

PRESENTATION TO THE INVESTORS

Q1 2023



Importance Notice and Forward-Looking Statements



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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%

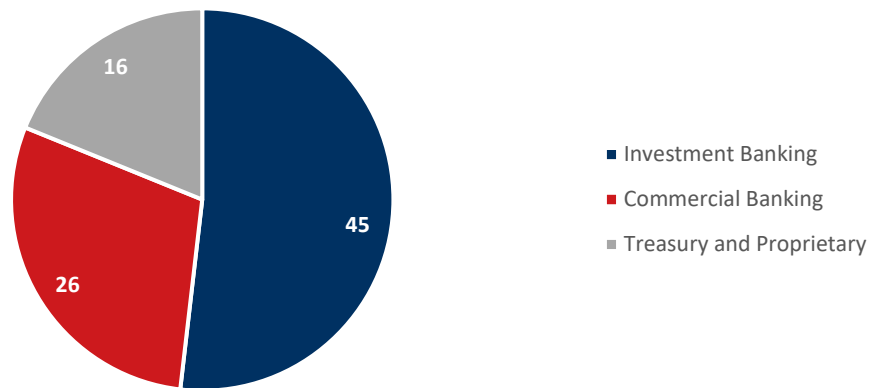
Operating performance



\$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%

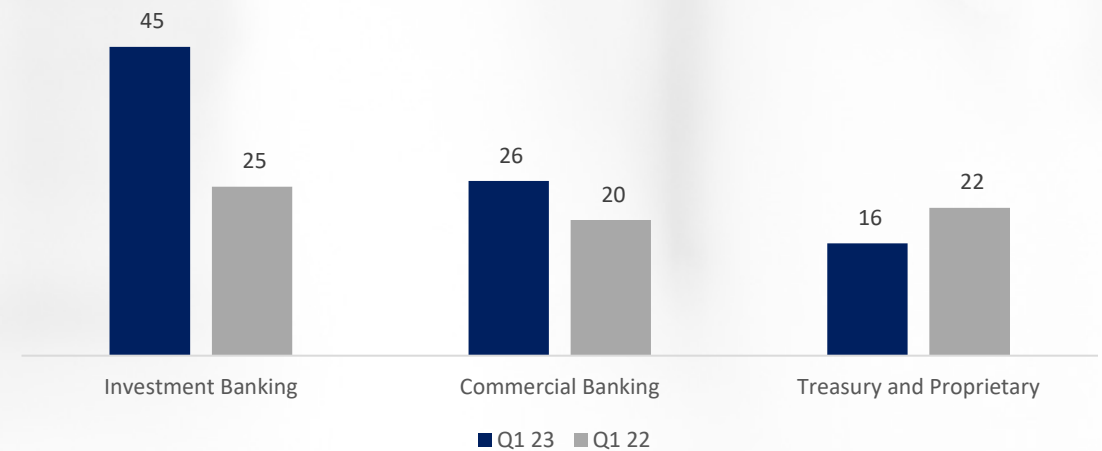
Income streams - contribution



