



CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2023 / US\$ 000's	31 December 2023	31 December 2022
ASSETS		
Cash and bank balances	376,884	858,239
Treasury portfolio	5135,032	4,210,020
Financing contracts	1,537,314	1,435,238
Investment in real estate	1,371,932	1,287,085
Proprietary investments	1,044,727	1,005,053
Co-investments	254,610	142,051
Receivables and other assets	787,640	589,869
Property and equipment	274,721	232,736
Assets held for sale	338,619	-
Total assets	11,121,479	9,760,291
LIABILITIES		
Clients' funds	206,222	123,300
Placements from financial institutions	2,323,217	3,790,870
Placements from non-financial institutions and individuals	960,050	1,064,258
Customer current accounts	203,697	131,234
Term financing	2,124,307	1,942,198
Other liabilities	548,056	423,363
Liabilities held for sale	230,562	-
Total liabilities	6,596,111	7,475,223
Equity of investment account holders	3,451,006	1,213,674
OWNERS' EQUITY		
Share capital	1,015,637	1,015,637
Treasury shares	(125,525)	(105,598)
Statutory reserve	47,518	36,995
Investment fair value reserve	(46,103)	(53,195)
Cash flow hedge reserve	(2,135)	-
Other reserve	(13,612)	-
Retained earnings	105,831	95,831
Share grant reserve	7,930	6,930
Total equity attributable to shareholders of Bank	989,541	996,600
Non-controlling interests	84,821	74,794
Total owners' equity	1,074,362	1,071,394
Total liabilities, equity of investment account holders and owners' equity	11,121,479	9,760,291

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2023 / US\$ 000's	2023	2022
Investment banking income		
Deal related income	182,719	86,967
Asset management	18,652	33,536
	201,371	120,503
Commercial banking income		
Income from financing	106,691	94,751
Treasury and investment income	94,254	61,021
Fee and other income	27,210	9,211
Less: Return to investment account holders	(57,183)	(38,051)
Less: Finance expense	(91,973)	(47,960)
	78,999	78,972
Treasury and Proprietary Investments		
Finance and treasury portfolio income, net	209,372	94,665
Direct investment income, net	37,142	53,559
Income from co-investments, net	10,993	24,626
Share of profit from equity-accounted investees	34,536	27,694
Income from sale of assets	7,959	13,388
Leasing and operating income	15,793	7,753
Other income, net	15,089	19,910
Finance expenses - Repo and FI	(241,727)	(143,308)
	89,157	98,287
Total income	369,527	297,762
Other operating expenses	181,373	147,947
Finance expense - Term financing and others	62,468	48,798
Impairment allowances	20,459	3,310
Total expenses	264,300	200,055
Profit for the year	105,227	97,707
Attributable to:		
Shareholders of the Bank	102,863	90,253
Non-controlling interests	2,364	7,454
	105,227	97,707
Earnings per share		
Basic and diluted earnings per share (US cents)	2.95	2.65

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 2023 / US\$ 000's	Attributable to shareholders of the Bank									Non - controlling interests (NCI)**	Total owners' equity
	Share capital	Treasury shares	Statutory reserve	Cashflow hedge reserve	Other reserve *	Investment fair value reserve	Retained earnings	Share grant reserve	Total		
Balance at 1 January 2023 (as previously reported)	1,015,637	(105,598)	36,995	-	-	(53,195)	95,831	6,930	996,600	74,794	1,071,394
Prior year adjustment	-	-	-	-	-	-	(22,753)	-	(22,753)	-	(22,753)
Balance as at 1 January 2023 (re-stated)	1,015,637	(105,598)	36,995	-	-	(53,195)	73,078	6,930	973,847	74,794	1,048,641
Profit for the year	-	-	-	-	-	-	102,863	-	102,863	2,364	105,227
Fair value changes during the year	-	-	-	(2,135)	(13,612)	7,092	-	-	(8,655)	(542)	(9,197)
Total recognised income and expense	-	-	-	(2,135)	(13,612)	7,092	102,863	-	94,208	1,822	96,030
Issue of shares under incentive scheme	-	-	-	-	-	-	-	1,000	1,000	-	1,000
Transfer to zakah and charity fund	-	-	-	-	-	-	(1,000)	-	(1,000)	-	(1,000)
Dividends declared for 2022	-	-	-	-	-	-	(56,261)	-	(56,261)	-	(56,261)
Transfer to statutory reserve	-	-	10,523	-	-	-	(10,523)	-	-	-	-
Purchase of treasury shares	-	(48,178)	-	-	-	-	-	-	(48,178)	-	(48,178)
Sale of treasury shares	-	28,251	-	-	-	-	(2,326)	-	25,925	-	25,925
Additional NCI without a change in control	-	-	-	-	-	-	-	-	-	12,165	12,165
Reduction in NCI due to loss of control	-	-	-	-	-	-	-	-	-	(3,960)	(3,960)
Balance at 31 December 2023	1,015,637	(125,525)	47,518	(2,135)	(13,612)	(46,103)	105,831	7,930	989,541	84,821	1,074,362

