



CMP/MAY/2023/0012

إعلان
Announcement

Date	14/05/2023	التاريخ
Company Name	مجموعة جي إف إتش المالية ش.م.ب. GFH Financial Group B.S.C.	إسم الشركة
Trading Code	GFH	رمز التداول
Subject	نتائج البث الإلكتروني لمجموعة جي إف إتش المالية للبيانات المالية للربع الأول من العام 2023 Results of GFH Financial Group's Webcast for Q1 2023 Financial Results	الموضوع
Information	<p>بالإشارة الى الإفصاح الصادر من مجموعة جي إف إتش المالية بتاريخ 09 مايو 2023 المتعلق بدعوة المساهمين والمستثمرين لحضور البث الإلكتروني للمجموعة، يسر المجموعة أن تبلغ المساهمين والأسواق عن نجاح الندوة التي تم بثها على الانترنت يوم الأحد الموافق 14 مايو 2023 في تمام الساعة 1:00 ظهراً بتوقيت مملكة البحرين.</p> <p>مرفق لكم العرض التقديمي بالإضافة الى نص محضر الندوة.</p> <p>Further to GFH's market notification dated 09th May 2023 on the subject, GFH is pleased to inform its shareholders and the markets about the successful live webcast session which was broadcasted online on Sunday, 14th May 2023, at 1:00 p.m. Kingdom of Bahrain time.</p> <p>Attached herein is the presentation discussed during the session and the script of the live webcast.</p>	المعلومة

Name	Mariam Jowhary	مريم جوهري	الإسم
Title	Head of Compliance & AML	رئيس الإلتزام ومكافحة غسل الاموال	المسمى الوظيفي
Company Seal ختم الشركة		Signature التوقيع	

PRESENTATION TO THE INVESTORS

Q1 2023



Importance Notice and Forward-Looking Statements



Important notice

The information set out in this presentation and subsequent webcast does not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any recommendation in respect of such securities or instruments.

Forward-looking statements

This presentation and subsequent webcast may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position and business of the Group (together, “Forward-Looking Statements”). Any such Forward-Looking Statements are not a reliable indicator of future performance, as they may involve significant assumptions and subjective judgments, which may or may not prove to be correct, and there can be no assurance that any of the matters set out in Forward-Looking Statements are attainable, will actually occur or will be realized or are complete or accurate. Forward-Looking Statements are statements about the future and are inherently uncertain and generally based on stated or implied assumptions. The assumptions may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any Forward-Looking Statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market conditions or regulatory changes). Any such Forward-Looking Statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update them if circumstances or management’s beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any Forward-Looking Statements.

A regional leader in financial services, GFH is expanding globally

GFH is a well renowned financial group in the GCC region, with a diversified offering and pioneering track record. Headquartered in Bahrain, GFH's innovative approach to Islamic investment banking services has been recognized internationally for over a decade. GFH has developed a strong and consistent ability to identify, successfully bring to market and capitalize on a wide range of solid investment opportunities in some of the world's most dynamic markets and sectors. This approach signifies the Group's investment insights and commitment to increase the value of its assets, and financial returns to its investors and shareholders.

Since the Group's inception in 1999, GFH has raised over US\$18 bn assets and funds under management from its strong client base in four main activity areas:

- **Investment Management**
- **Commercial Banking**
- **Treasury & Proprietary Investments**

GFH is listed on four stock exchanges in the GCC, including the Bahrain Bourse, Boursa Kuwait, Abu Dhabi Securities Exchange (ADX) and Dubai Financial Market (DFM) where it is one of the most liquid and actively traded stocks. GFH's operations are principally focused across the GCC, North Africa and India, along with strategic investments in the U.S., Europe and U.K.

Established

In 1999 as an Islamic
Wholesale Bank

Regulated by

CBB - Bahrain
DFSA - UAE
CMA - KSA

Assets & AuM

USD 18 billion

Credit Rating

Fitch Ratings "B"
Standard & Poor's "B"
Capital Intelligence "BB-"

Key performance highlights – Q1 2023



	Consolidated profits	Shareholder profits	Total income	Operating expenses	Finance expenses	EPS	Assets	Liabilities	Equity	Key ratios
Q1 2023	\$24.4m	\$24.0m	\$86.4m	\$41.7m	\$20.8m	\$0.72	\$10.4bn	\$9.3bn	\$1.06bn	
	26.4%	25.7%	30.9%	16.8%	89.1%	35.2%	6.1%	7.0%	(1.5%)	Annualised ROE: 9.8%
Q1 2022	\$19.3m	\$19.1m	\$66.0m	\$35.7m	\$11.0m	\$0.54	\$9.8bn	\$8.7bn	\$1.07bn	Annualised ROA: 1%

Key messages

- Group continues to report solid results amongst uncertain market conditions
- Continuous fund inflows reflecting depositor confidence
- Diversified business model ensures performance targets met

