



CMP/May/2024/0019

**إعلان**  
**Announcement**

<b>Date</b>	15/05/2024	<b>التاريخ</b>
<b>Company Name</b>	مجموعة جي إف إتش المالية ش.م.ب. GFH Financial Group B.S.C.	<b>إسم الشركة</b>
<b>Trading Code</b>	GFH	<b>رمز التداول</b>
<b>Subject</b>	نتائج البث الإلكتروني لمجموعة جي إف إتش المالية للبيانات المالية للربع الأول من عام 2024 Results of GFH Financial Group's Webcast for the first Quarter of 2024 Financial Results	<b>الموضوع</b>
<b>Information</b>	<p>بالإشارة الى الإفصاح الصادر من مجموعة جي إف إتش المالية بتاريخ 14 مايو 2024 المتعلق بدعوة المساهمين والمستثمرين لحضور البث الإلكتروني للمجموعة، يسر المجموعة أن تبلغ المساهمين والأسواق عن نجاح الندوة التي تم بثها عبر الإنترنت يوم الأربعاء الموافق 15 مايو 2024 في تمام الساعة 1:00 ظهراً بتوقيت مملكة البحرين.</p> <p>مرفق لكم العرض التقديمي بالإضافة الى نص محضر الندوة.</p> <p>Further to GFH's market notification dated 14<sup>th</sup> May 2024 on the subject, GFH is pleased to inform its shareholders and the markets about the successful live webcast session, which was broadcasted online on Wednesday, 15<sup>th</sup> May 2024, at 1:00 p.m. Kingdom of Bahrain time.</p> <p>Attached herein is the presentation discussed during the session and the script of the live webcast.</p>	<b>المعلومة</b>

<b>Name</b>	Mariam Jowhary	مريم جوهرى	<b>الإسم</b>
<b>Title</b>	Head of Compliance & AML	رئيس الإلتزام ومكافحة غسل الاموال	<b>المسمى الوظيفي</b>
<b>Company Seal</b> ختم الشركة		<b>Signature</b> التوقيع	



