



# Q1 2024 RESULTS PRESENTATION

15 May 2024



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# GFH Chairman and CEO's Commentary

## Mr. Abdulmohsen Rashed Al Rashed Chairman



- We're delighted to announce continued growth and enhanced profitability for the first quarter of 2024, marked by double-digit increases to the top and bottom line.
- These results reflect the sound contributions made from the Group's subsidiaries, and strong income generated from placements and fees from the Group's investment portfolios and treasury activities.
- Ongoing growth and progress remain rooted in the success of the Group's strategy and its focus on investing in well-performing defensive sectors and high-growth markets, in the region and internationally, where we have an active and growing presence.
- Having entered the year with positive momentum, we look forward to further expanding the Group's investments across core business lines and geographies and generating even greater value for shareholders and investors throughout the remainder of the year

## Mr Hisham Alrayes CEO and Board Member



- We are pleased to announce another quarter of growth and solid performance for the first three months of the year, where income increased by 55.1% and consolidated net profits rose by 13% year over year
- Gains made during the quarter are the result of further growth and enhanced contributions from our investment banking business and treasury and proprietary investments, as well as healthy income generated from our commercial banking activities
- During the quarter, we successfully made and placed new investments in recession-proof sectors and high-growth regional and global markets, worked to maximise the value of our existing portfolios, and secured several well-timed and profitable exits.
- GFH Partners closed additional new investments in the US in our key medical clinics and student housing sectors for US\$450 million, as well as in the fast-growing electrical infrastructure services sector.
- We also generated solid income from the partial sale of our stake in Gulf Holding Company K.S.C.C and sold a 25% stake in Khaleeji Bank, which saw us bring on board new strategic shareholders as we work to take the Bank to the next level.

# A solid start to the year with continued robust momentum on financial and operational performance

## Robust Financial Performance

### \$163m Revenues +55% YoY

\* Strong growth supported by exceptional Investment banking performance with all business lines contributing

### \$27.1m Shareholder Profits +13% YoY

\* 11% Annualized ROE

### \$20.6 bn Assets & AuMs broadly in line with Dec-23 levels

\* Ample liquidity with \$4.9bn Cash and Treasury Portfolio

### 19.7% CAR, 219% LCR and 133% NSFR

\* Strong Capital, liquidity and funding metrics well above regulatory minimums

## Strong Business Growth

**Momentum in investment banking activity** with 5 investment banking business deals successfully closed in Q1 2024

**Solid performance from the Group's strategic transactions** including sale of 25% of Khaleeji Bank to Strategic Investor

**Recurring positive contributions** from Group's Commercial Banking

**Significant growth YoY and strong contributions from the Group's Treasury and proprietary investments portfolio**

**Steady performance of major subsidiaries and associates**

## Unwavering Strategic Focus

**Continue to pursue further strategic acquisitions to broaden & expand our investment portfolio in key global markets to deliver additional value to shareholders**

\* Continuing discussions to acquire Ithmaar's financing and investment portfolios.

\* Status update:

- o Discussions are in progress to finalize and agree on the transaction structure and definitive documents.
- o The discussions remain subject to due diligence, and satisfactory completion of key regulatory approvals



## Sustainability & Community

**Clear strategy to foster sustainable growth and positive societal impact**

GFH has partnered with Al Areen Raffles in their sustainability initiative of creating a sustainable fruits & herbs garden with an aim to create a sustainable fresh source for its restaurants and grow the area greener

Extension of GFH's partnership with the FII Institute for another three years, aligning with the Group's ongoing international expansion and contributions to global economies.

# 2024 Strategic Aspiration for the Group

**We look forward to further ramping up the Group's growth trajectory throughout 2024**

**Delivering growth in AuM, recurring revenue, significant income prospects and huge exit potential**

**Achieve inorganic growth through mergers & acquisitions**

*Across the Group's business lines, we remain focused on accelerating our strategy for non-organic growth through new investments, strategic partnerships and the acquisition of funds, portfolios, and other financial institutions, such as the investment portfolios of Ithmaar Holding that we are currently evaluating*

*We have an attractive pipeline of opportunities.*

*In the US, GFH Partners is working closely with our specialist asset management subsidiaries on-the-ground to identify and close new transactions to grow our existing portfolios.*

*Continue to maintain exits from the portfolios ensuring investor returns delivered in a timely manner*

*Create huge potential to monetise proprietary investments*

**Continue exploring growth opportunities in robust and resilient sectors to ensure robust and defensive returns to investors**

