



GFH Financial Group

9M/Q3 2021 Earnings Presentation

15 November 2021

Importance Notice and Forward-Looking Statements



Important notice

The information set out in this presentation and subsequent webcast does not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any recommendation in respect of such securities or instruments.

Forward-looking statements

This presentation and subsequent webcast may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position and business of the Group (together, “Forward-Looking Statements”). Any such Forward-Looking Statements are not a reliable indicator of future performance, as they may involve significant assumptions and subjective judgments, which may or may not prove to be correct, and there can be no assurance that any of the matters set out in Forward-Looking Statements are attainable, will actually occur or will be realized or are complete or accurate. Forward-Looking Statements are statements about the future and are inherently uncertain and generally based on stated or implied assumptions. The assumptions may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any Forward-Looking Statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market conditions or regulatory changes). Any such Forward-Looking Statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update them if circumstances or management’s beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any Forward-Looking Statements.



Nine months profit to shareholders up 160%, Annualised ROE at 8.5%

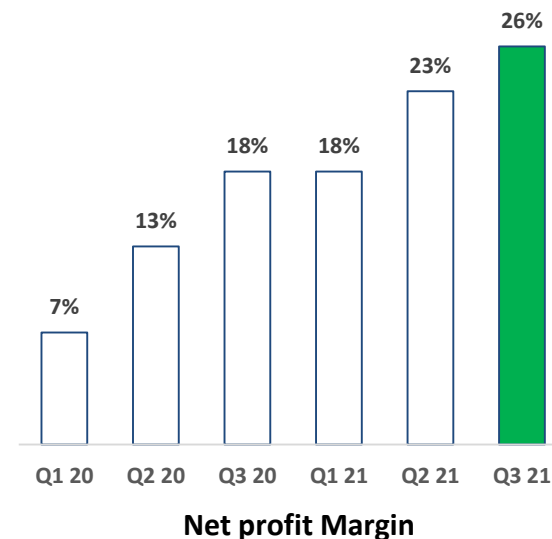


Solid profitability

- Net profit attributable to shareholders was US\$60.3 million for 9M 2021 compared with US\$23.17 million in 9M 2020, an increase of 160.4%.
- Net profit attributable to shareholders of US\$23.3 million for Q3 2021 up 187.3% when compared with US\$8.11 million for Q3 2020

Strong and steady business income

- Net profit margin for Q3 2021 at 26%, best in the post pandemic era
- Annualised ROE at 8.5% and EBITDA margins for Q3 2021 at 65%
- Investment banking business back to pre-pandemic levels with 6 deals placed in nine months with a strong pipeline
- Higher contribution from a cleaner KHCB
- Underlying expenses stable



Growing balance sheet with resilient asset quality

- Total assets have grown from USD 6.6bn in December 2020 to USD 7.4bn in September 2021, increase of 12%
- Net debt to equity ratio at 2.8x, higher fund flows at lower rates