# 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

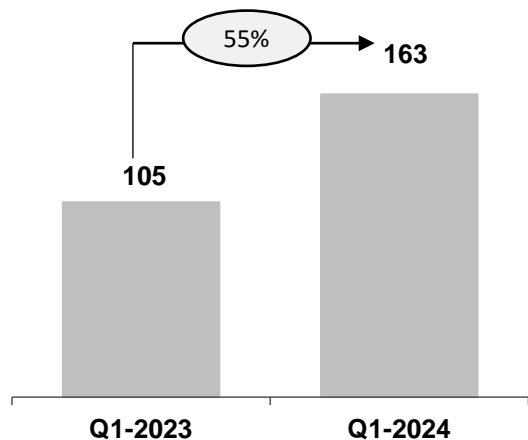
Q4-23 \$0.99 bn

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

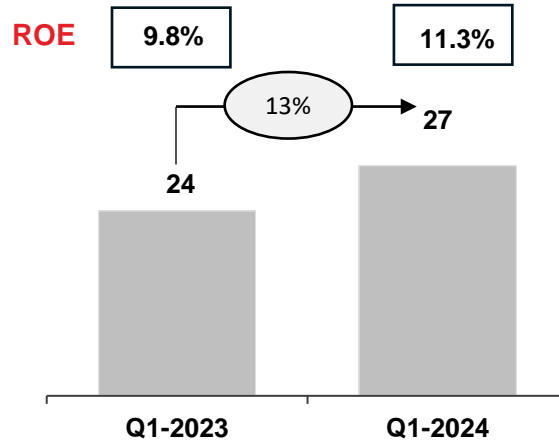
## Total Income

\$m



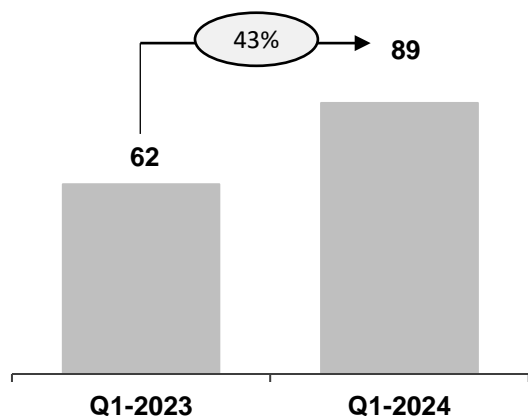
## Shareholder Profits

\$m



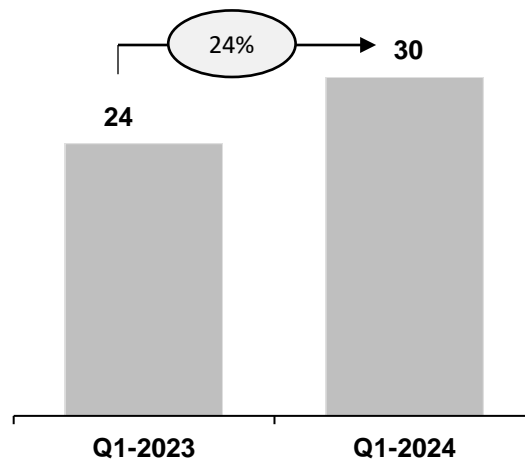
## Total Expenses

\$m



## Consolidated Profit

\$m



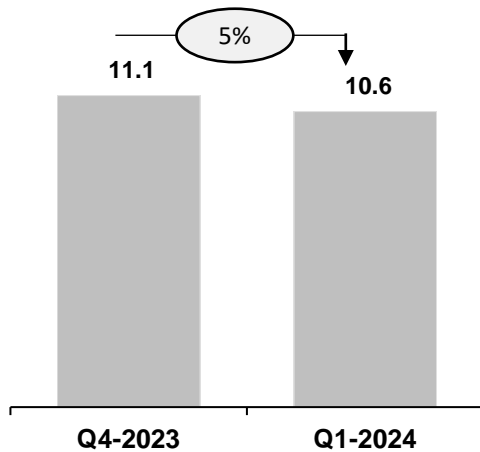
- Strong **growth in total income of +55%** YoY driven by solid performance across all the business lines
- **Momentum in investment banking** continues across PE and GFH Partners in Q1 2024 with 5 investment banking deals successfully closed (total fund size of over \$200m)
- **Solid performance from 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

