

PRESENTATION TO THE INVESTORS

H1 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\$18.8 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 18.8 billion

Credit Rating

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

Key performance highlights – H1 2023 & Q2 23



	Consolidated profits	Shareholder profits	Total income	Operating expenses	Finance expenses	EPS	Assets	Liabilities	Equity	Key ratios
6M 2023	\$57.2m	\$54.6m	\$173.8m	\$85.2m	\$31.4m	\$1.55	\$10,341m	\$9,285m	\$974m	Annualised ROE: 11.2%
	26.0%	29.4%	42.3%	50.3%	56.2%	28.1%	5.9%	6.9%	-2.3%	Annualised ROA: 1.2%
Q2 2023	\$45.4m	\$42.2m	\$122.1m	\$56.7m	\$20.1m	\$1.21	\$9,760m	\$8,689m	\$997m	CAR: 15.22%
	\$32.8m	\$30.6m	\$86.8m	\$43.5m	\$10.6m	\$0.86				BVPS: \$0.26
	26.2%	32.5%	54.7%	107.1%	16.5%	30.3%				P/B: 1.09x
	\$26.0m	\$23.1m	\$56.1m	\$21.0m	\$9.1m	\$0.66				P/E: 9.32x
										Net D/E: 0.62x
										LCR: 237%
										NSFR:105%

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

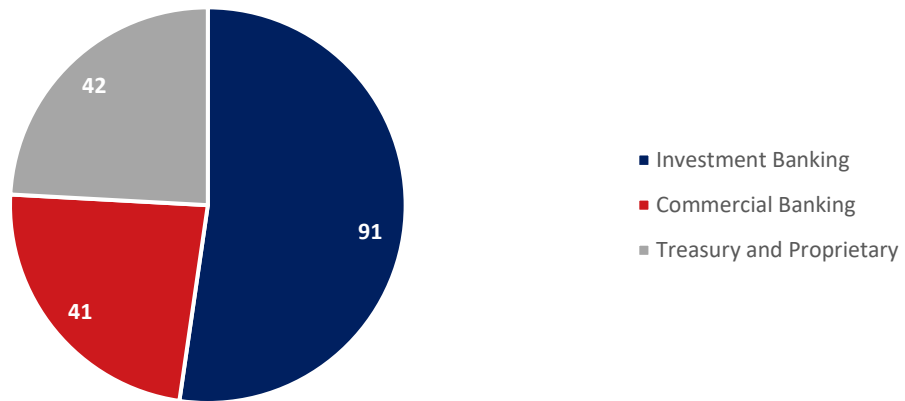
Operating performance H1 23



Income Streams	H1 23	H1 22	Change %
Investment Banking	91	45	102%
Commercial Banking	41	37	11%
Treasury and Proprietary	42	40	5%
Total	174	122	43%

\$m

Income streams - contribution

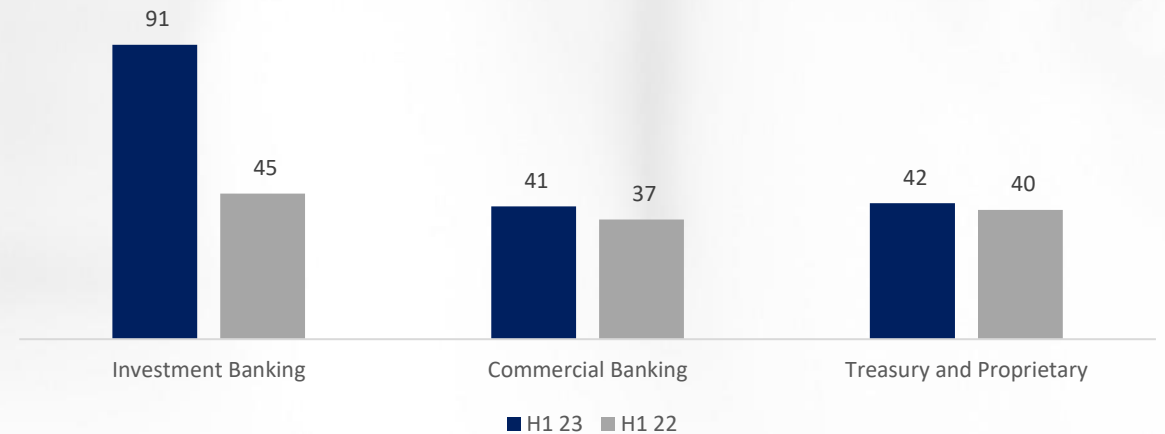


- Investment Banking
- Commercial Banking
- Treasury and Proprietary

Key highlights

- Group income up 43% and profitability increases by 26%.
- Growth across core investment banking, treasury and proprietary business lines.
- Focus on investments in healthcare and high yielding real estate sectors.
- Treasury performance commendable despite rising rate environment

