

# **GFH Financial Group 2018 Results**

## **Presentation to Investors and Analysts**

**For the Period Ended December 31<sup>st</sup> 2018**



## Group Q4 and FY 2018 Highlights

<i>(in \$ million)</i>	Q4 2017	Q4 2018	FY 2017	FY 2018
Commercial Banking	9.1	15.9	56.1	55.4
GFH Capital	35.8	7.4	135.5	68.4
GFH Real Estate	(5.7)	34.3	14.9	102.8
Others <sup>(1)</sup>	7.5	4.0	5.2	23.2
<b>Total Income</b>	<b>46.6</b>	<b>61.6</b>	<b>211.6</b>	<b>249.8</b>
Operating Expenses	(25.3)	(43.1)	(99.1)	(117.1)
<b>Profit Before Impairment</b>	<b>21.4</b>	<b>18.5</b>	<b>112.6</b>	<b>132.7</b>
Impairment Allowances & Others	(9.2)	(8.1)	(9.4)	(17.6)
<b>Net Profit</b>	<b>12.2</b>	<b>10.3</b>	<b>103.2</b>	<b>115.0</b>
<i>Attributable to Shareholders of the Group</i>	<i>17.0</i>	<i>10.7</i>	<i>104.2</i>	<i>114.1</i>
<i>Attributable to Minority Interest</i>	<i>(4.8)</i>	<i>(0.3)</i>	<i>(1.0)</i>	<i>1.0</i>
<b>Return on Equity</b>			<b>9.1%</b>	<b>10.8%</b>
<b>Growth in Total Income</b>				<b>18.0%</b>
<b>Growth in Net Profit Attributable to Shareholders</b>				<b>9.5%</b>
<b>Total Assets</b>			<b>4,110</b>	<b>4,989</b>
<b>Total Equity</b>			<b>1,150</b>	<b>1,059</b>

*Group total income has increased by 18.0%, with a return on equity of 10.8%. The Group will distribute dividends to shareholders of \$85 million (\$30 million in cash and \$55 million in bonus shares)*

(1) Includes net profit from operations of non-banking subsidiaries

# GFH Financial Group at a Glance

## Most Profitable

Islamic Investment Bank in the Region

**10.8%**

Robust Levels of Return on Equity

**47%**

Prudent Cost to Income Ratio

**\$700 million**

Client Deposits Raised in 2018

**1.19x**  
Leverage Ratio

**0.71x**  
Net Leverage Ratio

**\$630 million**

Strong Cash and Liquid Assets Position

**16.5%**

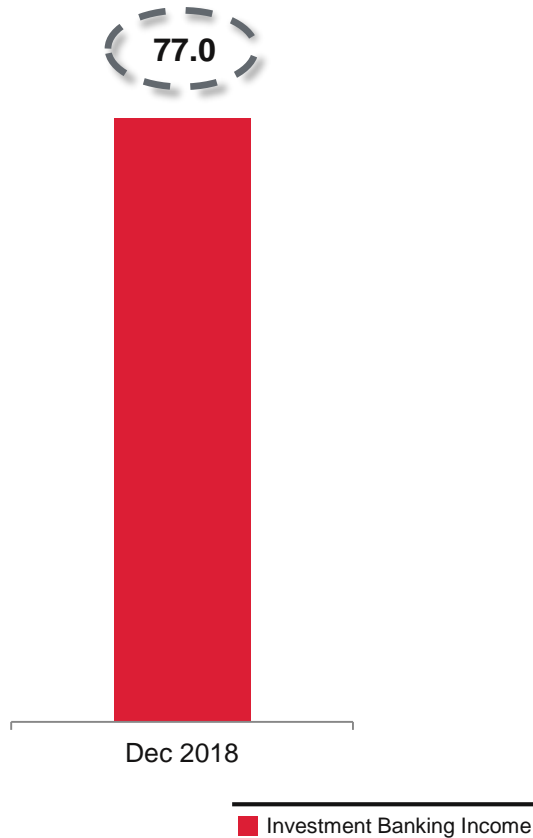
Capital Adequacy Compared to 12% minimum regulatory requirement

**8.7%**

Proposed Dividend Distribution

# GFH Capital – Strong Levels of Investment Banking Income Generation

## 2018 Income Generation (\$m)



- Strong levels of investment banking income for the Group in 2018 of \$77.0 million
  - Positively impacted by launching new Private Equity & Asset Management opportunities
- Acquired two trophy suburban office properties in Chicago in a deal valued at approximately \$150 million
- Successfully closed the Entertainer investment, investing throughout a 5 year holding period up to \$150 million
- Acquired the Westside Office Business Park in Hemel Hempstead, a prime office market, located just north of London



## GFH Capital at a Glance



**\$205 million**

Equity Fund Raising  
from Clients

**\$540 million**

Total Transaction Value

**\$1 billion**

Raised through  
investment products and  
treasury capital markets

**Three**

Assets Exited  
during 2018

**\$6.7 billion**

Total Assets & Funds  
Under Management

*GFH plans to establish dedicated healthcare and education platforms in 2019 allowing the Group to better capture and leverage opportunities in these segments*

## GFH Real Estate and Other Corporate Activities

### Significant Progress in GFH Real Estate

- The Harbour Row project located in the Bahrain Financial Harbour, made significant progress in 2018.
  - Onsite works reached approximately 60% completion and the first phase of sales saw more than 50% of total offered residential stock sold.
  - Based upon percentage of completion, the Group has realized income of \$5.9 million in 2018, and will realize further income in 2019.