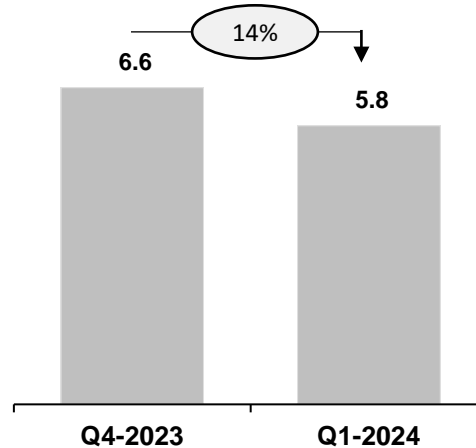
## Total Assets

\$bn



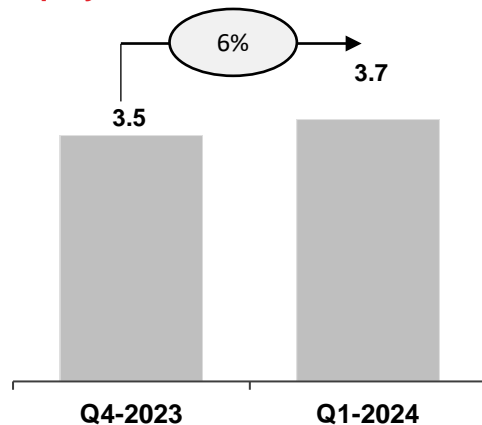
## Total Liabilities

\$bn



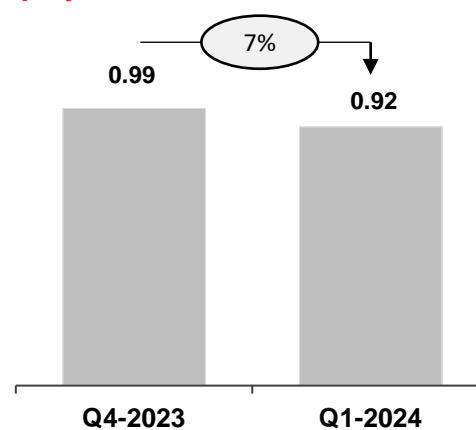
## Quasi Equity

\$bn



## Total Equity attributable to Shareholder's

\$bn



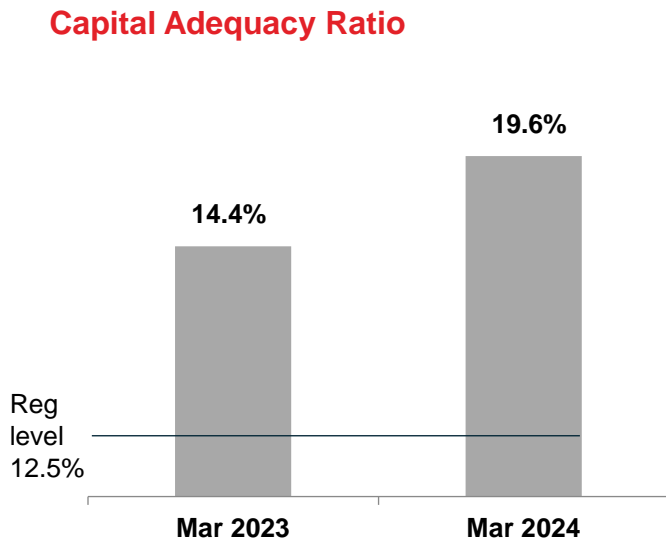
- As a Strategy, the Bank decided to tighten the liquidity to be raised which resulted in drop in total assets by 5% and drop in total liabilities by 14%.
- Furthermore, the Bank decided to shift its funding profile from Murabaha to Wakala during the last quarter of 2023. This has resulted in an increase 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%*

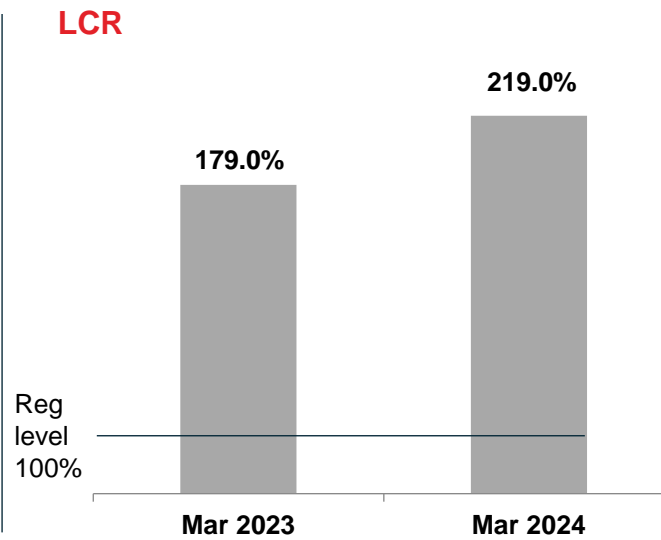
*Strong liquid funds position translating into LCR of 219% as of March 2024 and NSFR of 133% against a regulatory threshold of 100%.*

**Capital Adequacy Ratio**



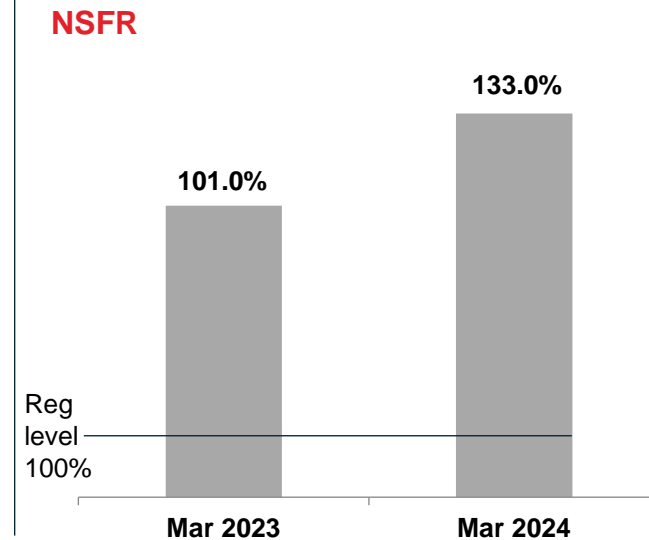
**Strong and resilient capital Base with room for growth**

