




GFH Financial Group BSC (c)

A wide-angle photograph of the Dubai skyline at sunset. The sky is a gradient of orange and blue. Several skyscrapers are visible, with the most prominent ones being the two towers of the Burj Khalifa, which are illuminated with green lights. The buildings and their lights are reflected in the calm water in the foreground.

GFH Financial Group Q1 2019 Financial Performance
Presentation to Investors and Analysts
14 May 2019

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Agenda

1. Financial performance – First quarter 2019
2. Q & A

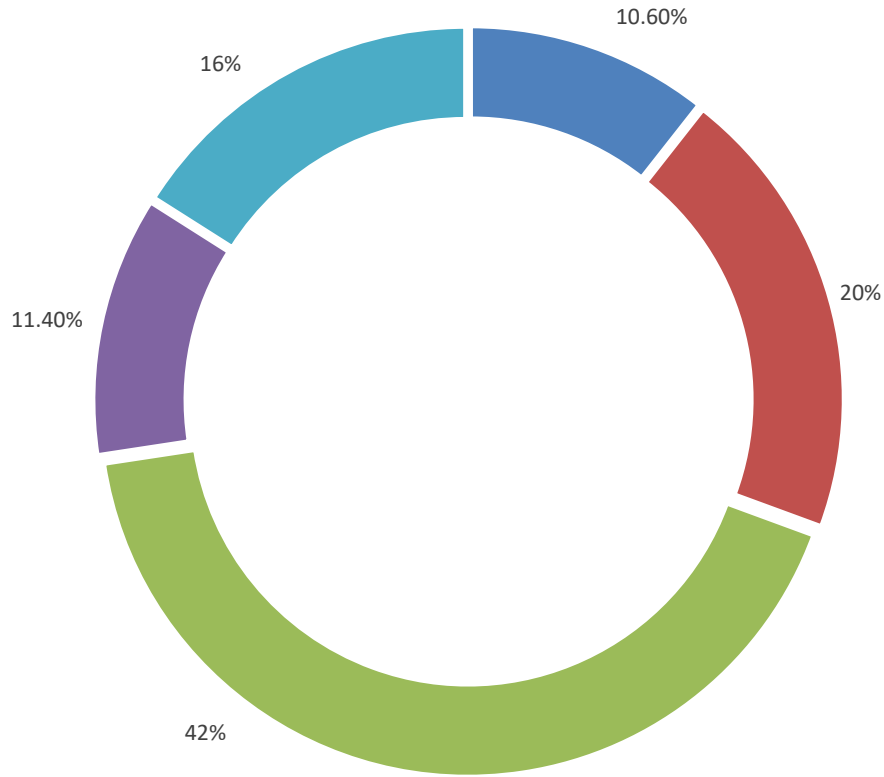
Financial Performance - Q1 2019

US\$ m	Q1 2019	Q1 2018
Investment banking income	7.4	9.4
Commercial Banking income	14.0	11.3
Proprietary and co-investment income	29.4	39.4
Real Estate Income	8.0	3.8
Treasury and Other income	11.3	2.0
TOTAL INCOME	70.1	65.9
Finance Expenses	23.7	7.1
Other Operating Expenses	21.3	20.6
TOTAL EXPENSES	45.0	27.7
Profit before impairment	25.1	38.2
Provision for Impairment	3.8	1.7
Profit attributable to shareholders of the Bank	21.3	36.5
Total Assets	5,906	3,973
Total Liabilities	3,550	1,744
Equity attributable to shareholders of the Bank	1,048	1,085

Balance Sheet - Q1 2019

US\$ m	Q1 2019	YE 2018	Q1 2018
Cash and bank balances	541.9	341.6	193.9
Treasury portfolio	1,477.2	818.0	419.6
Financing assets	1,272.6	1,208.9	1,195.9
Real estate investment	1,824.9	1,840.0	1,516.4
Proprietary investment	271.3	234.0	249.2
Co-Investments	77.6	77.6	77.0
Assets held-for-sale (AHFS)	147.1	147.1	-
Receivables & prepayments	269.5	229.1	203.5
Property and equipment	24.1	92.9	117.4
TOTAL ASSETS	5,906.1	4,989.2	3,972.9
Clients' funds	41.0	46.6	35.2
Placements from FI & non-FI	2,598.1	1,628.4	842.0
Customer current accounts	161.5	177.9	188.7
Term financing	238.2	256.2	367.0
Liabilities directly associated with AHFS	42.7	42.7	-
Payables and accruals	468.3	517.9	311.0
TOTAL LIABILITIES	3,549.9	2,669.7	1743.9
EIAH	947.2	896.9	812.3
Total Equity attributable to shareholders of Bank	1048.4	1058.8	1084.9
Non-controlling interest	360.7	364.0	331.8
Total Liability, EIAH & Equity	5,906.1	4,989.4	3,972.9

Contributions by business lines - Q1 2019



- Investment banking income
 - Proprietary and co-investment income
 - Treasury and Other income
- Commercial Banking income
 - Real Estate Income

- Proprietary investments: Exit of 40% stake in Al Areen Hotel. The exit of the Hotel is in line with the strategy of the Group to diversify the asset base and exit at opportunities.
- Treasury business line: Generating revenues from the deployable liquidity available with the Bank, primarily from inter bank placements, Sukuks and structured notes.
- Harbour Row project in the Bahrain Financial Harbour, on which 66% works completed and sale of 70% of a Hotel Tower
- Launched couple of deals in Investment banking during the first quarter of 2019, extended closure of investment funds, which are expected to realise during Q2.
- Establish the education platform in the second quarter of 2019 allowing the Group to better capture and leverage opportunities in this defensive segment.
- Khaleeji Commercial Bank continued with stable performance even when faced with significant headwinds and a conservative provisioning policy leading to drop in contribution compared to previous period

Key ratios

Profitability ratios (Standalone)

Q1 19	Q4 18	Q3 18	Q2 18
Return on Equity			
2.04%	0.94%	2.68%	3.06%
Return on Assets			
0.36%	0.38%	1.43%	1.84%

Liquidity ratios (Standalone)

Q1 19	Q4 18	Q3 18	Q2 18
Debt to Equity Ratio			
2.16	1.20	0.67	0.54
Net Debt to Equity Ratio			
0.92	0.71	0.56	0.44

Regulatory ratios (Consolidated)

Q1 19	Q4 18	Q3 18	Q2 18
Capital Adequacy Ratio			
15.6%	15.2%	17.8%	22.2%

Thank you
Q & A