

# GFH Financial Group

*Stable performance amongst market disruptions*

Presentation to the Investors on Q2 2022 Results

11 August 2022



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## GFH Group at a Glance

- ✓ *Executing our strategy of stable growth*
- ✓ *Deliver good results across business lines*
- ✓ *Offer best in class diverse products to investors*

### H1 2022

- **Shareholders' profit H1 2022 \$42.2m ▲ 14%**
- **Consolidated profit for the period of \$45.4m ▲ 3.0%**
- **Growth in total assets by 5.4% to \$8.5 billion**

#### Returns:

Annualized ROE for 2022 at 8.6%

#### Assets & AUM:

~USD 16.4 billion

#### Regulated by:

CBB - Bahrain  
DFSA - UAE  
CMA - KSA

#### Listed in:

Bahrain  
Kuwait  
Dubai  
Abu Dhabi

## Continue to report stable results with 10% growth in Q2 22 shareholder profits

### Q2 2022

- Shareholders' profit Q2 2022 \$23.1m ▲ 10.2%
- Consolidated profit for the quarter of \$26m ▲ 4.9%

### H1 2022

- Shareholders' profit H1 2022 \$42.2m ▲ 14%
- Consolidated profit for the period of \$45.4m ▲ 3.0%
- Annualised ROE at 8.6%

- 1 Investment banking business 2 deals placed in Q2. Gross income from investment banking of \$20.4m
- 2 Higher contribution from KHCB, adding another \$9.0m in Q2 net profit to GFH profits
- 3 Higher contribution from investment portfolio, including Infracorp profits and dividends from co-investments
- 4 Gross treasury income stable during Q2 2022. Treasury numbers were impacted by negative MTM during Q2 22
- 5 Standalone net debt to equity ratio as at 30 June 2022 was 1.34x compared to 1.02x in March 2022
- 6 Capital adequacy at 13.62%, LCR and NSFR above regulatory requirements of 100%

## Strong overall performance

	H1 2022	H1 2021	% change
Consolidated profit	45.4	44.1	3%
Shareholders profit	42.2	37.0	14%
Total income	182.8	181.0	1%
Operating expenses	59.6	59.8	(0.30)%
Finance expenses	80.7	63.4	27%

	H1 2022	H1 2021
Book value per share (\$)	0.27	0.25
Average cost of funds	5%	4.9%
Yield from liquid assets	4.0%	9.4%
Price to Book	1.2x	0.84x
Market capitalization (\$)	1,042m	860m
Assets + AUM (\$)	16.4Bn	13.28Bn

\$m

	Q2 2022	Q2 2021	% change
Consolidated profit	26	24.8	5%
Shareholders profit	23.1	20.9	10%
Total income	91.9	90.6	1%
Operating expenses	25.3	27.6	(8)%
Finance expenses	44.9	29.7	51%
EPS	1.22	1.21	1%