**LCR**



**Strong liquid funds position**

**NSFR**

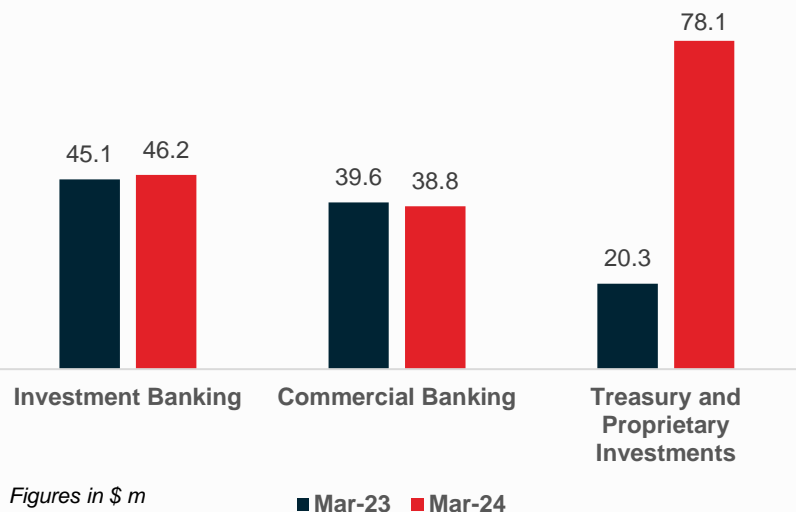
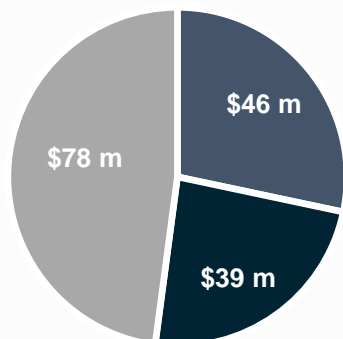


**Pro-active Balance sheet Management**

# Positive Contribution from all business lines

## Revenue by Segment

- Investment Banking
- Commercial Banking
- Treasury and Prop



## 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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## مجموعة جي إف إتش المالية تعلن عن نتائج الربع الأول من عام 2024

الحضور من مجموعة جي إف إتش المالية:

السيد سوريا هاربهاران، رئيس الشؤون المالية

مساء الخير، اسمي سوريا هاربهاران ويسعدني أن أرحب بكم جميعا اليوم في عرض نتائج مجموعة جي إف إتش المالية. سأقدم أبرز نقاط الأداء المالي للمجموعة للربع الأول من عام 2024 إلى جانب رؤى حول المعاملات الاستراتيجية التي تمت خلال هذا الربع.

تمشيا مع الاستراتيجية المعتمدة من قبل مجلس الإدارة، تواصل المجموعة الإعلان عن ربع آخر من الأداء والنتائج الجيدة الذي تحقق على مستوى الدخل والربحية.

- حققت المجموعة ربحا صافيا عائد للمساهمين بقيمة 27.1 مليون دولار أمريكي، بزيادة قدرها 13% مقارنة بالربع الأول من عام 2023.
- بلغ صافي الربح الموحد لهذه الفترة 30.3 مليون دولار أمريكي، بزيادة قدرها 24%.
- بالإضافة إلى المساهمات المستمرة من خطوط الأعمال الأساسية، كان ارتفاع الأرباح نتيجة لزيادة المساهمات من المعاملات الاستراتيجية التي نفذها البنك خلال هذا الربع.
- ارتفع إجمالي الدخل للفترة بنسبة 55% ليصل إلى 163 مليون دولار أمريكي.
- بجانب هذا النمو، ارتفع إجمالي المصروفات بنسبة 44% خلال الفترة ليصل إلى 89 مليون دولار أمريكي.
- ارتفعت ربحية السهم خلال الفترة بنسبة 6.9% لتصل إلى 0.77 سنت للسهم الواحد

كانت أبرز مساهمة لكل خط من خطوط أعمال المجموعة كما يلي:

**الخدمات المصرفية الاستثمارية -** ساهمت الخدمات المصرفية الاستثمارية، التي مازالت تمثل خط الأعمال الأساسي للمجموعة، بحوالي 28% من إجمالي دخل المجموعة لهذه الفترة. وقد نجحت مجموعة جي إف إتش المالية في طرح معاملة أسهم خاصة واحدة خلال هذه الفترة، كما نجحت شركة جي إف إتش بارتنرز، الشركة التابعة المختصة بإدارة أصول المجموعة، في إطلاق 4 معاملات خلال الفترة. جاءت مساهمات دخل الخدمات المصرفية الاستثمارية متوافقة مع الفترة السابقة من عام 2023، إلا أن الفرص المتاحة للمستثمرين كانت أكثر تنوعا مقارنة بالعام السابق.

