



GFH REPORTS 14% GROWTH IN ITS NET PROFIT FOR SHAREHOLDERS OF US\$36.48 MILLION FOR Q1 2018



-- Revenue growth of 17% supported by growth in core investment banking business

Manama, Bahrain –May 2018: GFH Financial Group (“GFH” or “the Group”) announced today continued positive performance and results for the first quarter of 2018 ended 31 March 2018. For the quarter, GFH reported a 14% increase in net profit attributable to shareholders which rose to US\$36.48 million compared with US\$ 31.92million for the prior-year period and a consolidated net profit of US\$36.89 million up from US\$33.55 million in the first quarter of 2017. The profit per share for the current period is US\$1.02 compared to US\$1.28 in the first quarter of 2017.

The Group’s total consolidated revenue was US\$60.45 million for the first quarter, a rise of 17% compared to US\$49.59 million in the prior-year period. Supporting revenue growth was higher investment banking income including revenue generated from the restructuring of some of the Group’s investments and income related to the Group’s portfolio in the US. Total operating expenses for the first quarter of 2018 decreased to US\$21.88 million from US\$23.37 million in the prior-year period. The operating profit of the Group increased by 48% to US\$38.57 million for the first quarter of 2018 compared to US\$26.21 million for the comparative period of last year.

The equity attributable to shareholders of the Bank increased from US\$ 877.61 million in first quarter of 2017 to US\$ 1084.92 million during the first quarter of the current year representing



an increase of 24%. The total assets of the Group increased from US\$3.24 billion in first quarter of 2017 to US\$3.97 billion in first quarter of 2018.

Commenting on the results, Mr. Jassim Alseddiqi, Chairman of GFH Financial Group, said, “We’re pleased to report good profitability for the first quarter of 2018. Consistent value creation demonstrated by the Group quarter-after-quarter underscores the positive direction in which GFH continues to move and its ability to deliver on its strategy and commitment to its shareholders, as the Group is currently seeking to exit from real estate investments and focus on its investment and banking activities. GFH is one of the leading financial institutions listed in the GCC stock markets. The Group has repurchased over 100 million shares over the past period to enhance the market value of its share. We are now working on some strategic exits and the listing of GFH’s shares in new markets to generate healthy revenues to our shareholders.”

Mr. Hisham Alrayes, CEO of GFH, added, “No doubt that our strong results for the first three months of 2018 reflect the Group’s ability to enhance its performance even under the current changes prevailing in the region. It was also able to launch new investments and increase the assets under its management by more than US\$200 million during the past six months, reflecting the confidence of the markets in GFH and the efficiency of its operations. In addition, GFH has been able to restructure a number of its legacy real estate assets, including the Group’s Bahrain-based Villamar and Al Areen projects in preparation for exits over the short and medium term. We look forward to achieving steady results in 2018 and implementing the Group’s investment policy focusing on investing in technology and education.”

This press release and the financial results shall be available on Bahrain Bourse’s website.

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About GFH Financial Group B.S.C

GFH is one of the most recognized financial groups in the Gulf region. Its businesses include Asset Management, Wealth Management, Commercial Banking and Real Estate Development. The Group’s operations are focused in the GCC, North Africa and India. GFH is listed in Bahrain Bourse, Kuwait Stock Exchange and Dubai Financial Market. For more information, please visit www.gfh.com.

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