* Represents share of changes in reserves of equity accounted investee
** Includes non-controlling interest of US \$ 16,470 (2022: US Nil) classified under held for sale.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 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	Share grant reserve	Total			
Balance at 1 January 2022	1,000,637	(48,497)	27,970	(28,561)	(70,266)	81,811	-	963,094	205,027	-	1,168,121
Profit for the year	-	-	-	-	-	90,253	-	90,253	7,454	-	97,707
Transfer on reclassification from FVTE to amortised cost	-	-	-	41,320	-	-	-	41,320	-	-	41,320
Fair value changes during the year	-	-	-	(63,312)	-	-	-	(63,312)	(2,462)	-	(65,774)
Transfer to income statement on disposal of sukuk	-	-	-	(2,642)	-	-	-	(2,642)	-	-	(2,642)
Total recognised income and expense	-	-	-	(24,634)	-	90,253	-	65,619	4,992	-	70,611
Bonus shares issued	15,000	-	-	-	-	(15,000)	-	-	-	-	-
Dividend declared	-	-	-	-	-	(45,000)	-	(45,000)	-	-	(45,000)
Purchase of treasury shares	-	(79,141)	-	-	-	-	-	(79,141)	-	-	(79,141)
Sale of treasury shares	-	22,040	-	-	-	(5,725)	-	16,315	-	-	16,315
Transfer to zakah and charity fund	-	-	-	-	-	(1,483)	-	(1,483)	-	-	(1,483)
Transferred to income statement on deconsolidation of subsidiaries	-	-	-	-	70,266	-	-	70,266	-	-	70,266
Transfer to statutory reserve	-	-	9,025	-	-	(9,025)	-	-	-	-	-
Increased in NCI	-	-	-	-	-	-	-	-	6,492	-	6,492
Adjusted on deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	(141,717)	-	(141,717)
Issue of shares under incentive scheme	-	-	-	-	-	-	6,930	6,930	-	-	6,930
Balance at 31 December 2022	1,015,637	(105,598)	36,995	(53,195)	-	95,831	6,930	996,600	74,794	-	1,071,394

*The above Consolidated Statement of Financial Position, Income Statement, Statement of Cash Flow and the Changes in Owners' Equity have been extracted from Consolidated Financial Statements of GFH Financial Group B.S.C. for the year ended 31st December 2023, which were audited by KPMG, who have expressed an Unqualified Opinion on 13 February 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2023 / US\$ 000's	31 December 2023	31 December 2022
Operating Activities		
Profit for the year	105,227	97,707
Adjustments for:		
Treasury and proprietary investments	(89,156)	(98,287)
Foreign exchange gain	(1,199)	(4,853)
Finance expense	62,468	48,798
Impairment allowances	20,459	3,310
Depreciation and amortisation	11,244	5,841
	109,043	52,516
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	404,308	(475,696)
Financing contracts	(37,473)	(169,271)
Receivables and other assets	(174,768)	(177,000)
CBB Reserve and restricted bank balance	(6,758)	(12,676)
Clients' funds	82,922	(93,462)
Customer current accounts	72,463	(1,812)
Placements from financial institutions	(1,467,653)	1,520,053
Placements from non-financial institutions and individuals	(104,208)	290,646
Equity of investment account holders	2,237,332	(144,670)
Other liabilities	(148,170)	(113,660)
Net cash from operating activities	967,038	674,968
INVESTING ACTIVITIES		
Payments for purchase of equipment, net	(5,546)	(1,818)
(Purchase) / sale of proprietary and co-investments, net	(84,638)	30,441
Cash paid on acquisition of subsidiary, net	(5,654)	(7,112)
Cash transferred on deconsolidation of a subsidiary	(5,997)	(80,119)
Purchase of treasury portfolio, net	(196,717)	(467,860)
Profit received on treasury portfolio and other income	200,877	111,054
Proceeds from sale of investment in real estate	37,182	19,209
Dividends received from proprietary and co-investments	80,886	55,235
Payment for development of real estate asset	(12,026)	(65,809)
Net cash from / (used) in investing activities	8,367	(406,779)
FINANCING ACTIVITIES		
Term financing, net	198,820	215,998
Finance expense paid	(449,236)	(204,649)
Dividends paid	(58,400)	(44,818)
Purchase of treasury shares, net	(19,926)	(38,000)
Net cash used in financing activities	(328,742)	(71,469)
Net increase in cash and cash equivalents during the year	646,663	196,720
Cash and cash equivalents at 1 January *	1,041,064	844,344
Cash and cash equivalents at 31 December	1,687,727	1,041,064
Cash and cash equivalents comprise: *		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	300,736	787,479
Placements with financial institutions (original maturities of 3 months or less)	1,386,991	253,585
	1,687,727	1,041,064

*net of expected credit loss of US\$ 27 thousand (31 December 2022: US\$ 11 thousand)

The consolidated financial statements were approved by the Board of Directors on 13 February 2024.

Ghazi Faisal Ebrahim Al Hajeri

Chairman

Hisham Alrayes

Chief Executive Officer & Board Member