واصلت محفظتنا الاستثمارية المتنوعة، والتي تشمل دول مجلس التعاون الخليجي والمملكة المتحدة وأوروبا والولايات المتحدة، أداءها القوي، حيث أثبتت استراتيجيتنا المتمثلة في استهداف القطاعات منخفضة المخاطر والمقاومة للركود مرة أخرى فعاليتها في خلق القيمة للمستثمرين والمساهمين. لقد قمنا أيضا ببناء مجموعة قوية من المعاملات

الجاذبة لبقية العام. في الولايات المتحدة، تعمل جي إف إتش بارترز بشكل وثيق مع شركائنا التابعة المتخصصة في إدارة الأصول على أرض الواقع لتحديد وإبرام المعاملات الجديدة لتنمية محافظنا الاستثمارية الحالية.

**الخدمات المصرفية التجارية** - ظل الدخل منالذراع المصرفي التجاري للمجموعة، خليجي بنك، ثابتاً مقارنة بالفترة السابقة وساهم بنحو 24% من إجمالي دخل المجموعة، حيث حقق خليجي بنك أرباحاً صافية بلغت قيمتها 3 ملايين دينار بحريني خلال هذا الربع. خلال الفترة، قمنا بتخفيض حصتنا في خليجي بنك من خلال بيع حصتنا إلى مستثمرين استراتيجيين من البحرين، بما يتماشى مع استراتيجية البنك لتنويع وتحسين قاعدة المساهمين في خليجي بنك والسعي للحصول على قيمة مضافة للأعمال.

**الخرينة واستثمارات الملكية الخاصة** - ارتفعت مساهمة الخزينة واستثمارات الملكية الخاصة، بما في ذلك المعاملات الاستراتيجية، من 20 مليون دولار أمريكي في الربع الأول من عام 2023 إلى 78 مليون دولار أمريكي خلال الفترة الحالية. ساهم خط العمل هذا بحوالي 48% من إجمالي دخل المجموعة خلال الربع الحالي.

وكان أداء محفظة الخزينة، باستثناء التقييم وفقاً لأسعار السوق، متماشياً مع الفترة السابقة. قامت المجموعة خلال هذا الربع بترشيد محفظتها التمويلية مما عكس إيجابياً في خفض تكاليف التمويل في جميع مجالات الأعمال. كما تأثرت محفظة الخزينة بالتقييم السلبي وفقاً لأسعار السوق في محفظتها.

وتماشياً مع الاستراتيجية التي وافق عليها مجلس الإدارة، نجح خط أعمال استثمارات الملكية الخاصة في الخارج من الأصول العقارية من المحفظة مما ساهم في تحقيق مكاسب من بيع الأصول. حيث يتمتع خط الأعمال هذا بأفاق مميزة للخارج من بعض الأصول الرئيسية للمجموعة.

دخلت المجموعة في معاملات استراتيجية خلال الربع بما في ذلك بيع شهادات خليجي بنك AT1 لمستثمرين استراتيجيين والبيع الجزئي لإحدى الشركات التابعة للمجموعة. خلال هذا الربع، استكمل نشاط الخدمات المصرفية التجارية أيضاً عملية الخارج من إحدى ممتلكاته العقارية المهمة، وقد أدت هذه المعاملات إلى تحقيق مكاسب للمجموعة.

**المصرفيات** - تماشياً مع النمو في خطوط الأعمال، ارتفع إجمالي المصرفيات التشغيلية خلال هذا الربع، بما في ذلك مخصصات انخفاض القيمة، بنسبة 44% تقريباً خلال هذا الربع. كما اتخذت مجموعة جي إف إتش نهجاً حذراً تجاه بعض حالات التعرض على مستوى المجموعة بالنسبة لأصولها التمويلية ومحفظة الائتمانية مما أدى إلى زيادة مخصصات انخفاض القيمة خلال هذا الربع.