*in the GCC markets, and particularly, Saudi Arabia, GFH Capital S.A. is looking to build our presence and contributions to the growth of priority Vision 2030 sectors such as healthcare, education, and logistics, where we have deep expertise and a track record of success*

**Profitability growth to be maintained**

# The Group continues to report solid results



## Consolidated profits

24.0% Increase

Q1-24 \$30.3m

Q1-23 \$24.4m

Recurring profits growing by  
~24% YOY



## Shareholder profits

12.9% Increase

Q1-24 \$27.1m

Q1-23 \$24.0m

Recurring profits to shareholders  
growing by ~13% YOY



## Total income

55.2% Increase

Q1-24 \$163m

Q1-23 \$105m

Strong growth in total income of  
~55%



## Total Expenses

42.7% Increase

Q1-24 \$89.2m

Q1-23 \$62.5m

Strong performance despite  
higher YoY costs and provisions



## Assets and AUM

Q1-24 \$20.6 bn

Q4-23 \$21.1 bn

Due to sale of assets including  
real estate assets



## EPS

Q1-24 \$0.77

Q1-23 \$0.72

7% YoY growth in EPS



## Assets

Q1-24 \$10.6 bn

Q4-23 \$11.1bn

Due to sale of assets including real  
estate assets



## Equity

Q1-24 \$0.92 bn

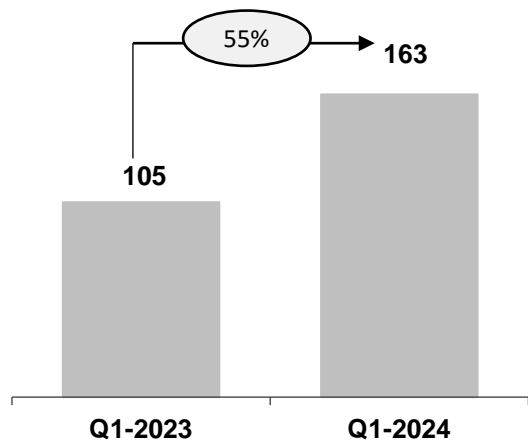
Q4-23 \$0.99 bn

Due to dividends distribution and  
change to the shareholding of the  
Group in Khaleeji