BVPS: \$0.26

P/B: 1.01x

P/E: 11.3x

Net D/E: 1.16x

LCR: 179%

NSFR: 101%

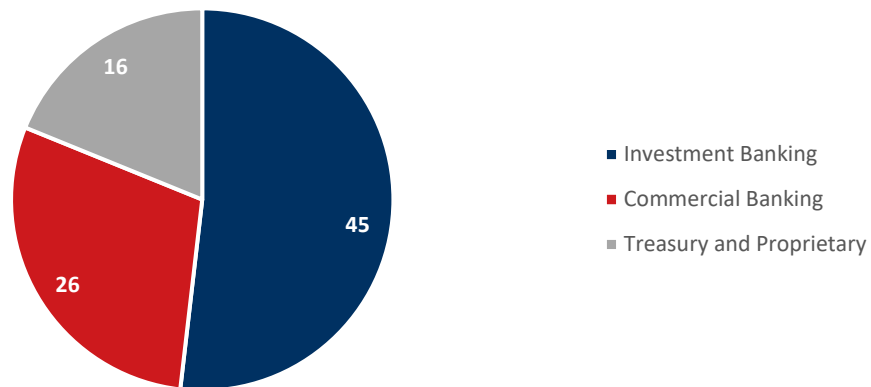
Operating performance



\$m

Income Streams	Q1 23	Q1 22	Change %
Investment Banking	45	25	83%
Commercial Banking	26	20	29%
Treasury and Proprietary	16	22	-24%
Total	87	66	32%

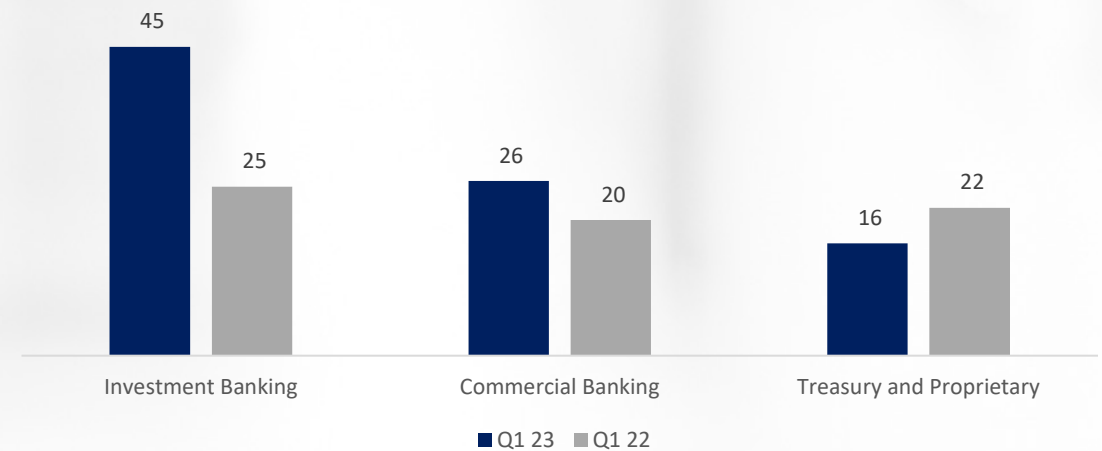
Income streams - contribution



Key highlights

- Group income up 31.7% and profitability increases by 26.3%.
- Growth across core investment banking, treasury, and commercial banking business lines.
- Focus on regional investments in healthcare and defensive sectors.
- Treasury performance commendable despite rising rate environment

Comparative performance

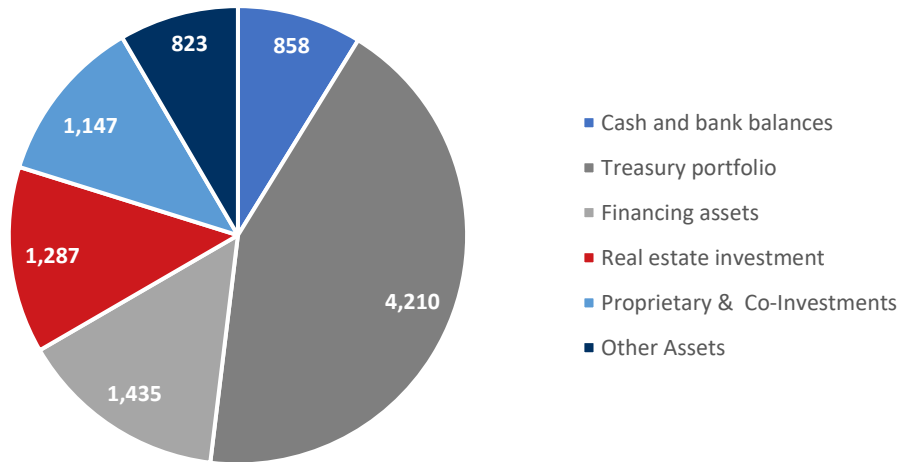


Asset mix



Assets	\$m	
	Q1 23	YE-22
Cash and bank balances	753	858
Treasury portfolio	4,788	4,210
Financing assets	1,507	1,435
Real estate investment	1,297	1,287
Proprietary & Co-Investments	1,179	1,147
Other Assets	878	823
Total Assets	10,402	9,760

