CMP/MAY/2019/0010
13th May 2019

Mr. Hassan Al Serkal
EVP, COO – Head of Operations Division, Market Operations Division
Dubai Financial Market
P.O Box 9700
Dubai - United Arab Emirates

Dear Mr. Al Serkal,

Subject: Results of GFH's Board of Directors Meeting held on 13th May 2019

GFH Financial Group would like to advise its shareholders and the markets that its Board of Directors has met today, Monday 13th May 2018, and has discussed and approved the financial results for Q1-2019, period ended 31st March 2019 .

The Group reported a 6.47% increase in revenues, which reached US$70.12 million versus US$65.86 million in the first quarter of 2018. Net profit attributable to shareholders for the first quarter of 2019 was US$21.36 million compared with US$36.48 million in the prior-year period, a decrease of 41.44%. The Group reported consolidated net profit of US$20.7 million, compared with US$36.89 million in the first quarter of 2018 representing 43.9% decrease. The decrease in net profits is attributed primarily due to lower contribution from the Group's commercial banking arm and extended closure of investment funds, which are expected to realise during quarter 2.

Profit from continuing operations for the period was US$21.17 million compared with US$35.73 million in the first quarter of 2018, a decrease of 40.75%. Operating expenses for the period were US$21.43 million compared with US$21.29 million in the first quarter of 2018, increase of 0.6%. Finance costs for the Bank increased to US$ 23.71 million for the first quarter of 2019 from US$ 7.17 million in the comparative period of 2018, primarily due to the additional money market funds raised by the Bank as part of its new Treasury strategy. Cash received during the quarter attributes to US$ 40.72 million representing 58.07% of the revenues recorded during the quarter.

Total assets of the Group increased from US$ 4.99 billion at year end of 2018 to US$ 5.91 billion as at 31 March 2019, an increase of 18.44%, liabilities of the Group also increased to US$4.50 billion at 31 March 2019 from US$ 3.57 billion at year end of 2018, primarily due to additional money market activities.

Total equity attributable to shareholders at 31 March 2019 was at US$1.05 billion compared to year end 2018 of US$ 1.06 billion, after factoring for the profits for the quarter and the appropriation for the cash dividends approved by the shareholders in the last Annual General Meeting. Earnings per share for the first quarter of 2019 was US cents 0.61 compared to US cents 1.02 in the comparative prior-year period.

Enclosed are the approved financial results for Q1-2019, period ended 31st March 2019.

Yours Sincerely,

Nabeel Mirza
Head of Compliance