



CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2022 / US\$ 000's	30 June 2022 (reviewed)	31 December 2021 (audited)	30 June 2021 (reviewed)
ASSETS			
Cash and bank balances	674,570	722,471	593,229
Treasury portfolio	3,314,062	3,089,925	2,379,758
Financing assets	1,457,758	1,311,002	1,252,936
Investment in real estate	1,185,905	1,905,598	1,817,499
Proprietary investments	1,141,659	211,638	171,357
Co-investments	136,069	171,877	128,272
Receivables and other assets	540,197	531,488	578,336
Property and equipment	70,009	139,687	135,741
Total Assets	8,520,229	8,083,686	7,057,128
LIABILITIES			
Clients' funds	148,073	216,762	88,776
Placements from financial, non-financial institutions and individuals	3,411,900	3,052,092	2,722,879
Customer current accounts	222,574	133,046	150,462
Term financing	1,988,847	1,750,667	1,269,419
Other liabilities	457,220	404,654	428,670
Total liabilities	6,228,614	5,557,221	4,660,206
Total equity of investment account holders	1,249,544	1,358,344	1,221,554
OWNERS' EQUITY			
Share capital	1,015,638	1,000,638	1,000,638
Treasury shares	(70,283)	(48,498)	(62,234)
Statutory reserve	27,970	27,970	24,058
Investment fair value reserve	(58,839)	(28,561)	4,109
Foreign currency translation reserve	-	(70,266)	(50,258)
Retained earnings	62,629	81,811	17,940
Share grant reserve	-	-	1,093
Total equity attributable to shareholders of the Bank	977,115	963,094	935,346
Non-controlling interests	64,956	205,027	240,022
Total owners' equity	1,042,071	1,168,121	1,175,368
Total liabilities, equity of investment account holders and owners' equity	8,520,229	8,083,686	7,057,128

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the six months ended 30 June 2022 / (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	Total		
Balance at 1 January 2022	1,000,638	(48,498)	27,970	(28,561)	(70,266)	81,811	963,094	205,027	1,168,121
Profit for the period	-	-	-	-	-	42,180	42,180	3,196	45,376
Transfer on reclassification from FVTE to amortised cost	-	-	-	41,320	-	-	41,320	-	41,320
Fair value changes during the period	-	-	-	(69,084)	-	-	(69,084)	(2,335)	(71,419)
Transfer to income statement on disposal of sukuk	-	-	-	(2,514)	-	-	(2,514)	-	(2,514)
Total recognised income and expense	-	-	-	(30,278)	-	42,180	11,902	861	12,763
Bonus shares issued	15,000	-	-	-	-	(15,000)	-	-	-
Dividend declared	-	-	-	-	-	(45,000)	(45,000)	-	(45,000)
Purchase of treasury shares	-	(53,650)	-	-	-	-	(53,650)	-	(53,650)
Transfer to zakah and charity fund	-	-	-	-	-	(1,483)	(1,483)	-	(1,483)
Sale of treasury shares	-	31,865	-	-	-	121	31,986	-	31,986
Transferred to income statement on deconsolidation of subsidiaries	-	-	-	-	70,266	-	70,266	-	70,266
Adjusted on deconsolidation of subsidiaries	-	-	-	-	-	-	-	(141,295)	(141,295)
Additional NCI on acquisition of subsidiary	-	-	-	-	-	-	-	363	363
Balance at 30 June 2022	1,015,638	(70,283)	27,970	(58,839)	-	62,629	977,115	64,956	1,042,071

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			
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)
Total recognised income and expense	-	-	-	(1,484)	-	37,044	-	35,560	7,095	42,655
Bonus Shares issued	25,000	-	-	-	-	(25,000)	-	-	-	-
Dividends declared	-	-	-	-	-	(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)
Balance at 30 June 2021	1,000,638	(62,234)	24,058	4,109	(50,258)	17,940	1,093	935,346	240,022	1,175,368

The Board of Directors approved the condensed consolidated interim financial information on 10 August 2022 and signed on its behalf by:

Ghazi Faisal Ebrahim Alhajeri
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 Interim Financial Statements of GFH Financial Group B.S.C. for the six months ended 30 June 2022, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 10 August 2022".