Strong capital and liquidity

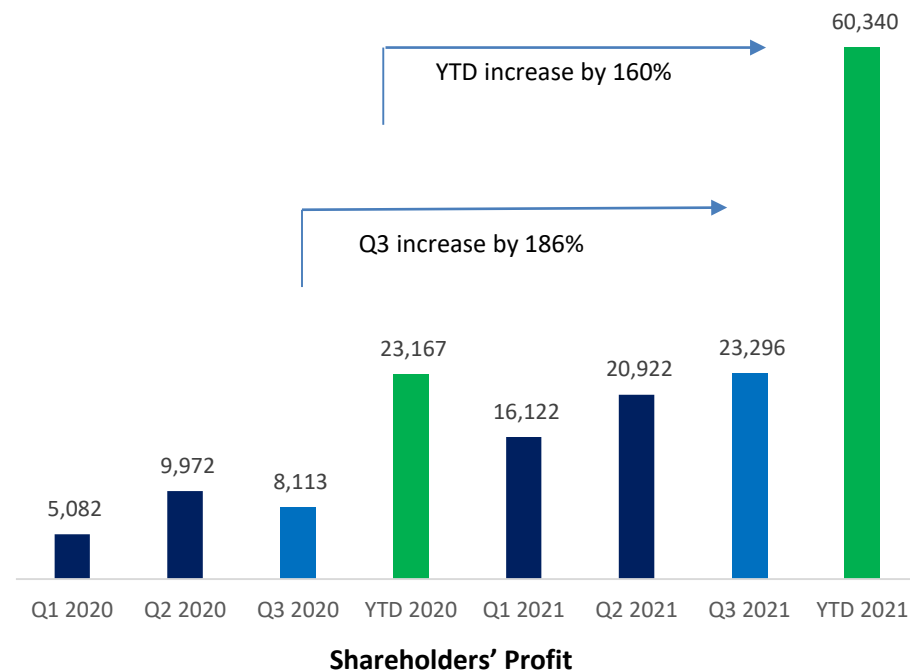
- Capital adequacy ratio stable at 13.15%
- Treasury portfolio increased by 50% to USD 2.7 bn



Performance compared to previous year



	2021	2020	
Shareholders profit (Q3)	23.3m	8.1m	▲ 186%
Consolidated profit (Q3)	24.1m	9.9m	▲ 143%
Total income (Q3)	89.6m	67.6m	▲ 33%
Operating expenses (Q3)	26.9m	22.8m	▲ 18%
Finance expenses (Q3)	34.9m	34.2m	2%
<hr/>			
Consolidated profit (YTD)	68.3m	30.3m	▲ 125%
Shareholders profit (YTD)	60.3m	23.2m	▲ 160%
Total income (YTD)	270.6m	214.1m	▲ 26%
Operating expenses (YTD)	86.6m	80.5m	8%
Finance expenses (YTD)	98.3m	101.2m	-3%
<hr/>			
Total assets (Sep v Dec)	7.4bn	6.6bn	12%
Total liabilities (Sep v Dec)	6.2bn	5.4bn	15%
Shareholders' equity (Sep v Dec)	0.97bn	0.91bn	7%
Return on Equity (YoY)	6.2%	3.5%	
EPS (US cents)	1.78	0.69	

