

GFH Financial Group Q3 2018 Results

Presentation to Investors and Analysts

For the Period Ended September 30th 2018



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Agenda

1. **Group Q3 2018 Highlights**
2. **Q3 2018 Financial Performance Review**
3. **Q&A**

Group Q3 2018 Highlights

<i>(in \$ million)</i>	Q3 2017	Q3 2018
Commercial Banking	47.0	39.5
Investment Banking	99.7	61.0
Real Estate	20.6	68.5
Others ⁽¹⁾	(2.1)	19.2
Total Income	165.0	188.2
Operating Expenses	(73.8)	(74.0)
Profit Before Impairment	91.2	114.1
Impairment Allowances & Others	(0.2)	(9.5)
Net Profit	91.0	104.7
<i>Attributable to Shareholders of the Group</i>	87.2	103.4
<i>Attributable to Minority Interest</i>	3.8	1.2
Annualized Return on Equity	10.3%	12.7%
Growth in Total Income		14.0%
Growth in Net Profit Attributable to Shareholders		18.6%
<i>Total Assets</i>	3,997	4,432
<i>Total Equity</i>	1,130	1,089

Group net profit to shareholders has increased by 19% compared to 9M 2017, with an annualized return on equity of 12.7%

(1) Includes net profit from operations of non-banking subsidiaries.

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GFH Capital – Strong Levels of Investment Banking Income Generation

Q3 2018 Income Generation (\$m)



- Strong levels of investment banking income for the Group in the first nine months of 2018 of \$61.0 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 successfully acquired two trophy suburban office properties in Chicago in a deal valued at approximately \$150 million
- GFH also launched and successfully closed the Entertainer investment, in which GFH along with its clients will invest throughout a 5 year holding period up to \$150 million



GFH Real Estate and Other Corporate Activities

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 50% 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 \$4.9 million in the nine months to 2018, and will realize further income in subsequent quarters.

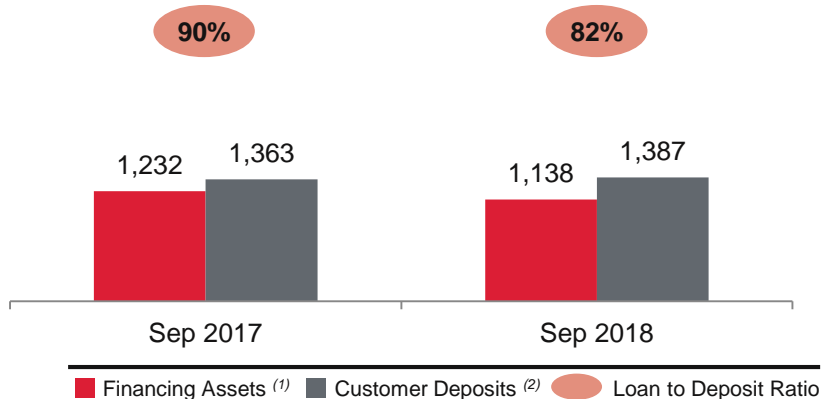


Tangible Milestones in Other Business Activities

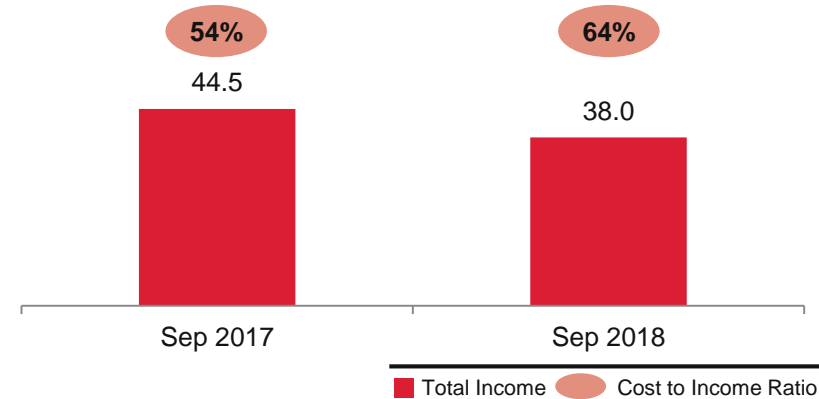
- The Group agreed to settle the Villamar Sukuk liability of \$200 million at a lower amount, resulting in a gain of \$77.7 million (net of associated costs), of which \$45 million has been recognized in Q3 2018.
- During Q2 2018, Group reached a cash settlement with regards to one of its legal claims for an amount of \$22.5 million.
- 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.

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

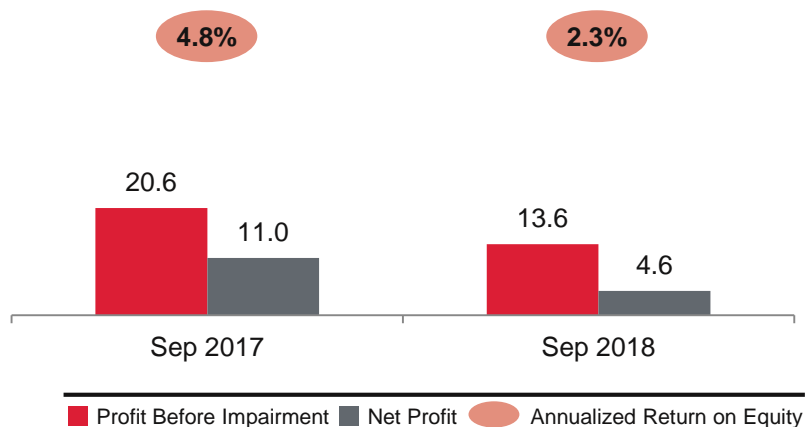
Financing Assets & Customer Deposits (\$m)



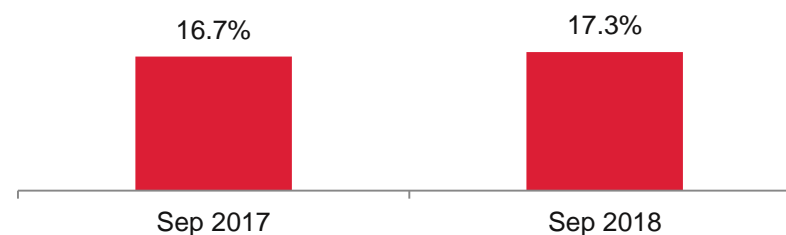
Total Income (\$m)



Profit Before Impairment & Net Profit (\$m)



Capital Adequacy 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.

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Q&A

**Thank You
Q&A**