	31 March 2021 (reviewed)	31 March 2020 (unreviewed)
OPERATING ACTIVITIES		
Profit for the period	19,339	6,782
Adjustments for:		
Income from commercial banking	(10,648)	(8,188)
Income from proprietary investments	(13,542)	(7,931)
Income from dividend and gain / (loss) on treasury investments	(22,084)	(13,209)
Foreign exchange (gain) / loss	(925)	372
Finance expense	42,230	32,307
Impairment allowances	5,200	3,628
Depreciation and amortisation	1,147	654
	20,717	14,415
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	(97,237)	145,458
Financing assets	7,475	(99,406)
Other assets	(44,701)	(16,806)
CBB Reserve and restricted bank balance	(21,766)	35,587
Clients' funds	(46,322)	24,515
Placements from financial and non-financial institutions	171,838	(86,721)
Customer current accounts	18,407	(5,470)
Equity of investment account holders	184,319	(49,081)
Payables and accruals	(44,242)	(94,926)
Net cash from operating activities	148,488	(132,435)
INVESTING ACTIVITIES		
Payments for purchase of equipment	(195)	(118)
Proceeds from sale of proprietary investment securities, net	27,253	3,681
Purchase of treasury portfolio, net	(142,151)	(124,992)
Proceeds from sale of investment in real estate	200	171
Dividends received from proprietary investments and co-investments	3,758	2,288
Advance paid for development of real estate	(15,681)	(2,551)
Net cash used in investing activities	(126,816)	(121,521)
FINANCING ACTIVITIES		
Financing liabilities, net	164,128	352,033
Finance expense paid	(41,446)	(54,721)
Dividends paid	(73)	(122)
Purchase of treasury shares, net	-	(16,884)
Net cash from financing activities	122,609	280,306
Net increase in cash and cash equivalents during the period	144,281	26,350
Cash and cash equivalents at 1 January	655,455	367,533
Cash and cash equivalents at 31 March *	799,736	393,883
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	738,916	331,692
Placements with financial institutions (original maturities of 3 months or less)	60,820	62,191
	799,736	393,883

* net of expected credit loss of US\$ 55 thousand (31 March 2020: US\$ 8 thousand).