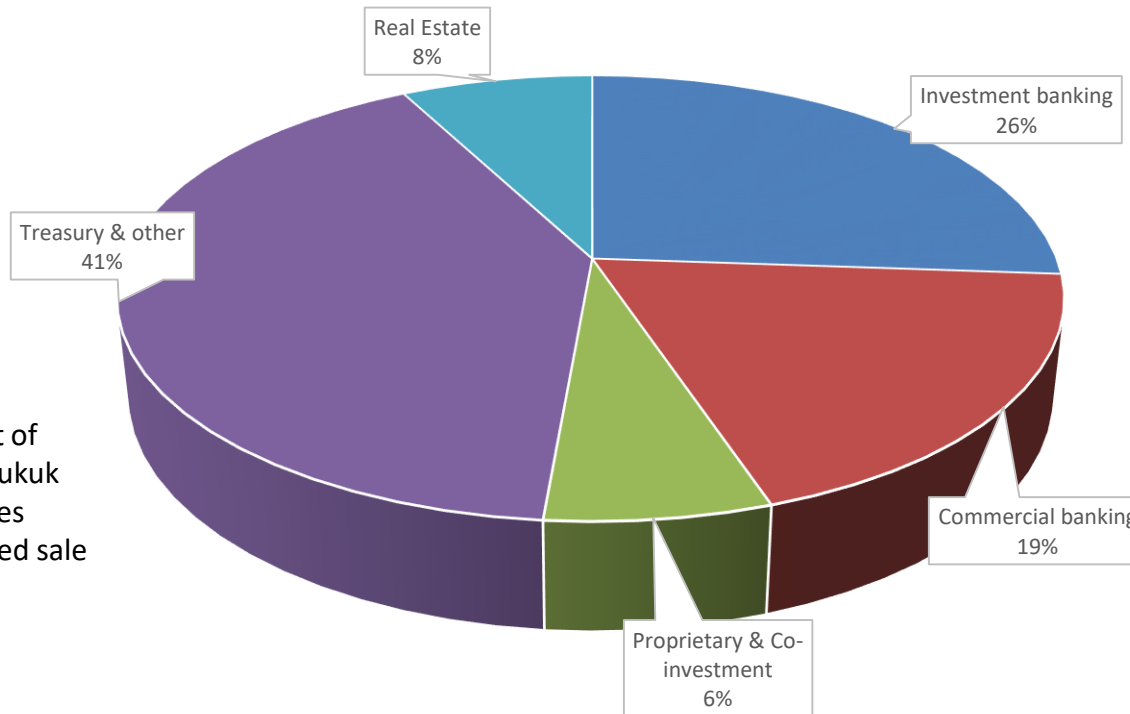


Income statement – business line contribution in Q3



- Income from sale of apartments in Harbour Row project
- Income from handover of apartments in Harbor Heights project

- Income from US Multifamily, Amazon, and Fedex Columbus
- Management fee income from ongoing projects



- Higher deployment of funds received in Sukuk and structured notes
- Income from realized sale of Sukuks

- Improved performance of KHCB

- Dividend income on proprietary and co-investment holdings



Income statement – Segment contribution

USD 000s

	Investment banking	Commercial banking	Real estate development	Corporate and treasury	Total
Segment revenue	58,140	58,489	16,403	137,575	270,607
Segment expenses	(40,568)	(35,126)	(11,582)	(115,055)	(202,331)
Segment result	17,572	23,363	4,822	22,519	68,276