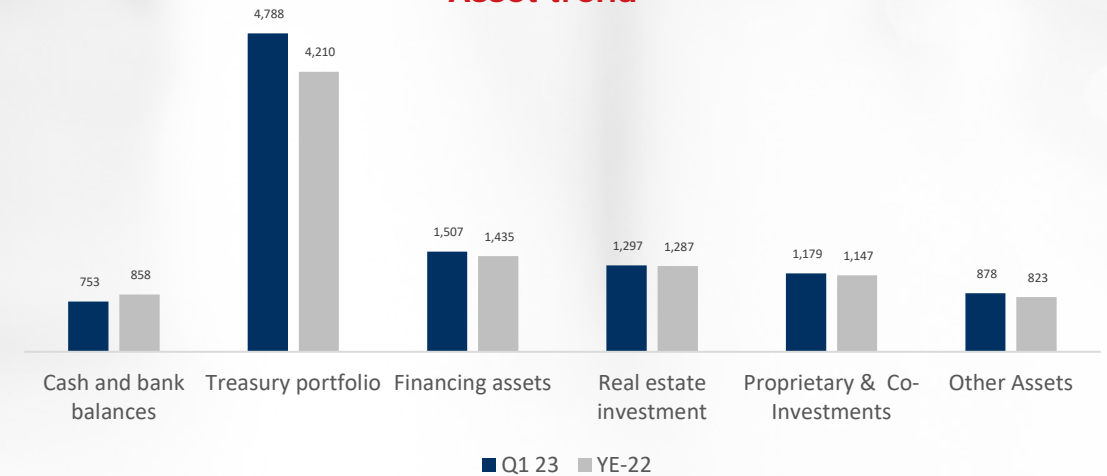
Asset Mix



Key highlights

- Total assets of the Group increased by 6.6% to US\$10.40 billion compared with US\$9.76 billion at 31 December 2022.
- Growth primarily in the treasury portfolio of the Group comprising of fixed income portfolio, placements with financial institutions and equity portfolio

Asset trend

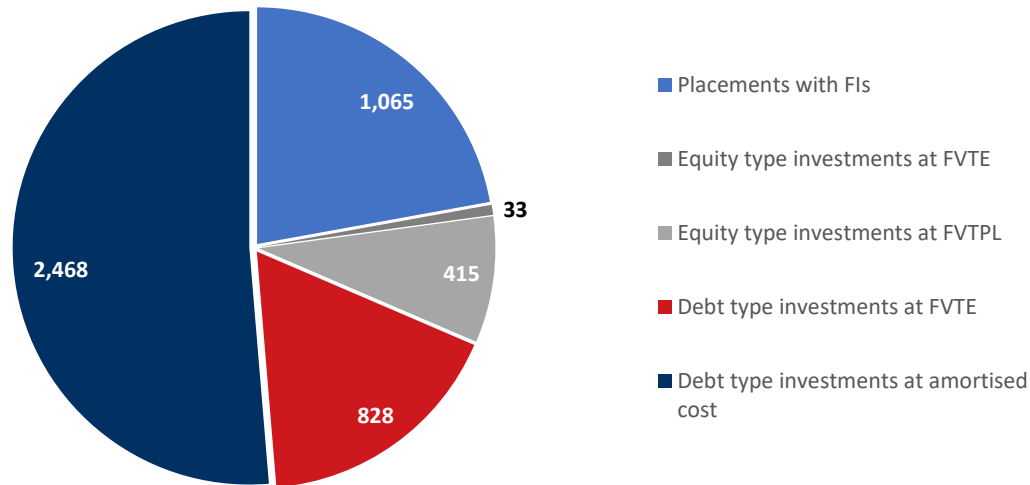


Composition of Treasury portfolio



Treasury Portfolio	Q1 23	YE-22
Placements with FIs	1,065	729
Equity type investments at FVTE	33	33
Equity type investments at FVTPL	415	375
Debt type investments at FVTE	828	846
Debt type investments at amortised cost	2,468	2,244
Less: Impairment allowance	(21)	(17)
Total	4,788	4,210

