



## GFH Net Profit Attributable to Shareholders Rises 16.7% to US\$72.5 Million for the First Half of 2018



- 19.2% increase in net profit attributable to shareholders quarter-on-quarter for Q2 2018
- Group continues treasury share buyback program of 4.1% of outstanding shares
- Management expects continued growth for remainder of 2018

**Bahrain – 13<sup>th</sup> August 2018:** GFH Financial Group (“GFH”) today announced a net profit attributable to shareholders of US\$72.5 million for the first half of the year ended 30 June 2018 representing a 16.7% increase from US\$62.1 million in the first half of 2017. The Group reported a consolidated net profit of US\$73.4 million for the first six months of 2018, an increase of 12.1% from US\$65.5 million for the prior-year period. Net profit attributable to shareholders for the second quarter of 2018 increased 19.2% to US\$36 million from US\$30.2 million for the comparable period in 2017. Consolidated net profit for the second quarter of 2018 was US\$36.5 million from US\$32 million in the prior-year period, an increase of 14.1%. Earnings per share for first half of the year ended 30 June 2018 was US cents 2.02 compared to US cents 2.51 in the first half of 2017. Earnings per share for the second quarter of 2018 was US cents 1.00 compared to US cents 1.22 during the comparable period in 2017.

During the first half of 2018, the Group’s total consolidated revenues grew 12.5% to US\$124.2 million as compared to US\$110.4 million in the first half of 2017, primarily from revenues generated from its investment banking business. This includes income generated from investment placements for private equity and real estate transactions. Consolidated revenues for the second quarter of 2018 was US\$63.7 million compared to US\$ 60.8 million in second quarter of 2017, an increase of 4.8%. Revenues for the quarter also included legal claims settlements in favor of the Group. GFH’s profit before impairment allowance for the first half of the year was US\$79.1 million as compared to US\$59 million in the first half of 2017, an increase of 34.1%. Consolidated operating profit for the second quarter of 2018 increased by 23.5% to US\$40.5 million from US\$32.8 million in the comparable-year period. Total operating expenses for the first six months of 2018 decreased to US\$45.1 million



compared with US\$51.4 million in the prior-year period. Operating expenses for the second quarter was US\$23.2 million compared to US\$28 million in the second quarter of 2017.

Equity attributable to shareholders was US\$1.11 billion for the first half of 2018 compared to US\$1.14 billion for the prior year period. The total assets of the Group increased 10.3% to US\$4.3 billion in first half of 2018 from US\$3.9 billion for the prior-year period.

Commenting on the results, Mr. Jassim Alseddiqi, Chairman of GFH Financial Group, said “We are pleased with the continued growth in profitability for the first half of 2018. This reflects the strength of the Group’s strategy and success, quarter after quarter, in delivering value and strong returns to shareholders. Enhanced results and revenue generation for the period were supported by increased contributions from the Group’s investment banking business, where it continues to demonstrate a strong ability to identify and bring to the market unique investment opportunities. With the strong momentum achieved in the first half of the year and a strengthened focus on our investment and banking activities, we look forward to enhancing performance and results for the benefit of shareholders.”

Mr. Hisham Alrayes, CEO of GFH, added “In line with the Group’s strategy, the ongoing growth in our investment banking business continues to drive enhanced results and profitability. In particular, during the period, improvements in income generation came from a number of strategic deals including our landmark investment in the UAE-based ENTERTAINER and a notable trophy real estate asset in Chicago. We are pleased with the high quality of the deals we are concluding and the expanding and well diversified portfolio we have established in key growth sectors. At the same time, we have also continued to make strong progress across our infrastructure portfolio advancing projects and works according to plan and in line with our focus on achieving profitability exists as we go forward. Building on the strong foundations we have set and the growth we have already achieved thus far in 2018, we are confident that we are on track to further improve results and maintain strong distributions to shareholders.”

**-Ends-**

**About GFH Financial Group B.S.C.**

GFH is one of the most recognised 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](http://www.gfh.com)

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