Income statement – performance compared to previous year

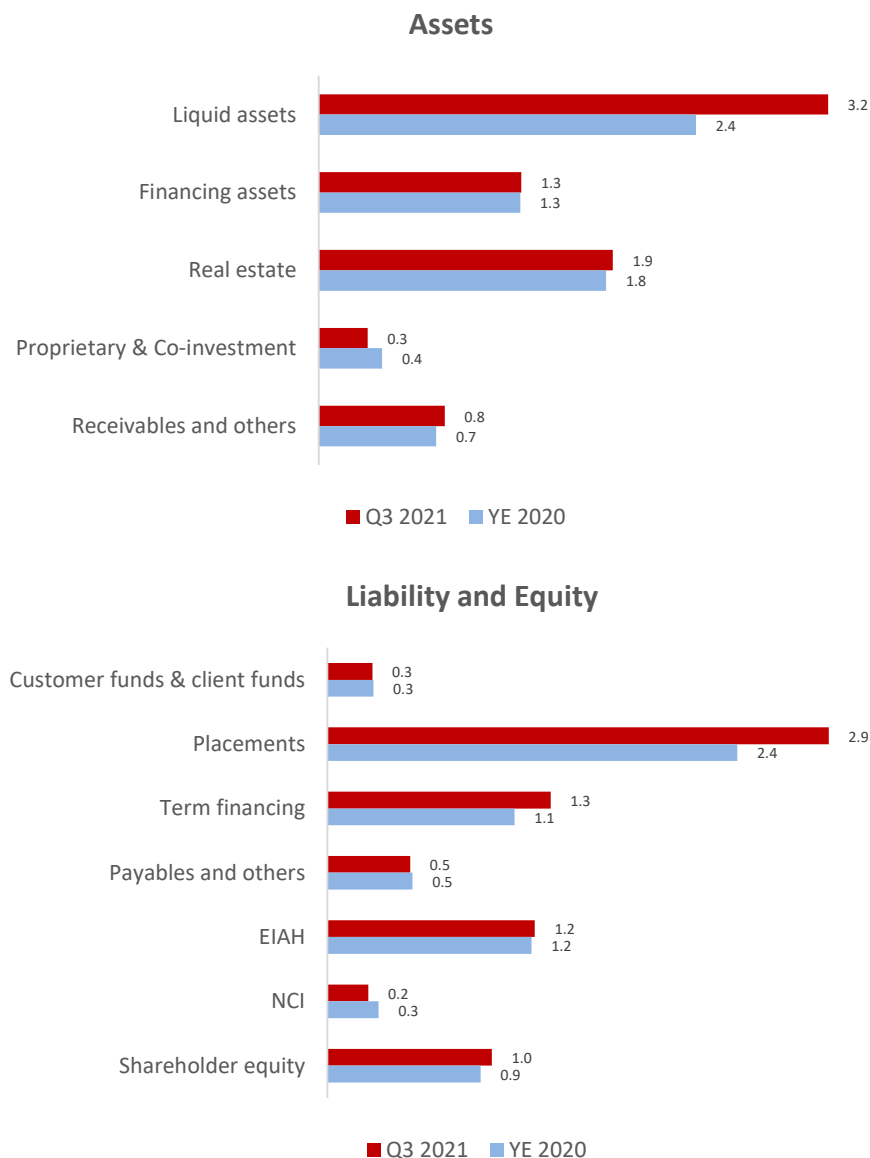
	YTD 2021	YTD 2020		Q3 2021	Q3 2020	
Investment banking income	58,140	65,780	-12%	23,403	24,816	-6%
Commercial banking income	58,489	44,827	30%	16,776	12,454	35%
Income from proprietary investments	24,789	26,789	-7%	5,857	3,380	73%
Real estate income	16,403	13,826	19%	6,923	3,413	103%
Treasury and other income	112,786	62,879	79%	36,638	23,513	56%
GROSS OPERATING INCOME	270,607	214,101	26%	89,597	67,576	33%
Operating expenses	86,638	80,483	8%	26,877	22,835	18%
Finance expense	98,252	101,190	-3%	34,856	34,246	2%
Impairment allowances	17,441	2,120	7	3,733	573	6
TOTAL EXPENSES	202,331	183,793	10%	65,466	57,654	14%
PROFIT	68,276	30,308	125%	24,131	9,922	143%
NCI	7,936	7,141		835	1,809	
PROFIT TO SHAREHOLDERS	60,340	23,167	160%	23,296	8,113	187%

Balance sheet information



USD000s

	Sept 2021	June 2021	March 2021	Dec 2020
ASSETS				
Cash and bank balances	479,444	593,229	805,917	536,502
Treasury portfolio	2,726,882	2,379,758	2,021,232	1,878,546
Financing assets	1,275,680	1,252,936	1,259,791	1,267,266
Real estate investment	1,851,407	1,817,499	1,820,683	1,812,315
Proprietary investment	172,148	171,357	174,474	216,108
Co-Investments	135,813	128,272	120,449	126,319
Receivables & prepayments	655,455	578,336	697,301	605,658
Property and equipments	138,134	135,741	143,223	144,149
TOTAL	7,434,963	7,057,128	7,043,070	6,586,863
LIABILITIES				
Clients' funds	132,610	88,776	84,613	130,935
Placements from FI & non-FI	2,947,392	2,722,879	2,589,838	2,418,000
Customer current accounts	130,977	150,462	159,162	140,756
Term financing	1,311,877	1,269,419	1,253,204	1,089,077
Payables and accruals	485,554	428,670	420,795	465,038
Total	5,008,410	4,660,206	4,507,612	4,243,806
Equity of investment account holders	1,218,909	1,221,554	1,341,312	1,156,993
EQUITY	966,953	935,346	917,377	913,331
Non-controlling interests	240,691	240,022	276,769	272,733
Total owners' equity	1,207,644	1,175,368	1,194,146	1,186,064
TOTAL	7,434,963	7,057,128	7,043,070	6,586,863





Thank You Q&A