Comparative performance



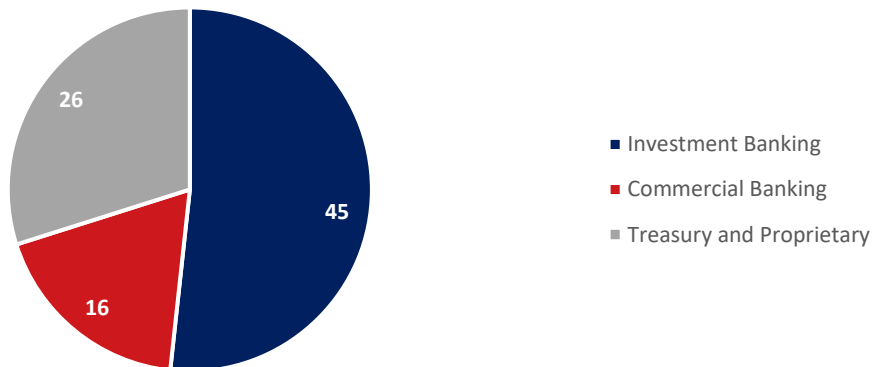
Operating performance Q2 23



Income Streams	Q2 23	Q2 22	Change %
Investment Banking	45	20	123%
Commercial Banking	16	17	-8%
Treasury and Proprietary	26	19	38%
Total	87	56	55%

\$m

Income streams - contribution

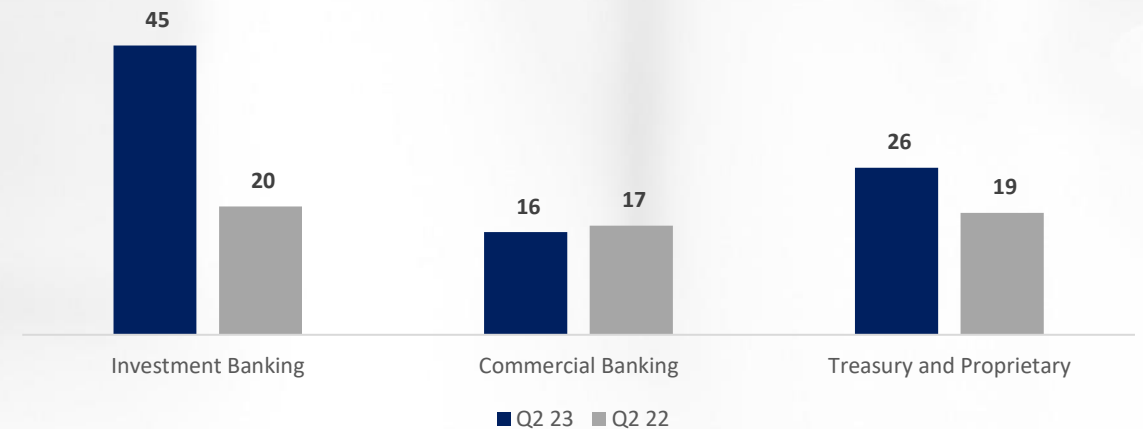


- Investment Banking
- Commercial Banking
- Treasury and Proprietary

Key highlights

- Group income up 54.7% and profitability increases by 32.7%.
- Growth across core investment banking, treasury and proprietary business lines.
- Focus on investments in healthcare and high yielding real estate sectors.
- Treasury performance commendable despite rising rate environment