بالنسبة إلى المركز المالي للمجموعة، فقد انخفض إجمالي أصول المجموعة بنسبة 5% عن نهاية عام 2023. وجاء ذلك متماشياً مع انخفاض المطلوبات بنحو 12% خلال الربع مقارنة بنهاية العام. قامت المجموعة بإدارة ملفها التمويلي آخذيين بعين الاعتبار أسعار الفائدة مما أدى إلى تحسين إدارة السيولة وبالتالي إلى انخفاض في المطلوبات ومن ثم أصول المجموعة خلال هذا الربع.

كانت أبرز ملامح بيان المركز المالي كما يلي: -

- انخفاض إجمالي الأصول بنسبة 5% إلى 10.6 مليار دولار
- انخفاض إجمالي المطلوبات بنسبة 12% إلى 5.8 مليار دولار
- بلغ إجمالي الأصول والأصول تحت الإدارة 20.6 مليار دولار أمريكي
- نسبة كفاية رأس المال 20% تقريباً

انخفض إجمالي حقوق المساهمين من 990 مليون دولار أمريكي في 31 ديسمبر 2023 إلى 924 مليون دولار أمريكي في نهاية الربع الأول من عام 2024. وكانت الحركة الأساسية في حقوق المساهمين هي ربحية الفترة الحالية وتوزيعات الأرباح التي وافق عليها المساهمون لعام 2023 والتغيرات في حصة المجموعة في خليجي بنك.

فيما يتعلق بالنسب، تم تحقيق عائد سنوي على حقوق المساهمين بنسبة 11.3% وعائد على الأصول بنسبة 1%. وبالانتقال إلى النسب التنظيمية، بلغت نسبة كفاية رأس المال 19.6%، ونسبة تغطية السيولة 219%، ونسبة صافي التمويل المستقر 133%. جميع النسب التنظيمية لدينا أعلى من الحدود المقررة.

**المبادرات الإستراتيجية** - نواصل متابعة المزيد من عمليات الاستحواذ الإستراتيجية لتوسيع وتنويع محفظتنا الاستثمارية في الأسواق العالمية الرئيسية لتقديم قيمة إضافية للمساهمين. ومن بين هذه المبادرات المناقشات الجارية للاستحواذ على المحافظ التمويلية والاستثمارية لشركة الإثمار القابضة. المناقشات جارية لوضع اللمسات الأخيرة على هيكل المعاملة والوثائق النهائية والاتفاق عليها، والتي تظل خاضعة للعناية الواجبة، والموافقات عليها من قبل الجهات الرقابية المختصة.

**الممارسات البيئية والاجتماعية والحوكمة** - في هذا الإطار، لدى مجلس الإدارة استراتيجية واضحة لتعزيز النمو المستدام والتأثير المجتمعي الإيجابي. وكجزء من مبادرات الممارسات البيئية والاجتماعية والحوكمة، دخلت جي إف إتش في شراكة مع العرين رافلز في مبادراتهم للاستدامة المتمثلة في إنشاء حديقة فواكه وأعشاب مستدامة بهدف إنشاء مصدر مستدام لكل ما هو طازج لمطاعمها وتنمية المنطقة لتكون أكثر خضرة.

#### ملاحظات ختامية:

يظل النمو والتقدم المستمرين يمثلان جزءاً أصيلاً في نجاح استراتيجية المجموعة وتركيزها على الاستثمار في القطاعات منخفضة المخاطر وذات الأداء الجيد والأسواق ذات النمو المرتفع، في المنطقة وعلى المستوى الدولي، حيث نتمتع بحضور نشط ومنتامي. عبر خطوط أعمال المجموعة، نواصل التركيز على تسريع استراتيجيتنا للنمو على المستوى الخارجي من خلال الاستثمارات الجديدة والاستحواذ على الأموال والمحافظ والمؤسسات المالية الأخرى. في أسواق دول مجلس التعاون الخليجي، وخاصة المملكة العربية السعودية، تتطلع جي إف إتش المالية السعودية إلى تعزيز وجودنا ومساهمتنا في نمو القطاعات ذات الأولوية في رؤية 2030 مثل الرعاية الصحية والتعليم والخدمات اللوجستية، حيث نتمتع بخبرة عميقة وسجل حافل من النجاح .



