



# CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2023 / US\$ 000's	30 June 2023 (reviewed)	31 December 2022 (audited)	30 June 2022 (reviewed)
<b>ASSETS</b>			
Cash and bank balances	398,578	858,239	674,570
Treasury portfolio	4,944,127	4,210,020	3,355,545
Financing assets	1,535,395	1,435,238	1,457,758
Investment in real estate	1,320,989	1,287,085	1,185,905
Proprietary investments	1,033,743	1,005,053	1,100,176
Co-investments	169,471	142,051	136,069
Receivables and other assets	726,535	589,869	540,197
Property and equipment	207,223	232,736	70,009
<b>Total Assets</b>	<b>10,336,061</b>	<b>9,760,291</b>	<b>8,520,229</b>
<b>LIABILITIES</b>			
Clients' funds	151,190	123,300	148,073
Placements from financial institutions	2,959,023	3,790,870	2,826,616
Placements from non-financial institutions and individuals	1,182,960	1,064,258	585,285
Customer current accounts	225,831	131,234	222,574
Term financing	1,975,706	1,942,198	1,988,847
Other liabilities	630,094	423,363	457,220
<b>Total liabilities</b>	<b>7,124,804</b>	<b>7,475,223</b>	<b>6,228,615</b>
<b>Equity of investment account holders</b>	<b>2,159,380</b>	<b>1,213,674</b>	<b>1,249,544</b>
<b>OWNERS' EQUITY</b>			
Share capital	1,015,637	1,015,637	1,015,637
Treasury shares	(123,293)	(105,598)	(70,283)
Statutory reserve	36,995	36,995	27,970
Investment fair value reserve	(55,527)	(53,195)	(58,839)
Retained earnings	90,860	95,831	62,629
Share grant reserve	8,530	6,930	-
<b>Total equity attributable to shareholders of the Bank</b>	<b>973,202</b>	<b>996,600</b>	<b>977,114</b>
Non-controlling interests	78,675	74,794	64,956
<b>Total owners' equity</b>	<b>1,051,877</b>	<b>1,071,394</b>	<b>1,042,070</b>
<b>Total liabilities, equity of investment account holders and owners' equity</b>	<b>10,336,061</b>	<b>9,760,291</b>	<b>8,520,229</b>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the six months ended 30 June 2023 / (US\$ 000's)	Attributable to shareholders of the Bank							Non-controlling interests (NCI)	Total owners' equity
	Share capital	Treasury shares	Statutory reserve	Investment fair value reserve	Retained earnings	Share grant reserve	Total		
Balance at 1 January 2023	1,015,637	(105,598)	36,995	(53,195)	95,831	6,930	996,600	74,794	1,071,394
Profit for the period	-	-	-	-	54,616	-	54,616	2,573	57,189
Fair value changes during the period	-	-	-	(2,332)	-	-	(2,332)	(479)	(2,811)
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,332)</b>	<b>54,616</b>	<b>-</b>	<b>52,284</b>	<b>2,094</b>	<b>54,378</b>
Long Term Incentive Plan (LTIP)	-	-	-	-	-	1,600	1,600	-	1,600
Transfer to zakah and charity fund	-	-	-	-	(1,000)	-	(1,000)	-	(1,000)
Dividends declared for 2022	-	-	-	-	(56,261)	-	(56,261)	-	(56,261)
Purchase of treasury shares	-	(47,169)	-	-	-	-	(47,169)	-	(47,169)
Sale of treasury shares	-	29,474	-	-	(2,326)	-	27,148	-	27,148
Additional NCI without a change in control	-	-	-	-	-	-	-	5,747	5,747
Loss of control	-	-	-	-	-	-	-	(3,960)	(3,960)
<b>Balance at 30 June 2023</b>	<b>1,015,637</b>	<b>(123,293)</b>	<b>36,995</b>	<b>(55,527)</b>	<b>90,860</b>	<b>8,530</b>	<b>973,202</b>	<b>78,675</b>	<b>1,051,877</b>

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 (NCI)	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	1,000,637	(48,498)	27,970	(28,561)	(70,266)	81,811	963,093	205,027	1,168,120
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)
<b>Total recognised income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,278)</b>	<b>-</b>	<b>42,180</b>	<b>11,902</b>	<b>861</b>	<b>12,763</b>
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
<b>Balance at 30 June 2022</b>	<b>1,015,637</b>	<b>(70,283)</b>	<b>27,970</b>	<b>(58,839)</b>	<b>-</b>	<b>62,629</b>	<b>977,114</b>	<b>64,956</b>	<b>1,042,070</b>