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

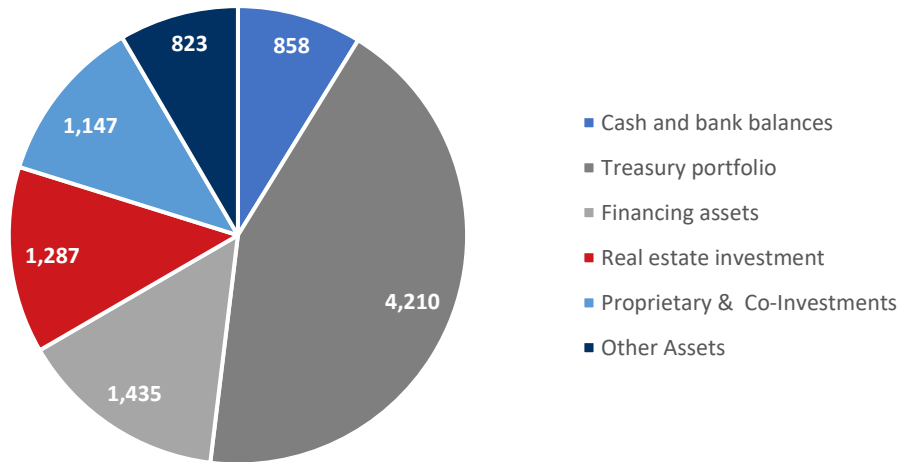


Asset mix



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

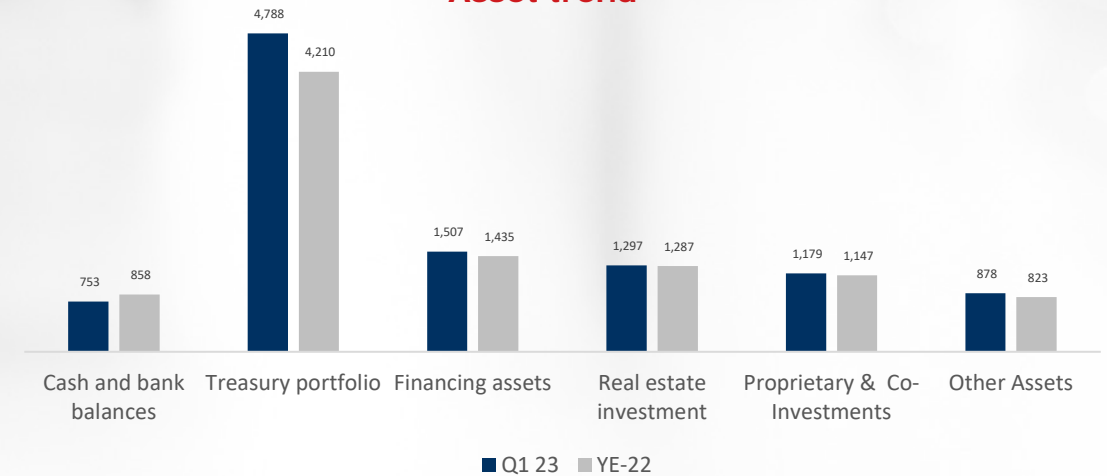
Asset Mix



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

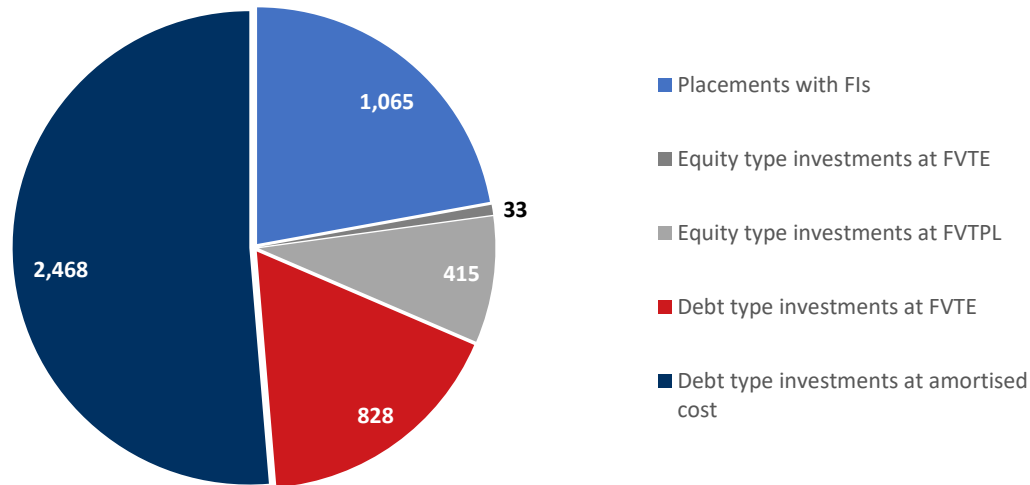


Composition of Treasury portfolio



	\$m	