وبعد أن دخلنا العام بزخم إيجابي، فإننا نتطلع إلى مواصلة توسيع استثمارات المجموعة عبر خطوط الأعمال الأساسية والمناطق الجغرافية وخلق قيمة أكبر للمساهمين والمستثمرين طوال الفترة المتبقية من العام، كما نتطلع إلى مواصلة تعزيز مسار نمو المجموعة على مدار عام 2024.

أود أن أشكركم على وقتكم الثمين ويسرني الرد على أية أسئلة قد تكون لديكم.



## GFH Financial Group Reports Results for the first quarter of 2024

### Attendees from GFH Financial Group:

#### Mr. Surya Hariharan, Chief Financial Officer

A very good afternoon. My name is Surya Hariharan and it's my pleasure to welcome you all today to GFH Financial Group's results presentation. I will be presenting the highlights of the Group's financial performance for the first quarter of 2024 along with insights on the strategic transactions undertaken during the quarter.

In line with our Board's approved strategy, GFH continues to report another quarter of enhanced performance and results including momentum in the Group's income and profitability.

- The Group achieved net profit attributable to shareholders of US\$27.1 million up by 13% compared to Quarter 1 of 2023.
- Consolidated net profit for the period was US\$30.3 million, an increase of 24%.
- In addition to the continuous contributions from the core business lines, the higher profits were from increased contributions from the strategic transactions carried out by the Bank during this quarter
- Rise in total income for the period by 55% to US\$163 million.
- In line with the growth, rise in total expenses by 44% during the period to US\$89 million
- Earnings per share for the period grew by 6.9% to US\$0.77 cents per share

Highlights of the contribution by each of the business lines were as follows –

**Investment Banking** – Investment banking, which remains our core business line, contributed c.28% of the total income of the Group for the period. GFH was successful in placing one private equity deal during this period. GFH Partners, the asset management arm of the Group, was successful in placing 4 deals during the period. Investment banking income contributions were in line with the previous period of 2023, however, the opportunities offered to the investors were more diverse compared to the previous year.

Our diverse investment portfolio, which spans the GCC, UK, Europe and the US, continued to perform robustly, with our strategy of targeting defensive, recession-proof sectors once again proving its effectiveness in creating value for investors and shareholders. We have also built a strong pipeline of exciting deals for the rest of the year. 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.

**Commercial Banking** – Income from our commercial banking arm, Khaleeji Bank, remained steady compared to the previous period and contributed c. 24% to the total income of the Group. Khaleeji reported a net profit of BD3 million for the quarter. During the period, we reduced our stake in Khaleeji through sale of our stake to strategic investors from Bahrain. This is in line with the Bank's strategy to diversify and improve the shareholder base of Khaleeji and seek value add for the business.

**Treasury and Proprietary investments** – Contribution from Treasury and proprietary investments, including strategic transactions, increased from US\$20 million in Quarter 1 of 2023 to US\$ 78 million during current period. This business line contributed c. 48% of the total income of the Group for the current quarter.



Performance of the treasury portfolio, excluding mark to market movements, were in line with the previous period. During this quarter, the Group has tightened its funding portfolio which has helped in reducing the finance costs across all business lines. Treasury portfolio was also impacted by the negative mark to market movement in its portfolio.

In line with its Board approved strategy, the Proprietary Investments business line has been successful in exiting real estate assets from the portfolio contributing to gains from sale of assets. This business line has exciting prospects for exit from some of the major assets of the Group.

The Group entered into strategic transactions during the quarter including the sale of Khaleeji Bank AT1 certificates to strategic investors and partial sale of one of its subsidiaries. During the quarter, the commercial banking arm also concluded on exit from one of its significant real estate holding. These transactions resulted in a gain for the Group.

**Expenses** - In line with the growth in the business lines, the total operating expenses have also increased during the quarter. Total expenses, including impairment allowances, have increased by c. 44% during this quarter. GFH has taken a cautious approach towards certain exposures at the Group level on its financing assets and credit portfolio which has lead to an increase in the impairment allowances during the quarter.

