

GFH Financial Group Q1 2018 Results

Presentation to Investors and Analysts

For the Period Ended March 31st 2018



Important Notice and Forward-Looking Statements

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Agenda

1. **Group Q1 2018 Highlights**
2. **Q1 2018 Financial Performance Review**
3. **Q&A**

Group Q1 2018 Highlights

<i>(in \$ million)</i>	Q1 2017	Q1 2018
Commercial Banking	15.3	11.5
Investment Banking	39.9	12.8
Real Estate	(4.3)	34.5
Others ⁽¹⁾	0.2	1.6
Total Income	51.1	60.5
Operating Expenses	(23.4)	(21.9)
Profit Before Impairment	27.7	38.6
Impairment Allowances & Others	5.8	(1.7)
Net Profit	33.6	36.9
<i>Attributable to Shareholders of the Group</i>	31.9	36.5
<i>Attributable to Minority Interest</i>	1.6	0.4
Annualized Return on Equity ⁽²⁾	14.5%	13.4%
Growth in Total Income		18.4%
Growth in Net Profit Attributable to Shareholders		14.3%
<i>Total Assets</i>	3,240	3,973
<i>Total Equity</i>	878	1,085

Group operating income has increased by 18% compared to Q1 2017, with an annualized return on equity of 13.4%

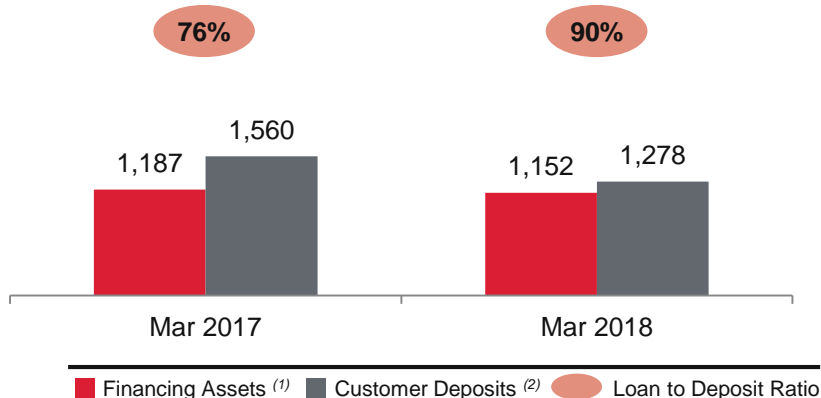
(1) Includes net profit from operations of non-banking subsidiaries. (2) The equity base of the Group has increased year-on-year due to the capital increase conducted in 2017.

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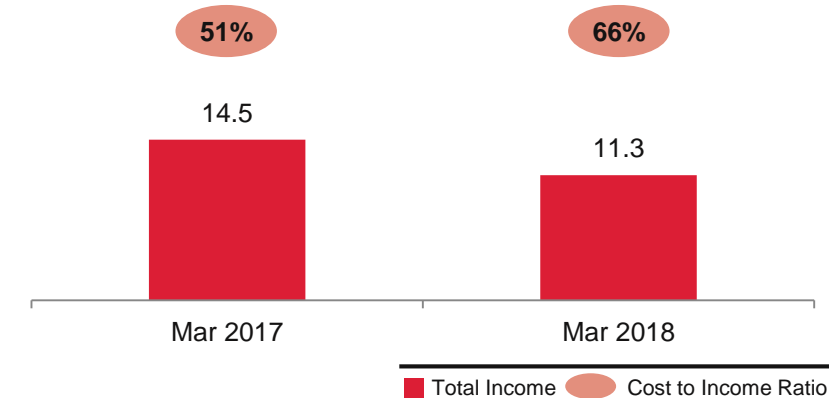
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Commercial Banking – Market Outlook Impacting Loan Growth & Margins. Significant Milestone Achieved During 2017 With Cross-Listing on the Dubai Financial Market

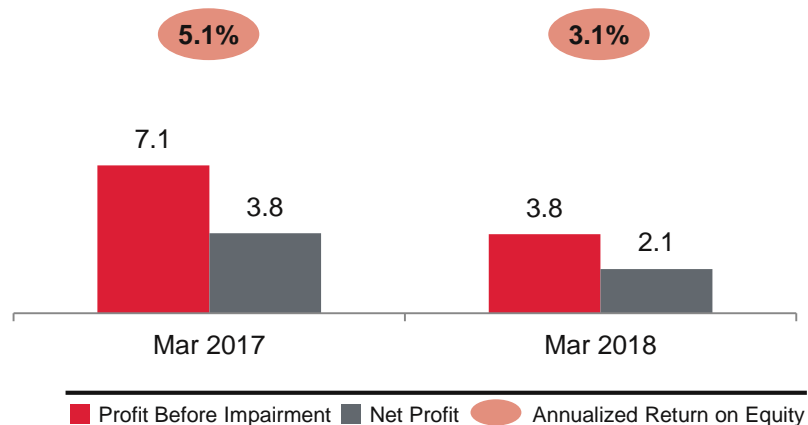
Financing Assets & Customer Deposits (\$m)