# The Group continues to report strong growth in income and profits

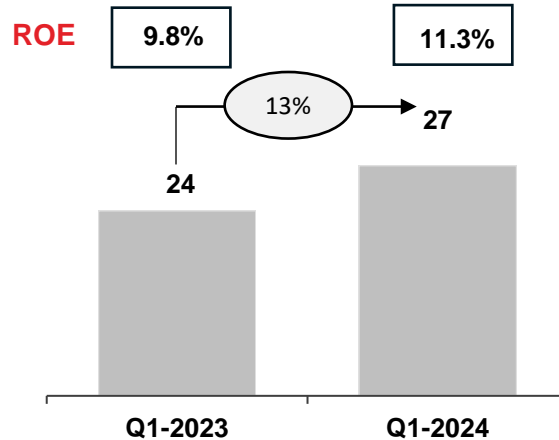
## Total Income

\$m



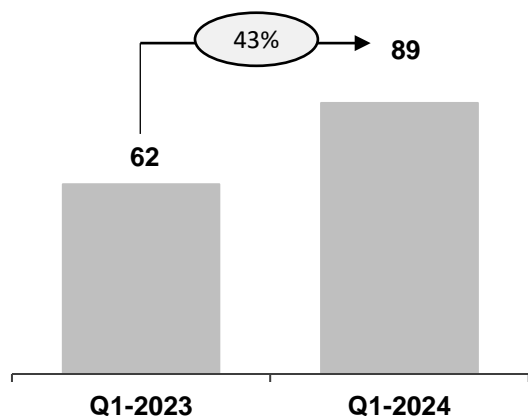
## Shareholder Profits

\$m



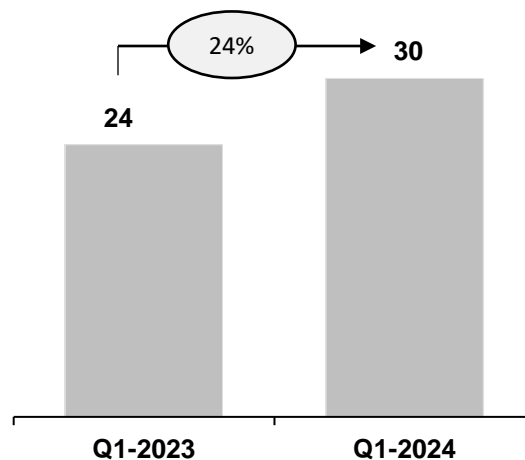
## Total Expenses

\$m



## Consolidated Profit

\$m

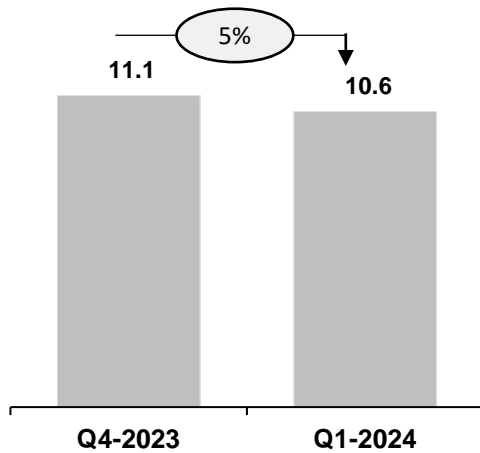


- Strong **growth in total income of +55%** YoY driven by solid performance across all the business lines
- **Momentum in investment banking** continues across PE and GFH Partners in Q1 2024 with 5 investment banking deals successfully closed (total fund size of over \$200m)
- **Solid performance from the Group's strategic transactions.** The Group had 2 strategic transactions, including sale of Khaleeji AT1 and partial sale of stake in Gulf Holding.
- Recurring positive **contributions** from the Group's **Commercial Banking business.**
- **Total expenses**, including impairment provisions **increased by 43% YoY** largely due to provisions
- **Strong growth in Shareholder profits** of 13% YoY and consolidated profits of 24%
- **EPS** for Q1 2024 was at \$0.77 cents, **growth of 6.9%**
- **Recurring ROE ~11%** during 2022-2023 and March 2024

# The Group continues to report Strong Balance sheet

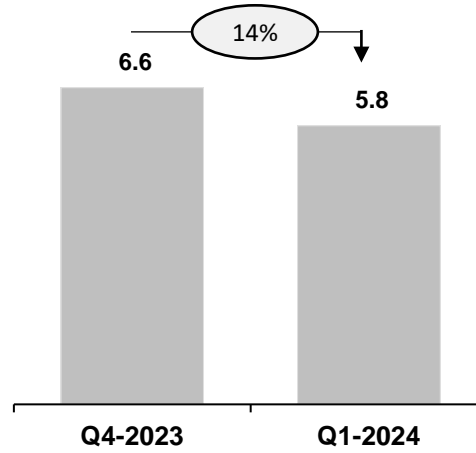
## Total Assets

\$bn



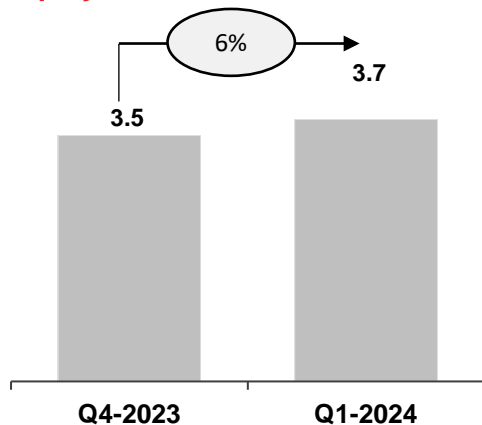
## Total Liabilities

\$bn



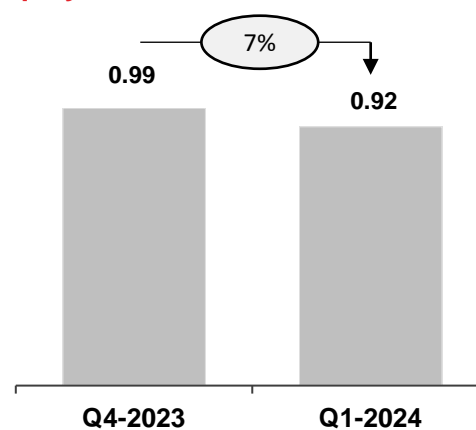
## Quasi Equity

\$bn



## Total Equity attributable to Shareholder's

\$bn



- As a Strategy, the Bank decided to tighten the liquidity to be raised which resulted in drop in total assets by 5% and drop in total liabilities by 14%.
- Furthermore, the Bank decided to shift its funding profile from Murabaha to Wakala during the last quarter of 2023. This has resulted in an increase in the funding raised through Quasi Equity during Q1 2024 by 6%.
- Shareholders' equity dropped during the quarter due to dividends distribution of \$61m and change to the shareholding in Khaleeji from 85% in December 2023 to 64% in March 2024.
- Of the total assets of the Group, c. 50% of the assets were liquid assets which has remained stable from the previous years