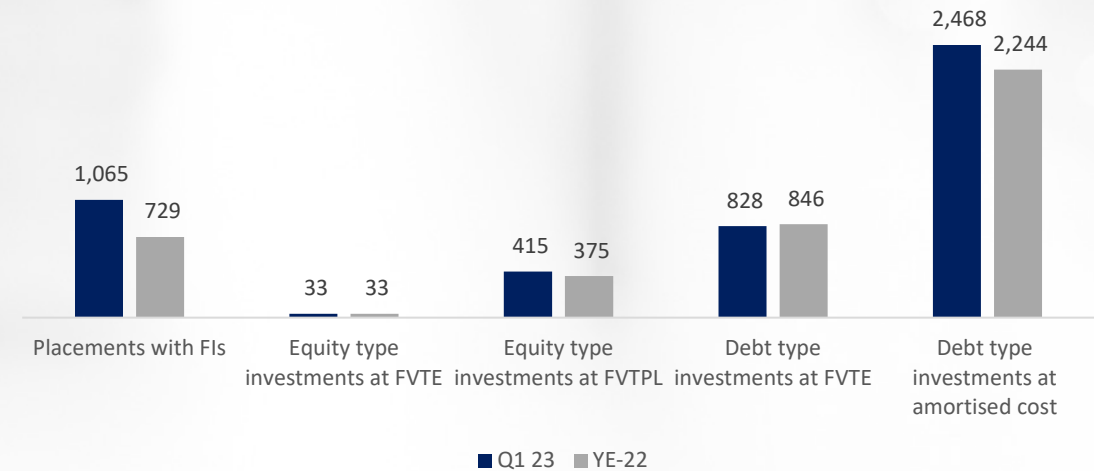
Treasury Portfolio Mix



Key highlights

- Treasury portfolio of the Group increased by 13.5% to US\$4.8 billion compared with US\$4.2 billion at 31 December 2022.
- The key achievement for Treasury business during the first quarter has been the ability to rebalance its portfolio and achieve good results from the portfolio despite challenging and uncertain market conditions.

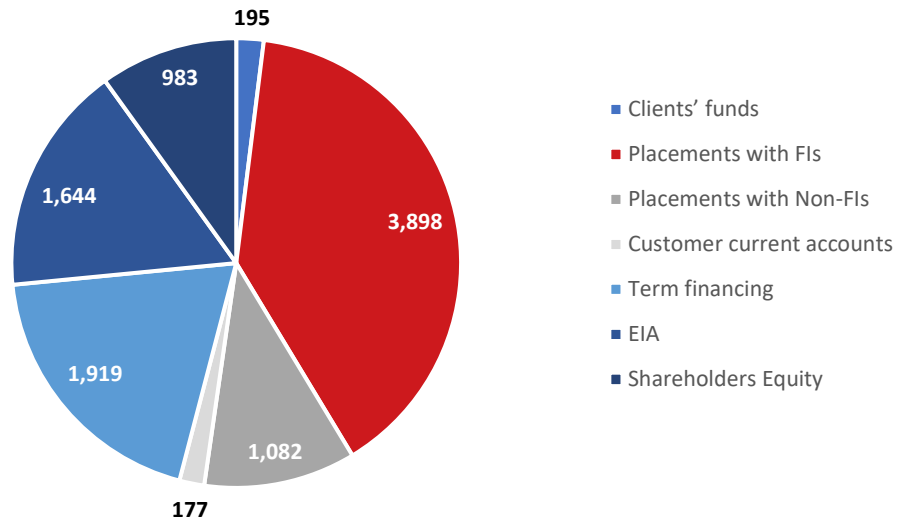
Treasury Portfolio Trend



Funding mix

Funded By	\$m	
	Q1 23	YE-22
Clients' funds	195	123
Placements with FIs	3,898	3,791
Placements with Non-FIs	1,082	1,064
Customer current accounts	177	131
Term financing	1,919	1,942
EIA	1,644	1,214
Shareholders Equity	983	997

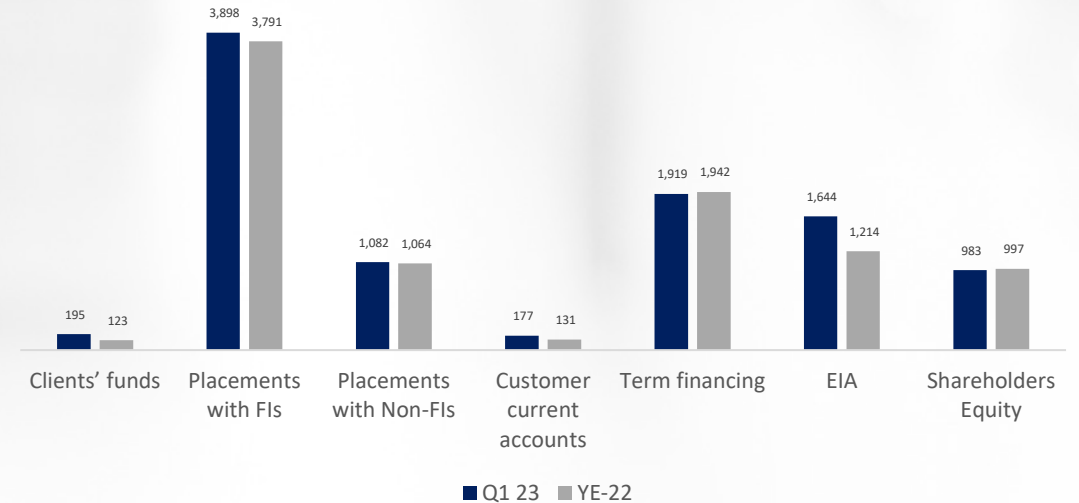
Funding Mix



Key highlights

- The increase in the funds raised is a testament to the depositor's confidence in the Group.
- The funding profile increased by 6.9% from US\$8.7 billion in December 2022 to US\$9.3 billion at 31 March 2023.
- The marginal drop in the shareholders' equity despite profits for the quarter is primarily due to the approval of dividends for 2022 by the shareholders.

