GULF FINANCE HOUSE REPORTS US$ 88.2 MILLION REVENUES AND US$ 10.6 MILLION NET PROFITS FOR THE FIRST HALF OF THE YEAR 2014

- Period marked by strengthened financial position and enhanced profitability -

[Manama, 13th August 2014]: Gulf Finance House (GFH), the Bahrain based Islamic investment bank, today announced its financial results for the first half of 2014 ended June 30, 2014 ("the period") again reporting solid performance and strongly improved profitability.

GFH reported a net profit of US$10.6 million for the period compared with US$4.2 million for the prior year period. The Bank's consolidated profits rose by 152% in current period compared to the prior year period although an impairment of US$10 million was conservatively taken. Net profit for the second quarter of 2014 was US$ 9.5 million as against US$ 2.7 million only achieved in the second quarter of the year 2013.

Total income for the first half of 2014 was US$88.2 million compared with US$24.5 million for the same period of the year 2013. This includes US$45.3 million from the consolidation of the results of the industrial subsidiaries. Excluding the income achieved from industrial businesses, this represents an increase of 75% in the Bank's income from its investment banking business lines as against the comparable period of the year 2013. Contributing to this positive result among other factors was the income of US$33 million generated from recoveries of previous investments in the form of land, which was concluded during the second quarter.

Operating expenses for the period were US$67.6 million. Excluding expenses related to industrial operations, other operating expenses were US$27.5 million versus US$19.6 million incurred in the comparable period of last year.

It is worth mentioning that the first half of the year also saw further progress in the strengthening the Bank's balance sheet where GFH made debt repayments of approximately US$7 million during the period, representing a reduction of approximately 3.5% of the Bank's total financing liabilities and underscoring a solid track record of timely debt repayments, a situation that reflects a healthy cash and financial position as well as the overall strong credit quality of the Bank. Early in the third quarter of 2014, the Bank has further repaid US$25 million to its financiers exhibiting its ongoing commitments to and execution of the restructuring plan signed with such financiers back in 2012.

Commenting on 2014 first-half results, Mr. Hisham Al Rayes, CEO of GFH, said, "We are pleased to announce another period of healthy results and enhanced profitability. In the first half of the year, the Bank concluded a number of investments in the UAE market, where we are looking to expand our exposure and benefit from strong dynamics in sectors including education, tourism and real estate development. Among our other goals during the period was to continue strengthening the Bank's financial position. We are particularly pleased with the progress made on this front. Through ongoing fiscal discipline and effective balance sheet management, we have put the Bank on a stronger financial footing that will enable it to enter into the second half of the year well positioned to pursue new investments and achieve further financial growth and increased profitability."

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About Gulf Finance House

Since its establishment in 1999, Bahrain based Gulf Finance House (GFH) has while distinguished by managing and placing investment in the Middle East and North Africa "MENA" region. Banks activities are focused on development of Islamic Financial Institutions, Infrastructure Projects, Private Equities, and Asset Management. GFH is listed on the Kuwait Stock Exchange, the Bahraini Stock Exchange, the Dubai Financial Market and the London Stock Exchange in the form of a GDR.

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