### Tangible Milestones in Other Business Activities

- The Group also successfully exited from the Lost Paradise of Dilmun Waterpark in a deal valued at \$60 million whilst retaining the rights to operate and manage the waterpark over the next 5 years. The waterpark is the largest standalone waterpark in the Middle East, accommodating over 5,500 people.
- During Q3 2018, the Group agreed to settle Villamar's Sukuk liability of \$200 million at a lower amount, resulting in a gain of approximately \$78 million.
- During Q2 2018, Group reached a cash settlement with regards to one of its legal claims for an amount of \$22.5 million.
- In addition, the Group realized income of \$35 million in Q1 2018 related to the restructuring of liabilities of a subsidiary.

## GFH Properties at a Glance



**200 million**

SQFT of land bank  
across Africa, GCC  
and India

**145**

Units Sold  
Since Inception

**\$20 billion**

Gross  
Development  
Value

Prime hotel with  
**largest spa** in the  
region of over  
**10,000 sqm**

**500**

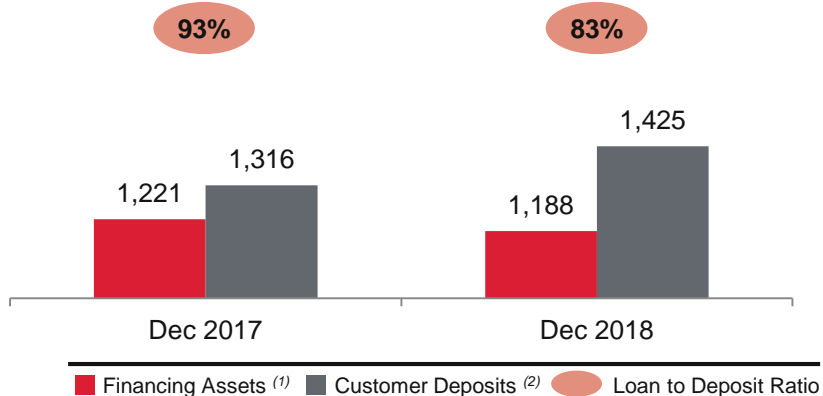
Units Under  
Development

**Largest standalone  
waterpark**  
in the Middle East  
accommodating over  
5,500 people

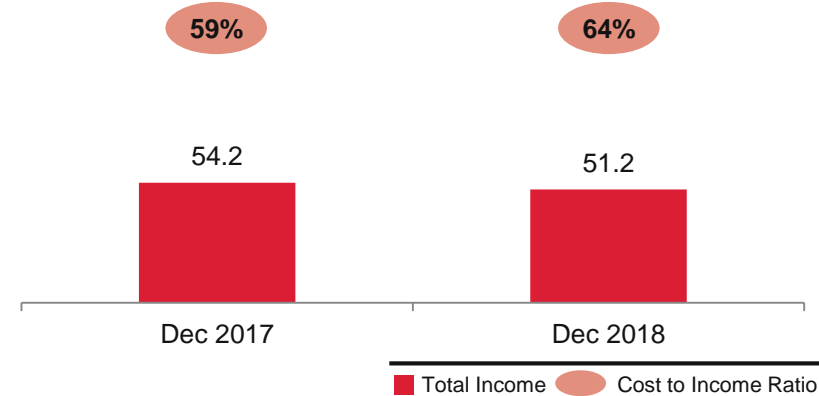
*The Group today is widely considered to have one of the most lucrative privately owned land banks with more than 200 million square feet across the GCC, Africa and Asia with a gross development value of \$20 billion.*

# Commercial Banking – Market Outlook Impacting Loan Growth & Profits

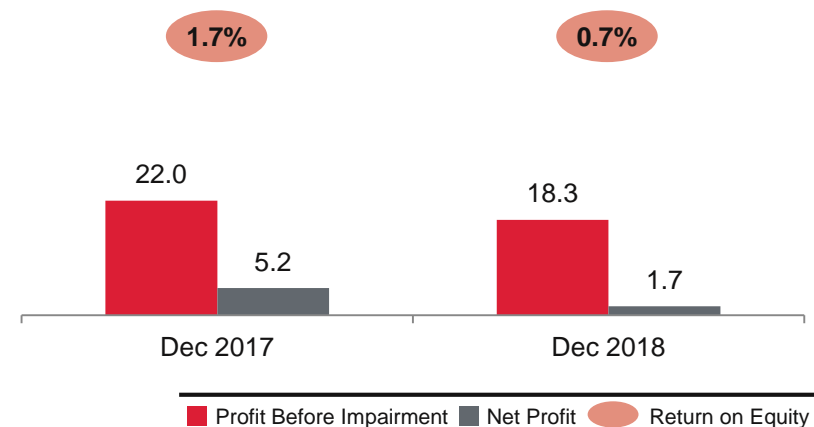
## Financing Assets & Customer Deposits (\$m)



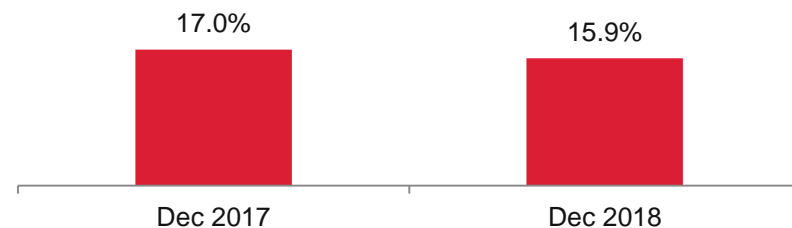
## Total Income (\$m)



## Profit Before Impairment & Net Profit (\$m)



## Capital Adequacy Ratios



(1) Includes financing assets, assets acquired for leasing and lease rentals receivables. (2) Includes customers' current accounts, placements from non-FIs & individuals and equity of investment account holders.



**Thank You  
Q&A**

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