GULF FINANCE HOUSE REPORTS NET PROFITS OF US$6.3 MILLION FOR 2013

- - Year marked by resumption of main stream placement activities; progress on exiting of key investments-

Manama, Bahrain – 23rd February 2014: Gulf Finance House (GFH), the Bahrain based Islamic investment bank, today announced its financial results for the fiscal year ended December 31, 2013.

The year was marked by the resumption of main stream of placement activities and progress on the Bank's strategy of moving towards an exit from a number of investments. For 2013, the Bank posted a net profit of US$ 6.3 million when compared to US$ 10.03 million in 2012. Operating profit, before provisions, for the year 2013 was US$ 9.3 million when compared to US$ 20.43 million for 2012.

The Bank also further enhanced efficiency during 2013, successfully reducing operating costs from US$ 43.15 million in 2012 to US$ 34.6 million, a 20% savings when compared to the prior year. This was mainly attributable to ongoing efforts to streamline operations and reduce facilities across GFH and its subsidiaries.

The Bank reported enhanced results in fourth quarter of 2013 when compared to similar period of 2012. Net profit before provisions for fourth quarter of 2013 stood at US$6.2 million with net profit after provisions recorded at US$ 5.2 million when compared to net profit after provision of US$ 2.5 million in fourth quarter of 2012. This is credited to income generated from investment advisory and the sale of investments.

Commenting on the year's results, Dr. Ahmed Al- Mutawa, Chairman of GFH, said, "We're extremely pleased to announce another year of solid performance and results at the Bank. These results, in addition to recently announced Board and management changes, continue to support bolstered market confidence in the Bank, as was affirmed by a healthy credit rating issued to GFH by Capital Intelligence during the second half of the year. They have also set the foundations for further profitable growth in the year ahead."

He continued, "We have entered 2014 in a stronger position and fully intend to build upon this momentum. In doing so, we are confident of our ability to deliver even greater value and returns for our shareholders and co-investors, whose commitment and support, alongside that of our dedicated management team and staff, has made the successes of the past year possible."

Further commenting on the Bank's performance in 2013, Mr. Hisham Alrayes, CEO of GFH said, "Enhanced performance and continued profitability are the result of a sound strategy and its successful execution over the course of the past year. In 2013, we worked hard to deliver on our promise to shareholders and investors by effectively developing solid new income generating opportunities while also supporting growth and value creation across our existing portfolio of investments in order to maximise returns and move closer towards profitable exits".

Highlights for 2013 included the acquisition of a new prime central London residential building, where the Bank expects above average capital appreciation and returns over the medium term and which was oversubscribed by investors. Notably, the year also saw the successful signing for the sale of a 75% stake in Leeds United Football Club to a strategic investor. The sale, currently awaiting the English Football League's final approval, will also support value creation at Leeds to ensure strong future returns on this investment.

Milestones were also reached during 2013 at other mainstay investments of the Bank including a Memorandum of Understanding signed between Khaleeji Commercial Bank B.S.C "KHCB", majority owned by GFH, and Bank Al Khair B.S.C.(c) to evaluate the potential for the merger of the two banks into a larger financial institution.

Additionally, impressive strides were made at Cemena Holding, majority owned by GFH, which achieved growth and saw expansion at its subsidiaries, which include Bahrain based Falcon Cement and Balexco. This progress has set the stage for further growth at Cemena. Infrastructure projects of the Bank including Tunis Financial Harbour, Mumbai Economic Development Zone and Royal Ranches Marrakech also received boosts through new partnerships, development deals and restructuring efforts throughout 2013.

Finally, the Bank has enhanced the investment and legal departments with number of highly experienced executive directors thereby enhancing the core business making team and GFH's ability to offer clients quality opportunities and advise on investments. .

Mr. Alrayes concluded, "We are pleased with these developments and the overall progress made by GFH and our subsidiaries during the year. For their continued support and contributions, I would like to take this opportunity to thank the Board of Directors and the entire staff of GFH and our subsidiaries. I would also like to extend my gratitude to the Central Bank of Bahrain for their invaluable and ongoing support and strategic guidance. We look forward to a strong 2014 as we pursue investments in our core GCC markets as well as in the UK and other developed economies where we see opportunities for the Bank and our investors."

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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.

For further information please contact:
Nawal Al-Naji
Corporate Communications Department
Tel: +973 17538538
Email: nalnaji@gfh.com
Website: www.gfh.com