Funding Mix Trend



Balance sheet at 31 March 2023



	(USD '000s)	
	March-23	December-22
Assets		
Cash and bank balances	752,515	858,239
Treasury portfolio	4,787,937	4,210,020
Financing assets	1,506,597	1,435,238
Real estate investment	1,296,531	1,287,086
Proprietary investment	1,020,915	1,005,053
Co-Investments	157,847	142,051
Receivables & prepayments	670,387	589,869
Property and equipment	208,138	232,735
Total	10,400,867	9,760,291
Liabilities		
Clients' funds	195,078	123,300
Placements from FI	3,898,395	3,790,870
Placements from non-FI	1,081,942	1,064,258
Customer current accounts	176,676	131,234
Term financing	1,919,213	1,942,198
Payables and accruals	428,037	423,363
Total	7,699,341	7,475,223
Equity of investment account holders	1,643,847	1,213,674
Equity	1,057,679	1,071,394
Total	10,400,867	9,760,291



Capital Adequacy: 14.39%

NSFR: 101%

LCR: 179%

BVPS: \$0.26

Net D/E ratio: 1.16x

Income statement for Q1 2023



	(USD '000s)		
	March-23	March-21	% change
Investment banking	45,087	24,679	83%
Commercial banking income	25,478	19,751	29%
Treasury and proprietary investments	16,370	21,593	-24%
Total income	86,935	66,023	32%
Operating expenses	41,100	34,299	20%
Finance expense	20,761	10,990	89%
Impairment allowances	636	1,385	-54%
Total Expenses	62,497	46,674	34%
Consolidated Profit	24,438	19,349	26%
NCI	431	231	
Profit To Shareholders	24,007	19,118	26%



ROAE: 9.8%

ROAA: 1%

P/B: 1.01x

P/E: 11.3x

**Cost to income:
71%**

ESG initiatives



- *Responsible Finance*
- *Sustainable Performance*
- *Environmental Management*
- *Community Engagement*
- *Social Responsibility*
- *Sustainable Procurement*

Bahrain stimulates growth by enhancing productivity and skills

Bahraini nationals and residents enjoy a sustainable and attractive living environment

A high standard of social assistance gives all Bahrainis an equal start

- *Diversity and Inclusion*
- *Health, Safety and Wellbeing*
- *Talent Attraction and Management*

A predictable, transparent, and fairly enforced regulatory system facilitates economic growth.

All Bahraini nationals and residents have access to quality healthcare

Bahrain stimulates growth by enhancing productivity and skills

- *Governance, Business Ethics and Compliance*
- *Data Privacy*
- *Risk Management*
- *Customer Experience and Relations*
- *Digitalization and Innovation*

A predictable, transparent, and fairly enforced regulatory system facilitates economic growth

Bahrain stimulates growth by enhancing productivity and skills

A world-class infrastructure links Bahrain to the global economy



ESG initiatives

Responsible Finance

We are committed to creating sustainable wealth for our investors by diversifying our portfolio of investments, contributing to the Bahrain Economic Vision 2030. GFH commits to incorporating ESG issues into investment analysis and decision-making processes. GFH's Business Units are responsible for taking ESG forward and ensuring its implementation across the investment portfolio where possible and practical. The Business Units shall report regular progress updates regarding the implementation of this Policy to the ESG Committee. Business Units shall analyse and set a dialogue on ESG objectives and risks before making a decision, whilst taking into account return on investments.

Sustainable Performance

We pursue a diversified asset allocation strategy to adapt to the multitude of challenges in an ever-changing macro environment whilst working closely with our stakeholders to realistically meet expectations. We developed a strong and consistent ability to identify, successfully bring to market and capitalize on a wide range of solid investment opportunities in some of the world's most dynamic markets and sectors. This approach signifies the Group's investment insights and commitment to increase the value of its assets, and continue to achieve a solid financial performance that reflects to its investors and shareholders.



ESG initiatives



Environmental Management

We believe that tackling environmental issues, such as climate change, environmental degradation and pollution should be part of every responsible business' agenda. GFH aspires to act in a manner that minimises the detrimental environmental impacts of its operations. We also take into account the environmental impact of our investments and financing activities, including greenhouse gas emissions, waste management, and resource use, as well as to prioritize investment opportunities in renewable energy, low-carbon transportation, and other sustainable infrastructure projects that contribute to the reduction of greenhouse gas emissions. We will engage with our clients to encourage sustainable business practices and promote the transition to a low-carbon economy.

In-Office Recycling Program:

GFH has partnered with a recycling company to arrange for recycling stations across all office floors to support responsible disposal of paper, plastic and general waste.

Elimination of Single-Use Water Bottles:

As part of our commitment to protecting the environment and focusing more on eco-friendly workplace, an internal campaign was launched where all staff has been provided with high-quality stainless steel recycled water bottles in efforts to eliminate single-use plastic bottle consumption in the office. As part of our investment approach and its indirect impacts, we consider helping minimise the footprint of our investee companies as part of our overall responsibility. Thus, we encourage our investees to manage their environmental impacts in a systematic manner and pursue measures that continuously improve their respective environmental performances. Examples of some of the best practices adopted by GFH investee companies.