Comparative performance

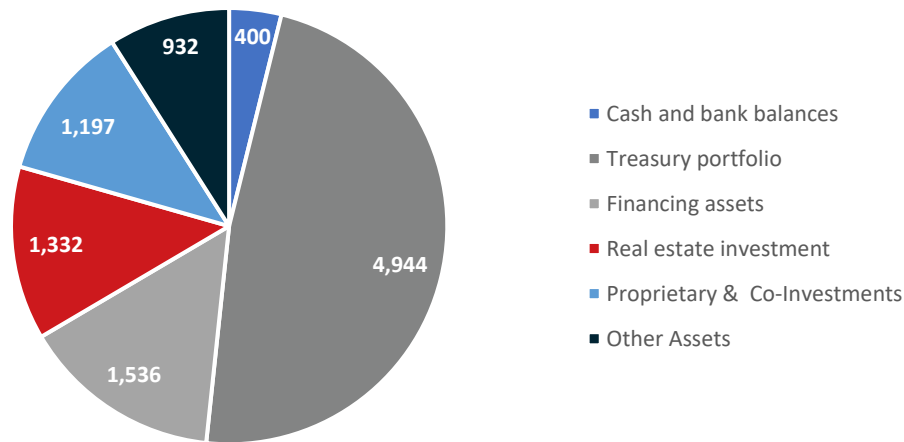


Asset mix



Assets	\$m	
	H1 23	YE 22
Cash and bank balances	400	858
Treasury portfolio	4,944	4,210
Financing assets	1,536	1,435
Real estate investment	1,332	1,287
Proprietary & Co-Investments	1,197	1,147
Other Assets	932	823
Total Assets	10,341	9,760

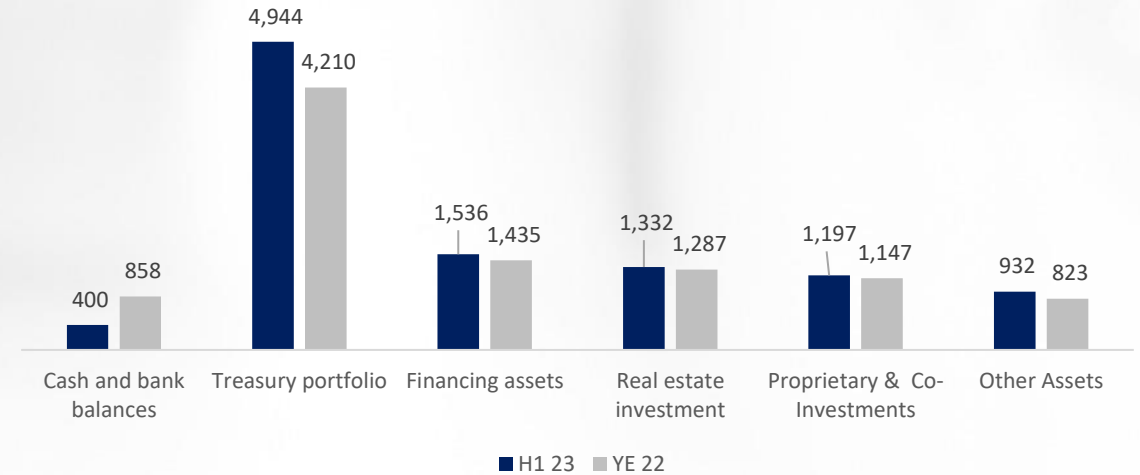
Asset Mix



Key highlights

- Total assets of the Group increased by 5.9% to US\$10.34 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

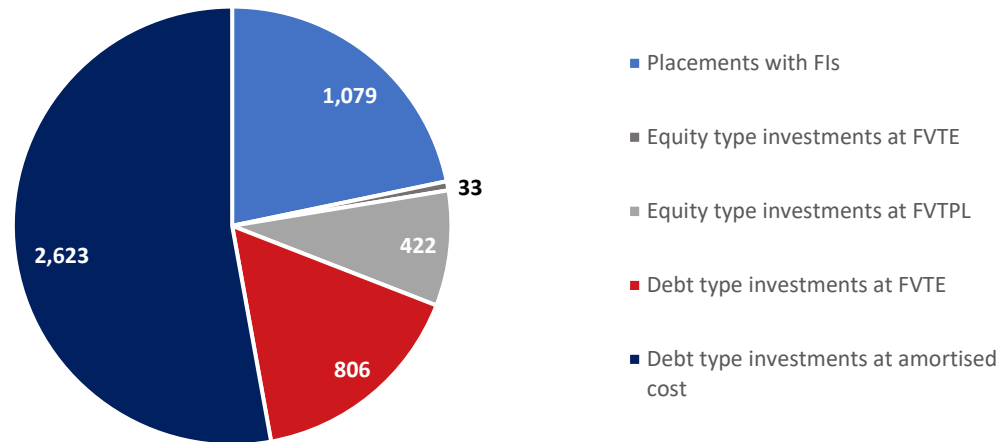


Composition of Treasury portfolio



	\$m	
Treasury Portfolio	H1 23	YE 22
Placements with FIs	1,079	729
Equity type investments at FVTE	33	33
Equity type investments at FVTPL	422	375
Debt type investments at FVTE	806	846
Debt type investments at amortised cost	2,623	2,244
Less: Impairment allowance	(19)	(17)
Total	4,944	4,210

