



GFH REPORTS US\$13.6 MILLION NET PROFIT FOR THE FIRST HALF OF 2015

[Manama, 12th August 2015]: GFH Financial Group “GFH”, today announced its financial results for the first half of 2015 ended June 30, 2015 (“the period”) reporting sound performance and profitability.

For the first six months of 2015, the Group reported a net profit of US\$13.6 million compared with US\$14.8 million during the prior year period. Net profit for the second quarter of 2015 was US\$7.6 million versus US\$12.4 million reported in the second quarter of 2014. Last year’s results included a one-off income of US\$33 million as a result of a recovery. Excluding this one-off gain, net profit for the first six months of 2015 increased to US\$13.6 million compared to a loss of US\$18.2 million for the prior year period. On a quarterly basis, when normalized, net profit rose by US\$7.6 million from a loss of US\$20.6 million in the second quarter of 2014. Contributing to results for the current quarter was income generated from the placement of a new investment in Dubai, coupled with improved performance from the Group’s subsidiary, Khaleeji Commercial Bank. Total income for the first half of 2015 was US\$55.6 million compared with US\$60.5 million for the same period of 2014. Operating expenses for the period were US\$39.6 million compared with US\$35.3 million last year.

Commenting on the half year 2015 results, Mr. Hisham Alrayes, CEO of GFH Financial Group, said, "We are pleased to announce another period of sound results and profitability across the Group. In the first half of the year, we continued to successfully execute our strategy investing in new cash yielding opportunities in defensive sectors that have sound growth potential. Key among these was a new investment in a British curriculum private school in Dubai in June 2015, which has contributed to our second quarter results. This followed our May 2014 acquisition of a 1300 pupil, American curriculum K-12 private school also located in the UAE."

"During the first six months of the year, we also realized the benefits from other investments made in the last eighteen months. This includes dividends paid to our investors on the Diversified US residential portfolio and Philadelphia Private School in Dubai. We have also distributed partial exits from our India project. We shall continue to grow our income yielding investment portfolio, maximize returns from our existing assets and progress our development projects."

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About GFH Financial Group B.S.C.:

GFH is one of the most recognized financial groups in the gulf region that includes: Asset Management, Wealth Management, Commercial Banking and Real Estate Development. The group operations are focused in the GCC, North Africa and India. GFH is listed in Bahrain Bourse, Kuwait Stock Exchange and Dubai Financial Market.

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