



## **GFH REPORTS NET PROFIT OF US\$84.22 MILLION ATTRIBUTED TO SHAREHOLDERS FOR 2021**

- Board recommends total dividend of US\$60 million at 6.07% at par value.
- Net Profit increased by 86.77% compared to last year supported by strong diversification and international investment portfolio.

**Manama – 09 February 2022** – GFH Financial Group B.S.C (“GFH” or “the Group”) (Bahrain Bourse: GFH) today announced its financial results for the fourth quarter (“the quarter”) and twelve months ended 31 December 2021 (“the year”).

Net profit attributable to shareholders was US\$23.88 million for the fourth quarter of the year up 8.92%, compared with US\$21.93 million in the fourth quarter of 2020. The increase was the result of strong continued performance across the Group’s core business lines and significant contributions from its investment banking business, which generated US\$52.25 million in fees from placement activities linked to the Group’s investments in the logistics, healthcare and education sectors. This included investments in a prime FedEx logistics facility in the US, the UAE’s leading multi-speciality healthcare provider and a global healthcare education pioneer alongside Schroders Capital with whom the Group signed a strategic partnership during the fourth quarter to co-invest in select private equity and venture capital deals in Europe and the Americas. Earnings per share for the quarter was US cents 0.72 versus US cents 0.64 for the comparative quarter of 2020. Total income for the fourth quarter was US\$128.14 million compared with US\$109.29 million in the fourth quarter of 2020, a rise of 17.25%. Consolidated net profit for the fourth quarter was US\$24.34 million compared with US\$19.04 million in the fourth quarter of 2020, an increase of 27.87%. Total expenses, including impairment allowances, for the quarter were US\$103.80 million compared with US\$90.26 million in the prior-year period, up 15%.

The Group reported net profit attributable to shareholders of US\$84.22 million for the full year compared with US\$45.09 million in 2020, an increase of 86.77%. The increase reflects stronger contributions throughout 2021 from all business lines including investment banking, commercial banking, real estate and treasury activities. Earnings per share for the year was US cents 2.50 compared to US cents 1.33 for the full year 2020, an increase of 87.97%. Total income for the year was US\$398.75 million up 23.30% from US\$323.39 million for the previous year. Consolidated net profit for the year was US\$92.62 million compared US\$49.34 million in 2020, an increase of 87.70%. Total expenses, including impairment allowances, for the year were US\$306.13 million up from US\$274.05 million in 2020, an increase of 11.71%.

Total equity attributable to shareholders was US\$0.96 billion at 31 December 2021 up 5.45% from US\$0.91 billion at year-end 2020. Total assets of the Group continued to grow reaching US\$8.08 billion at 31 December 2021 compared with US\$6.59 billion at year-end 2020, an increase of 22.72%. The Group’s total assets and Assets Under Management (AUM) also increased 25% from US\$12 billion at year-end 2020 to around US\$15 billion at year-end 2021 reflecting continued growth in the Group’s existing portfolio and new investments made during the year.

In line with results, the Board of Directors has recommended a total cash dividend of US\$60 million at 6.07% on par value, divided into 4.57% cash dividends amounting to US\$45 million and 1.5% stock



dividends of US\$15 million for the shareholders, subject to approval by the General Assembly and regulators.

Commenting on the results, Mr. Jassim Alseddiqi, Chairman of GFH, said, “We’re very pleased with the Group’s performance for 2021 and the solid growth achieved across the business. Despite the ongoing impact of the Covid-19 pandemic around the world, we were able to improve income, strengthen profitability and once again deliver a healthy dividend for our shareholders. Our results also continue to reflect the strength of our strategy and the quality of the portfolio of assets we have built and expanded over the past year across the region, US, UK and Europe. During the year, we also took important steps to enhance our balance sheet quality. In doing so, we completed the restructuring of our commercial banking business and set the grounds to spin off our real estate and infrastructure assets to a new company “Infracorp”, which was announced in January 2022 and will specialize in investing in and managing sustainable infrastructure and real estate assets. This is an exciting area of opportunity as global economies transition to a more sustainable future and GFH is well positioned to put its expertise, capital and ethos towards investments that positively contribute to the communities and economies where we are active whilst simultaneously delivering solid returns for the Group and our investors. Heading into 2022, we have remained focused on leveraging our strong financial position and pipeline of opportunities to create even greater value for our stakeholders and to do so with even more impact.”

Mr. Hisham Alrayes, Group CEO of GFH, added, “We entered 2021 with strong momentum and continued to successfully diversify and expand our business throughout the year. Significant progress was made across all of our business lines with each and every area strengthening its contributions to top and bottom line growth. We were especially pleased with the performance of our international investment portfolio, which not only showed resilience but consistently strong returns. Investing in downturn proof assets has enabled us to continue to generate steady streams of income for the Group and our investors despite the remaining difficulties from the pandemic and its impact on global markets. In total, during the year, we closed more than US\$ 1 billion of new investments across the region, international logistics, healthcare and education sectors, which were met with strong demand from our investors and successfully placed. This allowed us to increase our total assets and Asset Under Management (AUM) to US\$ 15 billion for 2021. To support further growth, we also strengthened our presence in the UK with the appointment of a new CEO as we expand our global investment activities as well as concluding a strategic partnership with Schroders Capital, the private markets investment division of Schroders, the global asset management giant, which will greatly bolster our international investment reach and enhance our access to a broader pool of attractive new opportunities across the defensive sectors on which we are focused. With solid foundations in place, we look forward to stronger performance and results in 2022. To conclude, I’d like to thank our Board of Directors and the Central Bank of Bahrain for their ongoing guidance and our shareholders, investors, partners and dedicated staff for their support and continued commitment to GFH. These have been challenging years but together we have been able to maintain progress and go from strength to strength.”

The Group’s financial results in full can be found at <https://www.bahrainbourse.com/> . Shares of GFH are traded under the ticker “GFH” on the Bahrain Bourse, Boursa Kuwait and Dubai Financial Market.

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