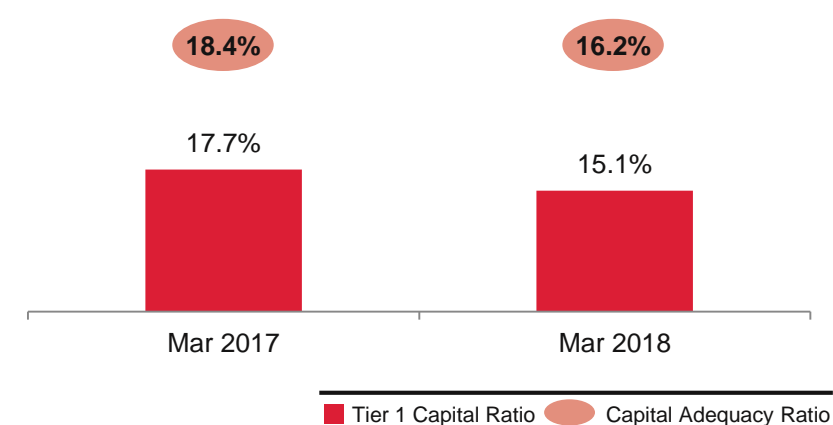
Total Income (\$m)



Profit Before Impairment & Net Profit (\$m)



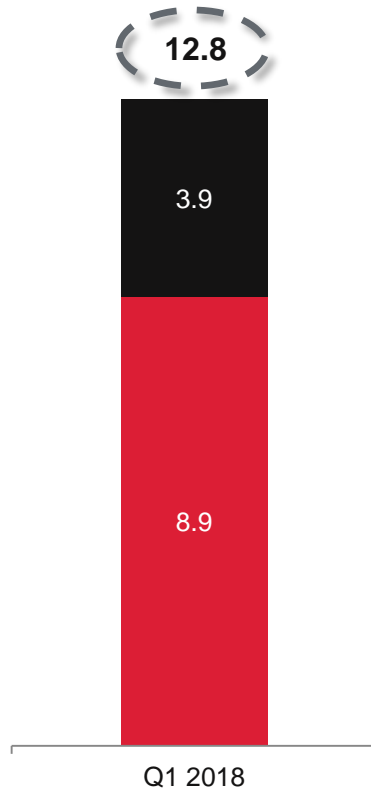
Capital Ratios



(1) Includes financing assets, assets acquired for leasing and lease rentals receivables. (2) Includes customers' current accounts, placements from non-FIs & individuals and equity of investment account holders.

GFH Capital – Strong Levels of Investment Banking Income Generation

Q1 2018 Income Generation (\$m)



■ Investment Banking Income ■ Other Investment Banking Income

- Strong levels of investment banking income for the Group in Q1 2018 of \$12.8 million
 - Positively impacted by Group’s role in launching new Private Equity & Asset Management opportunities including the Diversified US Office Portfolio



- In addition, the Group also acquired two trophy suburban office properties in Chicago in a deal valued at approximately \$150 million
- The Group also reached an agreement to acquire an 85% stake in the Entertainer, in which GFH along with its clients will invest throughout a 5 year holding period up to \$150 million.

Significant Progress in GFH Real Estate

- The Harbour Row project located in the Bahrain Financial Harbour, made significant progress in 2017 and 2018.
 - Onsite works reached approximately 40% completion and the first phase of sales saw more than 40% of offered stocks sold within a twelve-month period.
 - Based upon percentage of completion, the Group has realized income of \$3.2 million in Q1 2018, and will realize further income in subsequent quarters.



- In the UAE, California Village, a mixed-use development and gated community located in Dubailand, further progressed in 2018. Following mobilization, which commenced in 2016, site work has moved swiftly ahead. A full marketing strategy has been developed in 2017 and is now being finalized in support of the offering of built units for sale in 2018.
- In addition, the Group realized income of \$35 million in Q1 2018 related to the restructuring of liabilities of a subsidiary acquired in 2016 as part of the recoveries made by the Group under litigation settlements.

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Q&A

**Thank You
Q&A**