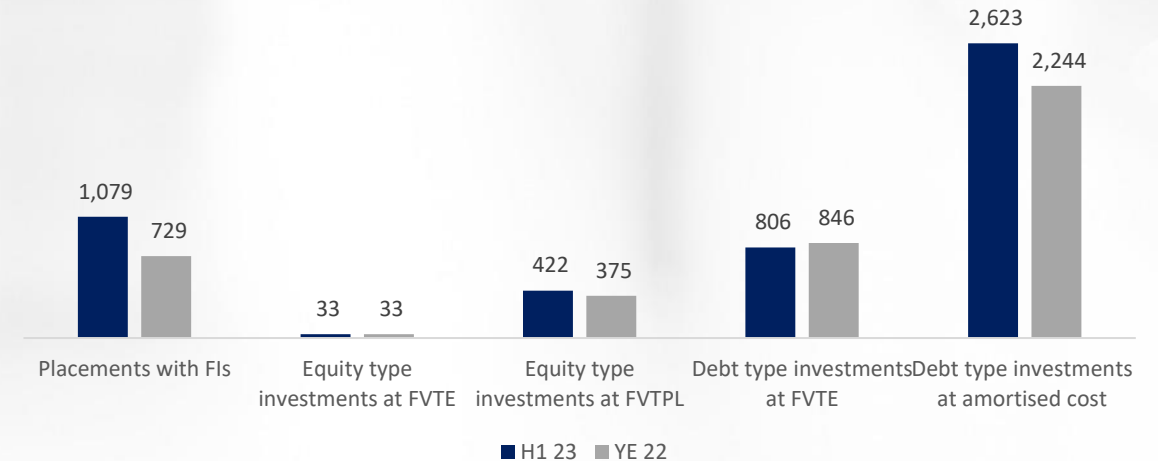
Treasury Portfolio Mix



Key highlights

- Treasury portfolio of the Group increased by 17.4% to US\$4.9 billion compared with US\$4.2 billion at 31 December 2022.
- The key achievement for Treasury business during the first half of the year has been the ability to rebalance its portfolio and achieve good results from the portfolio despite challenging and uncertain market conditions.

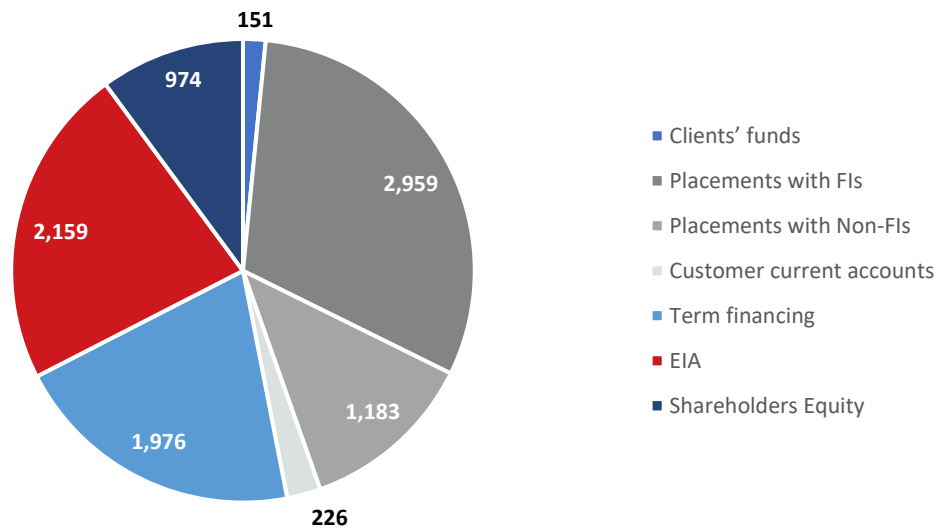
Treasury Portfolio Trend



Funding mix

Funded By	H1 23	YE 22
Clients' funds	151	123
Placements with FIs	2,959	3,791
Placements with Non-FIs	1,183	1,064
Customer current accounts	226	131
Term financing	1,976	1,942
EIA	2,159	1,214
Shareholders Equity	974	997

