



CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st December 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2021 / US\$ 000's	31 December 2021	31 December 2020
ASSETS		
Cash and bank balances	722,471	536,502
Treasury portfolio	3,089,925	1,838,546
Financing assets	1,311,002	1,267,266
Investment in real estate	1,905,598	1,812,315
Proprietary investments	211,638	256,108
Co-investments	171,877	126,319
Receivables and prepayments	531,488	605,658
Property and equipment	139,687	144,149
Total assets	8,083,686	6,586,863
LIABILITIES		
Clients' funds	216,762	130,935
Placements from financial, non-financial institutions and individuals	3,052,092	2,418,000
Customer current accounts	133,046	140,756
Term financing	1,750,667	1,089,077
Other Liabilities	404,654	465,038
Total liabilities	5,557,221	4,243,806
Total equity of investment account holders	1,358,344	1,156,993
OWNERS' EQUITY		
Share capital	1,000,638	975,638
Treasury shares	(48,498)	(63,979)
Statutory reserve	27,970	19,548
Investment fair value reserve	(28,561)	5,593
Foreign currency translation reserve	(70,266)	(46,947)
Retained earnings	81,811	22,385
Share grant reserve	-	1,093
Total equity attributable to shareholders of Bank	963,094	913,331
Non-controlling interests	205,027	272,733
Total owners' equity	1,168,121	1,186,064
Total liabilities, equity of investment account holders and owners' equity	8,083,686	6,586,863

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 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		
Balance at 1 January 2021 (As previously reported)	975,638	(63,979)	19,548	5,592	(46,947)	22,385	1,093	913,330	272,733	1,186,063
Effect of adoption of FAS 32	-	-	-	-	-	(2,096)	-	(2,096)	-	(2,096)
Balance at 1 January 2021 (restated)	975,638	(63,979)	19,548	5,592	(46,947)	20,289	1,093	911,234	272,733	1,183,967
Profit for the year	-	-	-	-	-	84,224	-	84,224	8,393	92,617
Fair value changes during the year	-	-	-	(786)	-	-	-	(786)	62	(724)
Transfer to income statement on disposal of sukuk	-	-	-	(33,367)	-	-	-	(33,367)	-	(33,367)
Total recognised income and expense	-	-	-	(34,153)	-	84,224	-	50,071	8,455	58,526
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	-	-	8,422	-	-	(8,422)	-	-	-	-
Purchase of treasury shares	-	(45,025)	-	-	-	-	-	(45,025)	-	(45,025)
Sale of treasury shares	-	60,506	-	-	-	5,121	-	65,627	-	65,627
Foreign currency translation differences	-	-	-	-	(23,319)	-	-	(23,319)	(5,965)	(29,284)
Acquisition of NCI without a change in control	-	-	-	-	-	23,078	-	23,078	(70,054)	(46,976)
Extinguishment of Share grant reserve to retained Earning	-	-	-	-	-	1,093	(1,093)	-	-	-
Balance at 31 December 2021	1,000,638	(48,498)	27,970	(28,561)	(70,266)	81,811	-	963,094	205,027	1,168,121

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the year ended 31 December 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		
Balance at 1 January 2020	975,638	(73,419)	125,312	9,245	(29,425)	(4,005)	1,198	1,004,544	288,327	1,292,871
Profit for the year	-	-	-	-	-	45,095	-	45,095	4,248	49,343
Fair value changes during the year	-	-	-	5,036	-	-	-	5,036	412	5,448
Reclassified to income on impairment of quoted equity securities	-	-	-	12,000	-	-	-	12,000	-	12,000
Reclassified to income on disposal of sukuk	-	-	-	(20,688)	-	-	-	(20,688)	-	(20,688)
Total recognised income and expense	-	-	-	(3,652)	-	45,095	-	41,443	4,660	46,103
Additional capital contribution to subsidiary	-	-	-	-	-	(59,893)	-	(59,893)	(14,311)	(74,204)
Modification loss on financing assets	-	-	-	-	-	(13,893)	-	(13,893)	(11,179)	(25,072)
Government grant	-	-	-	-	-	3,690	-	3,690	1,267	4,957
Dividends declared for 2019	-	-	-	-	-	(30,000)	-	(30,000)	-	(30,000)
Transfer to zakah and charity fund	-	-	-	-	-	(1,388)	-	(1,388)	(258)	(1,646)
Transfer to statutory reserve	-	-	4,509	-	-	(4,509)	-	-	-	-
Purchase of treasury shares	-	(107,518)	-	-	-	-	-	(107,518)	-	(107,518)
Sale of treasury shares	-	133,483	-	-	-	(22,985)	-	110,498	-	110,498
Treasury shares acquired for share incentive scheme	-	(16,525)	-	-	-	-	(105)	(16,630)	130	(16,500)
Foreign currency translation differences	-	-	-	-	(17,522)	-	-	(17,522)	(3,084)	(20,606)
NCI arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	64,147	64,147
Distribution to NCI	-	-	-	-	-	-	-	-	(56,966)	(56,966)
Adjustment of accumulated losses against statutory reserve	-	-	(110,273)	-	-	110,273	-	-	-	-
Balance at 31 December 2020	975,638	(63,979)	19,548	5,593	(46,947)	22,385	1,093	913,331	272,733	1,186,064

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 2021, which were audited by KPMG, who have expressed an Unqualified Opinion on 9 February 2022.