CONDENSED CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2023 / US\$ 000's	Six months ended		Three months ended	
	30 June 2023 (reviewed)	30 June 2022 (reviewed)	30 June 2023 (reviewed)	30 June 2022 (reviewed)
<b>Investment banking</b>				
Deal related income	80,890	41,514	38,726	17,824
Asset management	9,627	3,584	6,704	2,595
	<b>90,517</b>	<b>45,098</b>	<b>45,430</b>	<b>20,419</b>
<b>Commercial banking</b>				
Income from financing	53,704	42,975	26,485	21,747
Treasury and investment income	45,464	26,617	19,951	14,822
Fee and other income	14,629	1,960	9,161	(1,363)
Less: Return to investment account holders	(27,385)	(18,638)	(13,241)	(10,123)
Less: Finance expense	(45,170)	(16,055)	(26,592)	(7,975)
	<b>41,242</b>	<b>36,859</b>	<b>15,764</b>	<b>17,108</b>
<b>Treasury and Proprietary Investments</b>				
Finance and treasury portfolio income, net	121,989	49,792	64,308	24,168
Direct investment income, net	4,152	3,247	1,097	757
Income from co-investments, net	6,566	9,128	2,846	4,694
Share of profit from equity-accounted investees	17,244	10,500	10,426	10,500
Income from sale of assets	5,713	1,932	5,641	-
Leasing and operating income	8,877	7,265	4,447	6,137
Other income, net	2,340	9,893	390	1,918
Finance expenses - Repo and FI	(124,874)	(51,580)	(63,518)	(29,590)
	<b>42,007</b>	<b>40,177</b>	<b>25,637</b>	<b>18,584</b>
<b>Total income</b>	<b>173,766</b>	<b>122,134</b>	<b>86,831</b>	<b>56,111</b>
Other operating expenses	78,266	59,565	37,166	25,266
Finance expense - Term financing and others	31,359	20,062	10,598	9,072
Impairment allowances	6,952	(2,869)	6,316	(4,254)
<b>Total expenses</b>	<b>116,577</b>	<b>76,758</b>	<b>54,080</b>	<b>30,084</b>
<b>Profit for the period</b>	<b>57,189</b>	<b>45,376</b>	<b>32,751</b>	<b>26,027</b>
<b>Attributable to:</b>				
Shareholders of the Bank	54,616	42,180	30,609	23,062
Non-controlling interests	2,573	3,196	2,142	2,965
	<b>57,189</b>	<b>45,376</b>	<b>32,751</b>	<b>26,027</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share (US cents)	<b>1.55</b>	<b>1.21</b>	<b>0.86</b>	<b>0.66</b>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2023 / (US\$ 000's)	30 June 2023 (reviewed)	30 June 2022 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	57,189	45,376
Adjustments for:		
Treasury and proprietary investments	(42,007)	(40,117)
Foreign exchange loss/ (gain)	2,238	(1,305)
Finance expense	31,359	(20,062)
Impairment allowances	6,952	(2,869)
Depreciation and amortisation	4,299	776
	<b>60,030</b>	<b>(18,201)</b>
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	418,680	-
Financing assets	(106,914)	(146,756)
Receivable and other assets	(97,132)	(8,709)
CBB Reserve and restricted bank balance	(8,230)	(982)
Clients' funds	27,890	(68,689)
Customer current accounts	94,597	89,528
Placements with financial, non-financial institutions and individuals	(713,145)	359,808
Equity of investment account holders	945,706	(108,800)
Other liabilities	153,685	74,136
<b>Net cash from operating activities</b>	<b>775,167</b>	<b>171,335</b>
<b>INVESTING ACTIVITIES</b>		
Payments for purchase of equipment	(2,581)	(74)
Purchase of proprietary investment securities, net	(52,891)	415
Purchase of treasury portfolio, net	(237,445)	(269,077)
Cash acquired on acquisition of subsidiary	1,346	407
Cash paid on acquisition of subsidiary	(7,000)	(5,215)
Proceeds from sale of real estate	11,771	-
Dividends received from proprietary investments and co-investments	20,659	25,528
Payment for purchase of real estate	(12,026)	(22,652)
<b>Net cash used in investing activities</b>	<b>(278,167)</b>	<b>(270,668)</b>
<b>FINANCING ACTIVITIES</b>		
Financing liabilities, net	33,773	149,146
Purchase of GFH sukuk, net	-	(2,028)
Finance expense paid	(153,228)	(82,531)
Dividends paid	(57,861)	(44,147)
Sale/(Purchase) of treasury shares, net	(17,694)	(21,785)
<b>Net cash used in financing activities</b>	<b>(195,010)</b>	<b>(1,345)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>301,990</b>	<b>(100,678)</b>
Cash and cash equivalents at 1 January	1,041,064	844,344
<b>Cash and cash equivalents at 30 June*</b>	<b>1,343,054</b>	<b>743,666</b>
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	320,957	615,504
Placements with financial institutions (original maturities of 3 months or less)	1,022,097	128,162
	<b>1,343,054</b>	<b>743,666</b>

\* net of expected credit loss of US\$ 28 thousands (30 June 2022: US\$ 21 thousands).

The Board of Directors approved the condensed consolidated interim financial information on 10 August 2023 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 2023, which were reviewed by KPMG, who have expressed an Unqualified Opinion on 10 August 2023".