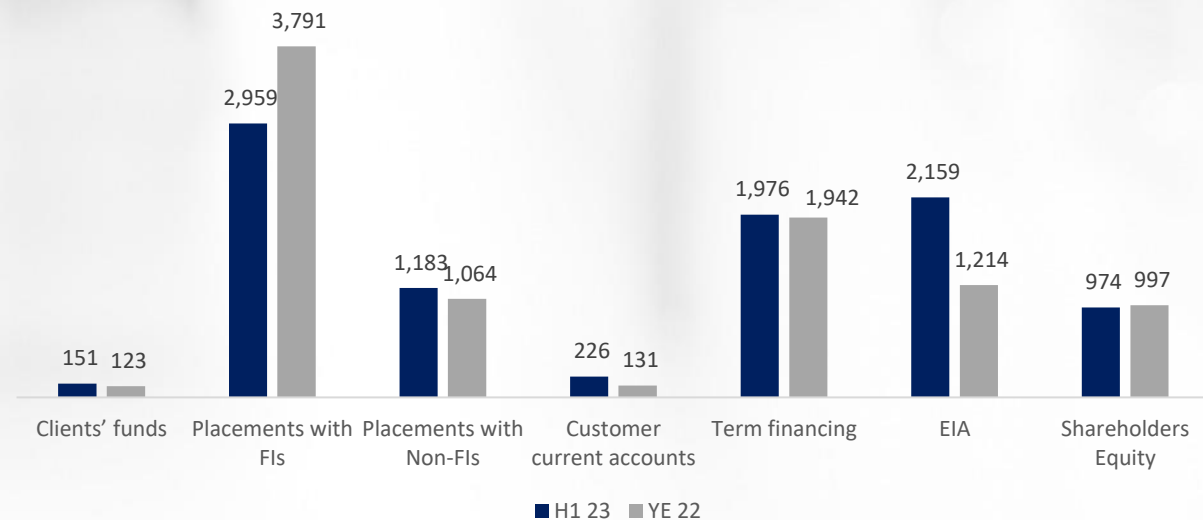
Funding Mix



Key highlights

- The increase in the funds raised is a testament to the depositor's confidence in the Group.
- The funding profile increased by 3.9% from US\$9.3 billion in December 2022 to US\$9.6 billion at 30 June 2023.
- The marginal drop in the shareholders' equity despite profits for the first half of the year is primarily due to the approval of dividends for 2022 by the shareholders.

Funding Mix Trend



Balance sheet at 30 June 2023



	(USD '000s)	
	June-23	December-22
Assets		
Cash and bank balances	399,924	858,239
Treasury portfolio	4,944,127	4,210,020
Financing assets	1,535,660	1,435,238
Real estate investment	1,331,896	1,287,086
Proprietary investment	1,027,273	1,005,053
Co-Investments	169,471	142,051
Receivables & prepayments	669,932	589,869
Property and equipment	262,514	232,735
Total	10,340,797	9,760,291
Liabilities		
Clients' funds	151,190	123,300
Placements from FI	2,959,023	3,790,870
Placements from non-FI	1,182,960	1,064,258
Customer current accounts	225,808	131,234
Term financing	1,975,706	1,942,198
Payables and accruals	630,484	423,363
Total	7,125,171	7,475,223
Equity of investment account holders	2,159,347	1,213,674
Equity	1,056,279	1,071,394
Total	10,340,797	9,760,291



Capital Adequacy: 15.22%

NSFR: 105%

LCR: 237%

BVPS: \$0.26

Net D/E ratio: 0.62x

Income statement for H1 23



	(USD '000s)		
	H1-23	H1-22	% change
Investment banking	90,517	45,098	100.7%
Commercial banking income	41,242	36,859	11.9%
Treasury and proprietary investments	42,007	40,177	4.6%
Total income	173,766	122,134	42.3%
Operating expenses	78,266	59,565	31.4%
Finance expense	31,359	20,062	56.3
Impairment allowances	6,952	(2,869)	-342.3%
Total Expenses	116,577	76,758	51.9%
Consolidated Profit	57,189	45,376	26.0%
NCI	2,573	3,196	-19.49%
Profit To Shareholders	54,616	42,180	29.48%



Income statement for Q2 2023



	(USD '000s)		
	Q2-23	Q2-22	% change
Investment banking	45,430	20,419	122.5%
Commercial banking income	15,764	17,108	-7.6%
Treasury and proprietary investments	25,637	18,584	37.6%
Total income	86,831	56,111	54.7%
Operating expenses	37,166	25,266	47.0%
Finance expense	10,598	9,072	16.5%
Impairment allowances	6,316	(4,254)	-246.5%
Total Expenses	54,080	30,084	79.7%
Consolidated Profit	32,751	26,027	25.8%
NCI	2,142	2,965	-28.6%
Profit To Shareholders	30,609	23,062	32.9%



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)