CONDENSED CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2022 / US\$ 000's	Six months ended		Three months ended	
	30 June 2022 (reviewed)	30 June 2021 (reviewed)	30 June 2022 (reviewed)	30 June 2021 (unreviewed)
Investment banking income				
Asset management	3,584	1,599	2,595	794
Deal related income	41,514	33,138	17,824	16,353
	45,098	34,737	20,419	17,147
Commercial banking income				
Income from financing	42,975	39,784	21,747	18,126
Treasury and investment income	26,617	33,323	14,822	22,509
Fee and other income	1,960	2,257	(1,363)	701
Less: Return to investment account holders	(18,638)	(16,093)	(10,123)	(7,804)
Less: Finance expense	(16,055)	(17,558)	(7,975)	(8,991)
	36,859	41,713	17,108	24,541
Income from proprietary and co-investments				
Income from sale of real estate assets	1,932	7,346	-	3,913
Leasing and operating income	7,265	2,134	6,137	990
Direct investment income, net	3,247	13,921	757	2,780
Share of profit from equity-accounted investees	10,500	-	10,500	-
Income from co-investments	15,865	5,010	10,942	2,610
	38,809	28,411	28,336	10,293
Treasury and other income				
Finance and treasury portfolio income, net	52,104	58,898	24,168	29,248
Other income, net	9,893	17,251	1,918	9,392
	61,997	76,149	26,086	38,640
Total income	182,763	181,010	91,949	90,621
Operating expenses	59,565	59,760	25,266	27,575
Finance expense	80,691	63,396	44,910	29,733
Impairment allowances	(2,869)	13,709	(4,254)	8,508
Total expenses	137,387	136,865	65,922	65,816
Profit for the period	45,376	44,145	26,027	24,805
Attributable to:				
Shareholders of the Bank	42,180	37,044	23,062	20,922
Non-controlling interests	3,196	7,101	2,965	3,883
	45,376	44,145	26,027	24,805
Earnings per share				
Basic and diluted earnings per share (US cents)	1.22	1.21	0.67	0.68

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2022	30 June 2022 (reviewed)	30 June 2021 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	45,376	44,145
Adjustments for:		
Income from commercial banking	(26,321)	(33,065)
Income from proprietary investments	(37,282)	(18,931)
Income from dividend and gain on treasury investments	(53,024)	(85,628)
Foreign exchange gain	(1,305)	(1,105)
Finance expense	80,691	80,953
Impairment allowances	(2,869)	13,709
Depreciation and amortisation	776	2,621
	6,042	2,699
Changes in:		
Placements with financial institutions (maturities of more than 3 months)	-	(100,995)
Financing assets	(146,756)	14,330
Other assets	(19,209)	44,773
CBB Reserve and restricted bank balance	(982)	(10,319)
Clients' funds	(68,689)	(42,159)
Placements from financial and non-financial institutions	359,808	304,879
Customer current accounts	89,528	9,706
Equity of investment account holders	(108,800)	64,561
Payables and accruals	17,099	(36,367)
Net cash generated from operating activities	128,041	251,108
INVESTING ACTIVITIES		
Payments for purchase of equipment	(74)	(851)
Proceeds from sale of proprietary investment securities, net	415	23,129
Purchase of treasury portfolio, net	(269,077)	(411,882)
Cash acquired on acquisition of a subsidiary	407	-
Cash paid on acquisition of a subsidiary	(5,215)	-
Dividends received from proprietary investments and co-investments	25,528	7,449
Advance paid for development of real estate	(22,652)	(5,081)
Net cash used in investing activities	(270,668)	(387,236)
FINANCING ACTIVITIES		
Financing liabilities, net	149,146	180,341
Finance expense paid	(82,531)	(72,767)
Purchase of sukuk	(2,028)	-
Dividends paid	(853)	(17,299)
Purchase of treasury shares, net	(21,785)	1,746
Net cash generated from financing activities	41,949	92,021
Net decrease in cash and cash equivalents during the period	(100,678)	(44,107)
Cash and cash equivalents at 1 January	844,344	655,455
Cash and cash equivalents at 30 June	743,666	611,348
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	615,504	538,438
Placements with financial institutions (less than 3 months)	128,162	72,910
	743,666	611,348