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

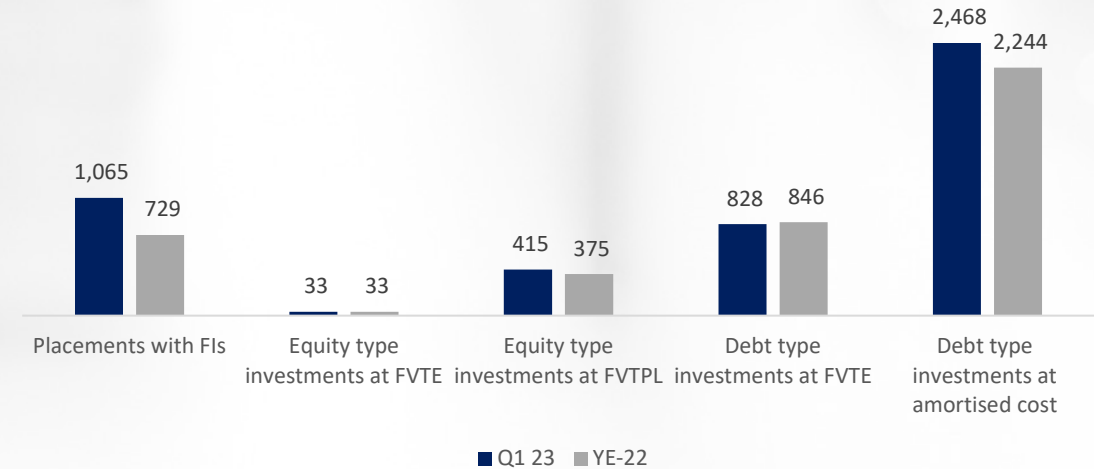
Treasury Portfolio Mix



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.

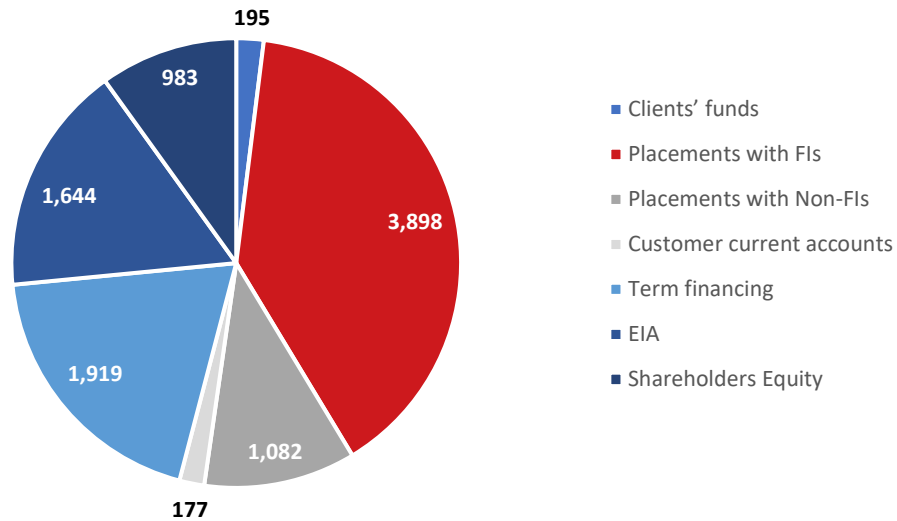
Treasury Portfolio Trend



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

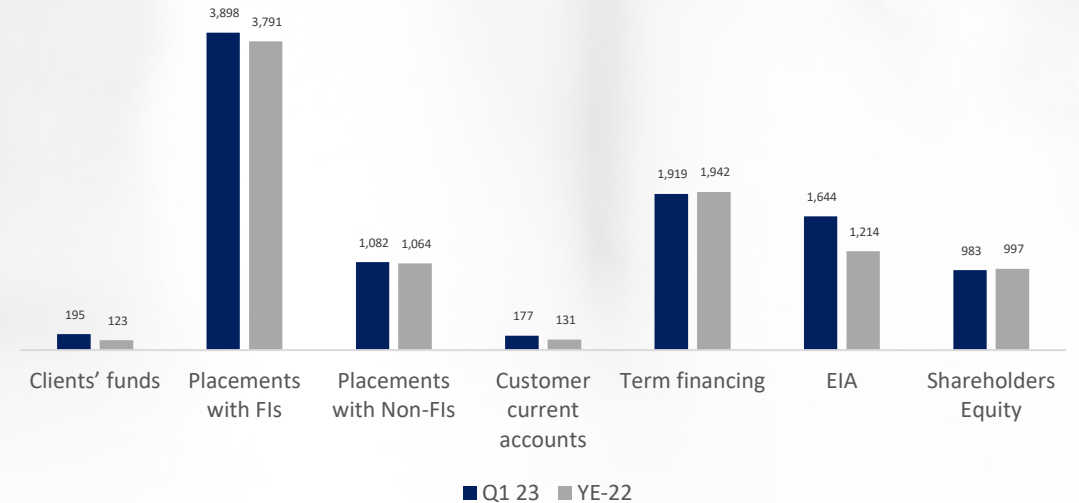
Funding Mix



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)