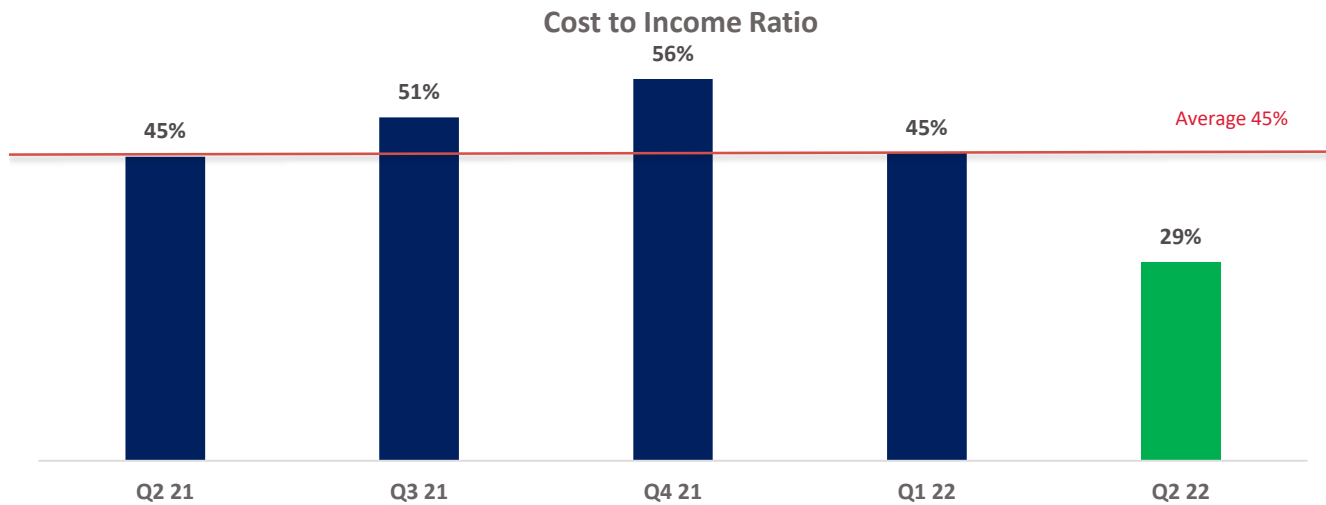
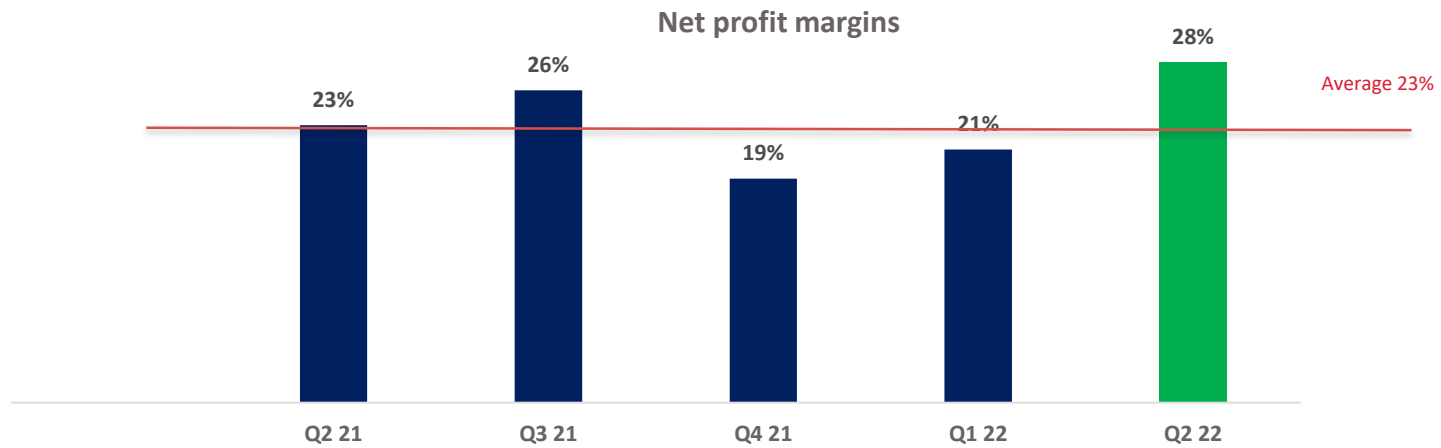
	Jun-22	Dec-21	% change
Total assets (\$ bn)	8.5	8.1	5%
Total liabilities (\$ bn)	7.5	6.9	8%
Shareholders' equity (\$ bn)	0.9	0.9	2%

## Increase in shareholders' profit by 19% compared to Q1 21

\$000s

	H1 2022	H1 2021	%	Q2 2022	Q2 2021	%
Investment banking income	45,098	34,737	30%	20,419	17,147	19%
Commercial banking income	36,859	41,713	-12%	17,108	24,541	-30%
Income from proprietary investments and co-investment	47,782	28,411	68%	34,997	10,293	240%
Treasury and other income	53,024	76,149	-30%	19,425	38,640	-50%
<b>GROSS OPERATING INCOME</b>	<b>182,763</b>	<b>181,010</b>	<b>1%</b>	<b>91,949</b>	<b>90,621</b>	<b>1%</b>
Operating expenses	59,565	59,760	0%	25,266	27,575	-8%
Finance expense	80,691	63,396	27%	44,910	29,733	51%
Impairment allowances	-2,869	13,709	-121%	-4,254	8,508	-150%
<b>TOTAL EXPENSES</b>	<b>137,387</b>	<b>136,865</b>	<b>0%</b>	<b>65,922</b>	<b>65,816</b>	<b>0%</b>
<b>CONSOLIDATED PROFIT</b>	<b>45,376</b>	<b>44,145</b>	<b>3%</b>	<b>26,027</b>	<b>24,805</b>	<b>5%</b>
NCI	3,196	7,101	-55%	2,965	3,883	-24%
<b>PROFIT TO SHAREHOLDERS</b>	<b>42,180</b>	<b>37,044</b>	<b>14%</b>	<b>23,062</b>	<b>20,922</b>	<b>10%</b>

## Improved performance ratios



1 Excluding Treasury income, Finance expenses & MTM losses

## Balance sheet snapshot

\$000s

	Jun 2022	Dec 2021	Jun 2021
<b>ASSETS</b>			
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
Proprietary investment	2,327,564	2,117,236	1,988,856
Co-Investments	136,069	171,877	128,272
Receivables & prepayments	540,197	531,488	578,336
Property and equipment	70,009	139,687	135,741
<b>TOTAL</b>	<b>8,520,229</b>	<b>8,083,686</b>	<b>7,057,128</b>
<b>LIABILITIES</b>			
Clients' funds	148,073	216,762	88,776
Placements from FI & non-FI	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
Payables and accruals	455,737	404,654	428,670
<b>Total</b>	<b>6,227,131</b>	<b>5,557,221</b>	<b>4,660,206</b>
Equity of investment account holders	1,249,544	1,358,344	1,221,554
<b>EQUITY</b>	<b>978,598</b>	<b>963,094</b>	<b>935,346</b>
Non-controlling interests	64,956	205,027	240,022
<b>TOTAL</b>	<b>8,520,229</b>	<b>8,083,686</b>	<b>7,057,128</b>



Thank You