Moving on to the financial position of the Group, the Group's total assets dropped by 5% from the 2023 year end. This was in line with the drop in liabilities by c.12% during the quarter compared to the year end. The Group has been managing its funding profile cautiously given the interest rate environment and during this quarter has tightened its liquidity which has lead to a decrease in the liabilities and consequently in the assets of the Group.

Key highlights of the statement of financial position were as follows –

- Drop in total assets by 5% to US\$10.6 billion
- Drop in total liabilities by 12% to US\$ 5.8 billion
- Total assets and assets under management at US\$20.6 billion
- Capital adequacy ratio of c.20%

Total equity attributable to shareholders dropped from US\$990 million at 31 December 2023 to US\$ 924 million at end of first quarter of 2024. The primary movement in shareholders' equity was the current period' profitability, dividends approved by the shareholders for 2023 and changes in shareholding of Khaleeji.

**Ratios** - Our performance translates into an annualised return on equity of 11.3% and return on assets of 1%. Turning to regulatory ratios, our capital adequacy ratio was at 19.6%, Liquidity coverage ratio at 219% and Net Stable Funding ratio at 133%. All our regulatory ratios are above the prescribed thresholds.

**Strategic initiatives** - We continue to pursue further strategic acquisitions to broaden and expand our investment portfolio in key global markets to deliver additional value to shareholders. One of those initiatives is the ongoing discussions to acquire Ithmaar Holding's financing and investment portfolios. Discussions are in progress to finalize and agree on the transaction structure and definitive documents, which remain subject to due diligence, and satisfactory completion of key regulatory approvals.

**ESG** - On the ESG front, the Board has a clear strategy to foster sustainable growth and positive societal impact. As part of the ESG initiatives, GFH has partnered with Al Areen Raffles in their sustainability



initiative of creating a sustainable fruits and herbs garden with an aim to create a sustainable fresh source for its restaurants and grow the area greener.

**Closing remarks –**

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. Across the Group's business lines, we remain focused on accelerating our strategy for non-organic growth through new investments and the acquisition of funds, portfolios, and other financial institutions. 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.

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.

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

I would like to thank you for your time this afternoon and open the floor for any questions you may have.



## GFH Q1 2024 Webcast

### Q&A

<p>1. Any update on the KSA listing A. We have appointed advisors and are in the process of finalizing the documents for submission.</p>	<p>1. أي تحديث على الإدراج في المملكة العربية السعودية ج. لقد قمنا بتعيين مستشارين ونحن الآن بصدد وضع اللسات النهائية على المستندات لتقديمها</p>
<p>2. Are you going to complete the shares buyback? A. we have the necessary approvals from the regulator and will proceed according to the requirements</p>	<p>2. هل ستكملون عملية إعادة شراء الأسهم؟ ج. حصلنا على الموافقات اللازمة من الجهة التنظيمية وسنعمل وفقاً للمتطلبات</p>
<p>3. Additional liquidity was injected Khleeji. A. No, this was a conversion of AT1 instruments.</p>	<p>3. هل تم ضخ سيولة إضافية للمصرف الخليجي. ج. كلا، كان هذا تحويلاً لادوات AT1</p>
<p>4. What's the loan to deposit ratio of KHCB. A. 49%</p>	<p>4. ما هي نسبة القروض إلى الودائع لدى المصرف الخليجي التجاري؟ ج. 49%</p>
<p>5. Size of Ithmar bank transaction and how it is compared to book values. A. the transaction is still under diligence and is subject to regulatory approvals. Any update on this matter will be shared with the markets in due course.</p>	<p>5. حجم صفقة بنك إثمار وكيفية مقارنتها بالقيم الدفترية ج. لا تزال الصفقة قيد الدراسة وتخضع للموافقات التنظيمية. سيتم الإعلان عن أي تحديث حول هذا الأمر مع الأسواق في الوقت المناسب.</p>
<p>6. Is there discretion in the funds invested in the announced private equity transactions? A. All of our transactions are conducted using the best funding resources applicable to the transaction.</p>	<p>6. هل هناك حرية التصرف في الأموال المستثمرة في صفقات الأسهم الخاصة المعلنّة؟ ج: يتم إجراء جميع معاملتنا باستخدام أفضل وسائل التمويل المطبقة على المعاملة</p>