ESG initiatives

Energy Management

To reduce climate impacts and increase operational efficiency, we regard energy management as crucial. We strive to reduce our environmental footprint due to energy consumption by combating energy waste by raising awareness, investing in energy efficiency measures, and continuously tracking our performance. Our efforts in this regard helped us reduce our energy intensity approximately by 14% from 2021 to 2022.

Sustainable Procurement

Through the approved supplier procurement methodology, measures are being taken to reduce the amount of packaging consumed by the company. This includes but is not limited to, the reduction in consumption of plastic bottles, the distribution of company issued refillable water bottles as well as the use of non-plastic eating utensils. We stand up for basic human rights and refrain from engaging in business ventures that violate such rights. When possible, we choose to cooperate with local suppliers to help community development and lessen negative environmental effects. In 2022 the spending on local suppliers increased 35% compared to 2021.



Awards and accolades

Best Private Bank
Best Investment Management Firm
MEA Finance

Best Investment Bank (Middle East)
International Business Magazine

Most Innovative Diversified Investment Portfolio
Global Business Outlook
Best Investment Bank

Investment Banking Market Leader
Euromoney International

*Top 30 Asset Management
Companies in ME*
Forbes

Best Investments Management
Best Real Estate Investment Firm
MEA Finance

Bahrain's Best Investment Bank
International Banker

Best Islamic Investment Bank
Global Islamic Finance (GIFA)

THANK YOU

Our latest financial statements and other regulatory reports can
now be accessed on our website [gfh.com](https://www.gfh.com)



الحضور من مجموعة جي إف إتش المالية:

السيد سوريانارايانان هاريهاران - رئيس الشؤون المالية

حضرات سادة الحضور، مساء الخير ونرحب بكم في عرض التقديمي لنتائج مجموعة جي إف إتش المالية للربع الأول من عام 2023. اسمي سوريا هاريهاران واليوم انضم إليّ زملائي من فريق الإدارة العليا في هذه المكالمة.

يسعدنا أن نعلن عن ربع آخر من الأداء والنتائج المتحسنة بما في ذلك النمو المستمر في دخل المجموعة وربحيته. ضد سوق أقل يقيناً والتقلبات المستمرة عبر الأسواق العالمية، يضمن تنوع خطوط أعمالنا وخبرات فرقنا أننا نعمل بشكل جيد في مثل هذه الفترات الاقتصادية.

اسمحوا لي أولاً أن أقدم لكم الإنجازات الرئيسية التي حققتها المجموعة خلال الربع الأول من عام 2023:

- ربح صافي عائد للمساهمين 24.01 مليون دولار أمريكي، بزيادة قدرها 25.6%.
- صافي الربح الموحد للربع الأول 24.44 مليون دولار أمريكي، بزيادة قدرها 26.4%.
- ارتفاع إجمالي الدخل للربع الأول بنسبة 31.7% إلى 86.93 مليون دولار أمريكي.
- ارتفاع إجمالي أصول المجموعة بنسبة 6.5% إلى 10.40 مليار دولار أمريكي.
- زيادة المصاريف التشغيلية بنسبة 20% خلال الفترة لتصل إلى 41.1 مليون دولار أمريكي.
- زيادة مصروفات التمويل تماشياً مع بيئة ارتفاع الأسعار إلى 20.8 مليون دولار أمريكي خلال الربع الأول من عام 2023 من 11 مليون دولار أمريكي في الربع الأول من عام 2022.
- بلغت نسبة كفاية رأس المال 14.39%.
- ارتفع إجمالي الأصول والأصول المدارة إلى 18 مليار دولار أمريكي

انعكست قوتنا عبر القطاعات، بما في ذلك الخدمات المصرفية الاستثمارية، والخدمات المصرفية التجارية، والخزينة والاستثمارات المملوكة.

كانت الملامح البارزة لمساهمة كل من خطوط الأعمال على النحو التالي:-

الخدمات المصرفية الاستثمارية - ساهمت الخدمات المصرفية الاستثمارية، التي لا تزال تشكل خط أعمالنا الأساسي، بما يقرب من نصف إجمالي دخل المجموعة لهذه الفترة. نجح جي إف إتش في طرح صفقة أسهم خاصة خلال هذه الفترة. ارتفع دخل الخدمات المصرفية الاستثمارية بأكثر من 80% خلال الربع الأول من عام 2023. استمرت محافظتنا الاستثمارية المتنوعة، التي تمتد عبر دول مجلس التعاون الخليجي والمملكة المتحدة وأوروبا والولايات المتحدة، في الأداء القوي، مع استراتيجيتنا لاستهداف القطاعات الدفاعية المقاومة للركود مرة أخرى التي تثبت فعاليتها في خلق قيمة للمستثمرين والمساهمين في مواجهة الطرق المعاكسة الكبيرة. لقد قمنا أيضاً ببناء مجموعة قوية من الصفقات المثيرة لبقية العام.