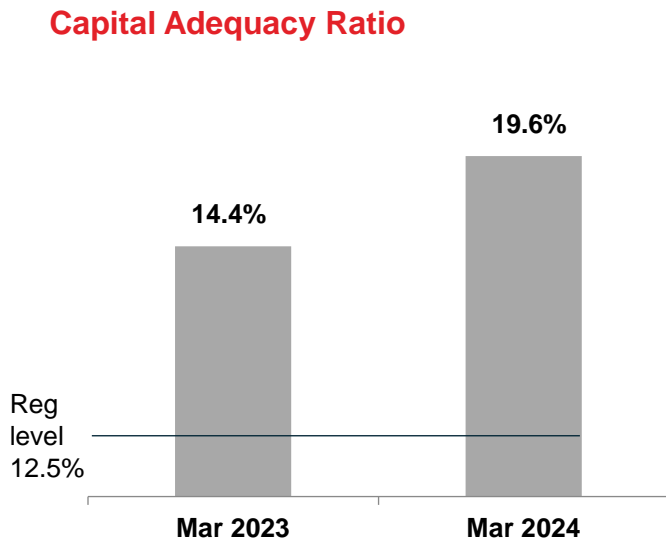


# Robust Capitalization, Liquidity and Funding Levels

*Strong and resilient capital Base with CAR reported at c.19.6%*

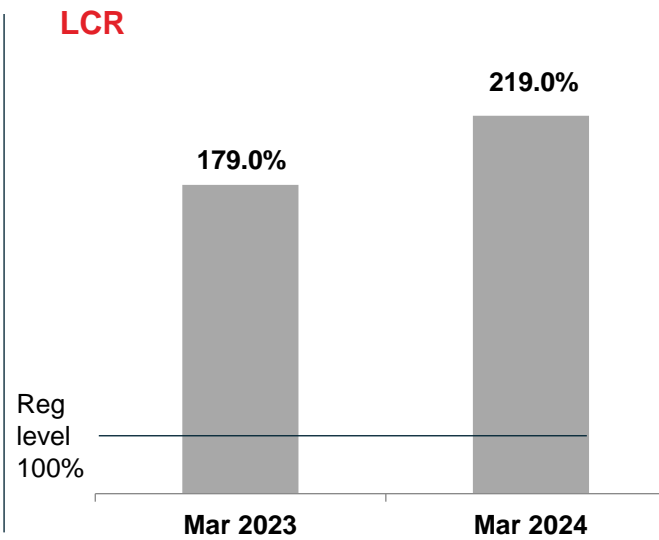
*Strong liquid funds position translating into LCR of 219% as of March 2024 and NSFR of 133% against a regulatory threshold of 100%.*

**Capital Adequacy Ratio**



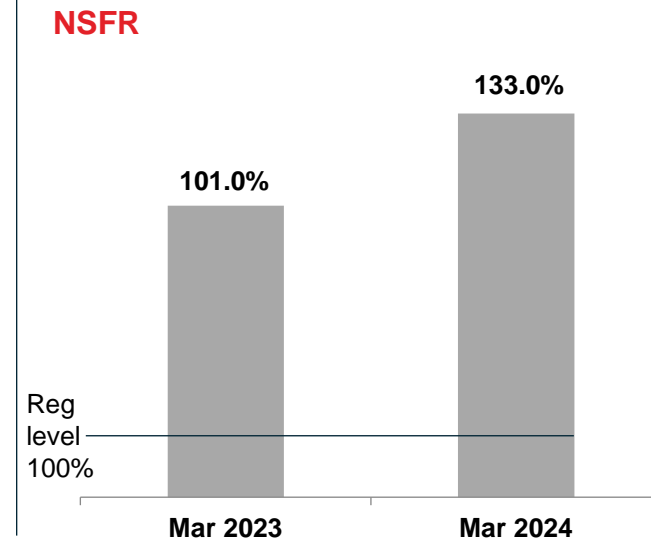
**Strong and resilient capital Base with room for growth**