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2021 / US\$ 000's	2021	2020
Investment banking income		
Asset management	8,083	4,895
Deal related income	102,304	75,736
	110,387	80,631
Commercial banking income		
Income from financing	79,333	80,400
Treasury and investment income	55,258	42,864
Fee and other income	4,630	4,582
Less: Return to investment account holders	(31,710)	(32,587)
Less: Finance expense	(35,685)	(29,946)
	71,826	65,313
Income from proprietary and co-investments		
Direct investment income, net	14,609	20,436
Dividend from co-investments	14,280	8,854
	28,889	29,290
Real estate income		
Development and sale	24,885	14,209
Rental and operating income	4,959	5,248
	29,844	19,457
Treasury and other income		
Finance income	11,400	19,395
Dividend and net gain on treasury investments	95,759	70,282
Other income, net	50,643	39,026
	157,802	128,703
Total income	398,748	323,394
Staff costs	63,231	47,072
Other operating expenses	70,299	65,186
Finance expense	137,020	134,994
Impairment allowances	35,581	26,799
Total expenses	306,131	274,051
Profit for the year	92,617	49,343
Attributable to:		
Shareholders of the Bank	84,224	45,095
Non-controlling interests	8,393	4,248
	92,617	49,343
Earnings per share		
Basic and diluted earnings per share (US cents)	2.50	1.33

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2021/ US\$ 000's	2021	2020
Operating Activities		
Profit for the year	92,617	49,343
Adjustments for:		
Income from commercial banking	(54,819)	(41,402)
Income from proprietary investments	(28,889)	(29,290)
Income from treasury and other income	(187,646)	(88,915)
Foreign exchange gain / (loss)	(2,190)	(1,329)
Finance expense	172,707	164,940
Impairment allowances	35,581	26,798
Depreciation and amortisation	4,776	6,150
	32,137	86,295
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	6,541	450,752
Financing assets	(43,736)	5,511
Other assets	(7,800)	(161,469)
CBB Reserve and restricted bank balance	(13,612)	39,623
Clients' funds	85,827	60,077
Placements from financial and non-financial institutions	634,092	(29,250)
Customer current accounts	(7,710)	(6,732)
Equity of investment account holders	201,351	(61,552)
Payables and accruals	(60,384)	(30,204)
Net cash generated from operating activities	826,706	353,051
INVESTING ACTIVITIES		
Payments for purchase of equipment	(3,604)	(674)
Proceeds from sale of proprietary, co-investment securities, net	13,391	(39,230)
Purchase of treasury portfolio, net	(1,177,088)	(621,110)
Proceeds from sale of investment in real estate	9,741	6,256
Dividends received from proprietary investments and co-investments	18,030	11,936
Advance paid for development of real estate	(6,515)	(19,751)
Net cash flows from acquisition of subsidiaries	-	26,803
Net cash used in investing activities	(1,146,045)	(635,770)
FINANCING ACTIVITIES		
Term financing, net	701,035	787,666
Purchase of GFH sukuk, net	(39,445)	-
Finance expense paid	(151,268)	(165,778)
Dividends paid	(17,575)	(37,433)
Sale (Purchase) of treasury shares, net	15,481	(13,814)
Net cash generated from financing activities	508,228	570,641
Net increase in cash and cash equivalents during the year	188,889	287,922
Cash and cash equivalents at 1 January*	655,455	367,533
Cash and cash equivalents at 31 December	844,344	655,455
Cash and cash equivalents comprise: *		
Cash and balances with banks (excluding CBB Reserve balance and restricted cash)	664,388	492,031
Placements with financial institutions (original maturities of 3 months or less)	179,956	163,424
	844,344	655,455

*Net of expected credit loss of US\$ 13 thousand (31 December 2020: US\$ 15 thousand)

The consolidated financial statements were approved by the Board of Directors on 9 February 2022.

Jassim AlSeddiqi	Ghazi Al Hajeri	Hisham Alrayes
Chairman	Vice Chairman	Chief Executive Officer & Board Member