الخدمات المصرفية التجارية - حققنا نمواً في المساهمة من البنك الخدمات المصرفية التجارية التابعة لنا، المصرف الخليجي التجاري، والتي سجلت صافي ربح قدره 3.75 مليون دينار بحريني في الربع الأول. ساهمت حصتنا في المصرف الخليجي التجاري في تعزيز تنوع نتائجنا. ساهم إجمالي دخل البنك بنسبة 29% من إجمالي دخل المجموعة. وشهد الدخل من المصرف الخليجي التجاري نمواً بنسبة 28% خلال الفترة الحالية مقارنة بالفترة المماثلة من عام 2022.

استثمارات الخزينة والمملوكة - انخفضت مساهمة الخزينة والاستثمارات الخاصة المملوكة خلال الربع الأول من عام 2023 مقارنة بالربع الأول من عام 2022 بنسبة 24%. ساهم خط هذا الأعمال بنسبة 20% من إجمالي دخل المجموعة. تستمر جميع استثماراتنا في هذه المحفظة في الأداء بما يتماشى مع استراتيجيتنا. ومع ذلك، فقد أثر ارتفاع تكاليف التمويل، تماشياً مع بيئة الأسعار المتزايدة، على صافي انتشار أداء الخزينة. وسوف نواصل مراقبة الأسواق وبالتالي تقييم استراتيجيتنا المتعلقة بخط هذا العمل.

بلغ إجمالي أصول المجموعة 10.4 مليار دولار أمريكي في نهاية الربع الأول من عام 2023، مقارنة بـ 9.8 مليار دولار أمريكي في 31 ديسمبر 2022 ، بزيادة قدرها 6%. تعود هذه الزيادة إلى الإلتفاح في محفظة الخزينة للمجموعة يتماشى مع الإيداعات التي رفعتها المجموعة. إرتفعت مطلوبات المجموعة من 7.5 مليار دولار أمريكي في نهاية عام 2022 إلى 7.7 مليار دولار أمريكي في 31 مارس 2023. وقد تم نشر المطلوبات التي تم جمعها من خلال صناديق أسواق المال بشكل فعال في محفظة الأصول السائلة للبنك.

انخفض إجمالي حقوق الملكية المنسوبة إلى المساهمين من 997 مليون دولار أمريكي في 31 ديسمبر 2022 إلى 982.7 مليون دولار أمريكي في نهاية الربع الأول من عام 2023. وكانت الحركة الأساسية في حقوق المساهمين هي ربحية الفترة الحالية وتوزيعات الأرباح التي وافق عليها المساهمون لعام 2022 والتغييرات في أسهم الخزينة.

يترجم أدائنا إلى عائد سنوي على حقوق الملكية بنسبة 9.8% وعائد على الأصول بنسبة 1%. وبالانتقال إلى النسب التنظيمية ، بلغت نسبة كفاية رأس المال 14.39%، ونسبة تغطية السيولة 179% ، ونسبة صافي التمويل المستقر 101%. جميع النسب التنظيمية لدينا أعلى من الحدود المنصوص عليها.

لقد دخلنا عام 2023 من موقع قوة واستمرينا في إظهار استراتيجيتنا التي تؤدي أداءً جيدًا عبر الدورة. لقد تمكنا من القيام باستثمارات رئيسية خلال عام 2023 ونجحت في تخصيص أموال لمنصة الرعاية الصحية الإقليمية الخاصة بنا ، Healian ، مع المستثمرين خلال هذه الفترة. تمكن البنك المصرفي التجاري التابع لنا من التكيف بنجاح مع معدلات الفائدة المرتفعة خلال الفترة وحقق نموًا جيدًا. وبالمثل، أعادت أعمال الخزينة لدينا موازنة محفظتها وحقق أداءً جيدًا خلال الربع الأول. نحن نهدف إلى زيادة بناء محفظتنا من الأصول المدرة للدخل في دول مجلس التعاون الخليجي ، حيث من المتوقع أن يستمر النمو الاقتصادي في الفترات القادمة.

بعد دخولنا العام بزخم جيد ، نتطلع إلى البناء على هذه النتائج وتحقيق قيمة أكبر لمستثمريننا ومساهمينا في الفترات القادمة.

وفي الختام، أود أن أشركم على وقتكم ويسرني الآن أفتح المجال لأي أسئلة قد تكون لديكم.

فقرة الأسئلة والأجوبة:

س1 - شكرًا جزيلاً لكم على هذا النمو الرائع في نتيجة الربع الأول ، سؤالي هو ما إذا كان بإمكاننا تحقيق نتيجة مكونة من ثلاثة أرقام هذا العام اعتمادًا على هذا النمو؟

ج1 - لسنا قادرين على تقديم توقعات مستقبلية ، ومع ذلك ، فإننا سنسعى جاهدين لتحقيق نتائج أفضل لجميع المساهمين.