**LCR**



**Strong liquid funds position**

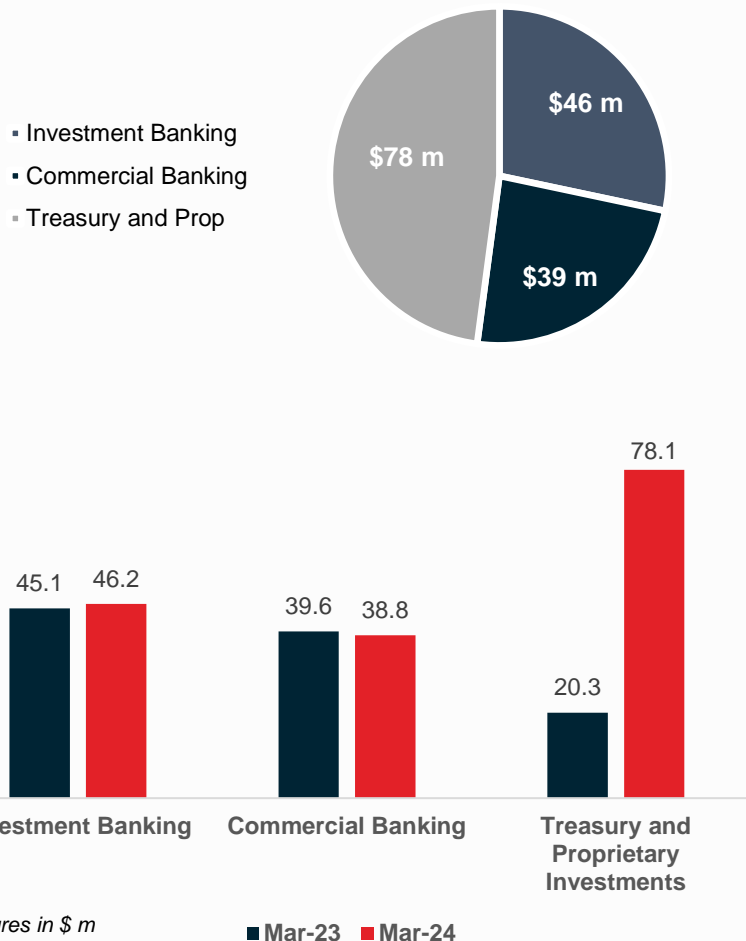
**NSFR**



**Pro-active Balance sheet Management**

# Positive Contribution from all business lines

## Revenue by Segment



## Key Highlights

**Momentum in investment banking activity in Q1'24 with 5 investment banking business deals successfully closed in Q1 2024:**

- GCC Fund
- Student Housing III
- Sabar Power
- Industrial and Logistics Fund
- Living Debt Fund

**Positive contribution from GFH Partners**, our specialist dedicated global real estate investment arm, concluded investments in the medical clinics and student housing segments of the US real estate market, which are each benefiting from proven rental growth, low national vacancy, and market stability

***\$46.2m income generated by investment banking***

**Positive Performance from the Group's Treasury and Prop Investment:**

- The Group acted as one of the Joint Lead Managers and bookrunners for the successful issuance of a US\$500 million 5-year sukuk by Arabian Centers Company
- Exit prop investments; partial sale of investments in subsidiaries and land parcels

***\$78.1m contribution from the Group's treasury despite mark to market loss during 3M 2024***

**The Group's Commercial Banking business contributed steady income share YoY**

***\$38.8m income contributed by Khaleeji***

# GFH continued to implement positive initiatives furthering its commitment to ESG related practices

## Selected positive ESG initiatives done in Q1 2024

### Contribution to Global Leadership Platforms

- The Group extended for a further three years its partnership with the Future Investment Initiative (FII) Institute as a Strategic Partner.
- Following a highly impactful first year, GFH will continue to leverage FII's unique platform in alignment with the Group's investments in high impact sectors and its growing global reach.

### Sports and Tourism Related Partnerships

- Supporting the Bahrain Olympic Committee and World Aquatics.
- The Group announced it will host the first stop of the highly anticipated World Aquatics high Diving World Cup 2024 at its Harbour North development in the Bahrain Harbour from 21 to 22 September.
- The partnership furthers GFH's ongoing support and backing for regional and global athletics and the attraction of sports tourism to Bahrain.

### Community Sustainability

- GFH partnered with Al Areen Raffles to create a sustainable fruits and herbs garden at the property.
- Kicking off a series of planned initiatives was the planting of fruit trees at the hotel's garden during an Iftar event.
- The aim is to create a sustainable fresh source for Al Areen Raffles restaurants whilst contributing to the "greening" of the area

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