س2 - هل يمكنك أن تعطينا أدلة عن عمليات الاستحواذ المستقبلية لهذا العام؟

ج2- ندرس حاليًا العديد من الفرص وسنبذل السوق بمجرد اقتربنا من إتمام الصفقة

س3- ما هو سبب انخفاض إجمالي حقوق الملكية المنسوبة إلى مالكي الشركة الأم بمقدار 4%؟

ج3- السبب الرئيسي للانخفاض هو توزيعات الأرباح التي وافق عليها المساهمون في الربع الأول من عام 2023



GFH Financial Group Reports Results for the first quarter of 2023

Attendees from GFH Financial Group:

Mr. Surya Hariharan, Chief Financial Officer

A very good afternoon and warm welcome to GFH Financial Group's results presentation for the first quarter of 2023. My name is Surya Hariharan and today I am joined by my colleagues from the senior management team on the call.

We are pleased to announce another quarter of enhanced performance and results including continued growth in the Group's income and profitability. Against a less certain market and ongoing volatility across global markets, the diversity of our business lines and the expertise of our teams ensured that we are working well in such economic cycles.

Let me provide you with the key milestones achieved by the Group for the first quarter of 2023 –

- Net profit attributable to shareholders of US\$24 million up by 25.6%.
- Consolidated net profit for the period of US\$24.4 million, an increase of 26.4%.
- Rise in total income for the period by 31.7% to US\$86.9 million.
- Growth in total assets by 6.5% to US\$10.4 billion
- Increase in operating expenses by 20% during the period to US\$41.1 million
- Increase in finance expenses in line with the rising rate environment to US\$ 20.8 million during Q1 of 2023 from US\$ 11 million in Q1 of 2022
- Capital adequacy ratio of 14.39%
- Total assets and assets under management increased to US\$18 billion

Our strength was reflected across verticals, including our investment banking, commercial banking, and treasury and proprietary business lines.

Highlights of the contribution by each of the business lines were as follows –

Investment Banking – Investment banking, which remains our core business line, contributed roughly half of the total income of the Group for the period. GFH was successful in placing a private equity deal during this period. Investment banking income grew by more than 80% during the first quarter of 2023. Our diverse investment portfolio, which spans the GCC, UK, Europe and the US, continued to perform robustly, with our strategy of targeting defensive, recession-proof sectors once again proving its effectiveness in creating value for investors and shareholders in the face of significant headwinds. We have also built a strong pipeline of exciting deals for the rest of the year.

Commercial Banking – We realised growth in contribution from our commercial banking subsidiary, Khaleeji Commercial Bank, which recorded a net profit of BD3.75 million for the quarter. Our stake in KHCB, has enhanced our diversity of results. KHCB's gross income contributed 29% of the total income of the Group. The income from KHCB witnessed a 28% growth during the current period compared to similar period of 2022.

Treasury and Proprietary investments – Contribution from Treasury and proprietary investments dropped during the first quarter of 2023 compared to first quarter of 2022 by 24%. This business line contributed 20% of the total income of the Group. All our investments within this portfolio continue to perform in line with our strategy. However, the rising finance costs, in line with the growing rate



environment has impacted the net spread of the treasury performance. We continue to monitor the markets closely and accordingly evaluate our strategy relating to this business line.

The Group's total assets at end of first quarter of 2023 stood at US\$10.4 billion, compared with US\$9.8 billion on 31 December 2022, an increase of 6%. The primary increase is due to the increase in the treasury portfolio of the Group which has grown in line with the placements raised by the Group. The Group's liabilities grew from US\$7.5 billion as at 2022 year end to US\$7.7 billion at 31 March 2023. The liabilities raised through money market funds have been actively deployed in the liquid asset portfolio of the Bank.

Total equity attributable to shareholders dropped from US\$997 million at 31 December 2022 to US\$ 982.7 million at end of first quarter of 2023. The primary movement in shareholders' equity was the current period' profitability, dividends approved by the shareholders for 2022 and changes in treasury shares.

Our performance translates into an annualised return on equity of 9.8% and return on assets of 1%. Turning to regulatory ratios, our capital adequacy ratio was at 14.39%, Liquidity coverage ratio at 179% and Net Stable Funding ratio at 101%. All our regulatory ratios are above the prescribed thresholds.

We entered 2023 from a position of strength and we continued to show our strategy performs well across the cycle. We have been able to undertake key investments during 2023 and successfully place funds of our regional healthcare platform, Healian, with investors, during this period. Our commercial banking subsidiary was able to successfully adapt to high-interest rates during the period and achieved sound growth. Similarly, our Treasury business rebalanced its portfolio and achieved good performance during the first quarter. We aim to further build our portfolio of income generating assets in the GCC, where economic growth is expected to continue in the coming periods.

Having entered the year with good momentum, we look forward to building on these results and generating even greater value for our investors and shareholders in the forthcoming periods.

I would like to thank you for your time this afternoon and open the floor for any questions you may have.

Questions & Answers:

Q1- Many thank for you for this wonderful growth in Q1 result my question is if we can acheive triple digit result this year depending on this growth ?

A1- We are not able to provide forward looking projections, however, we will strive towards achieving better results for all stakeholders

Q2- can you give us clues of future acquisitions for this year ?

A2- We are currently considering various opportunities and will inform the market once we are close to finalising the deal.

Q3- Total Equity attributable to the owners of the Parent Company drop %4 what is the reason?

A3- The main reason for the drop is the dividends approved by the shareholders in Q1 2023.