Gulf Finance House Announces Half Year Results

Net Profits surge to US$ 5.7 million

Manama, Bahrain – 12 August 2012: Gulf Finance House ("GFH" or "the Bank") has reported net profits of US$ 5.7 million for the period ending 30 June, 2012, as compared to US$ 0.7 million for the same period in 2011. In the second quarter of this year, the Bank reported a profit of US$ 4.7 million, as compared to a net loss of US$ 11.2 million for the same period in 2011. This was mainly driven by income earned from management fees and restructuring of debt.

Total income for the first half of 2012 reached US$ 32.6 million, similar to last year, when the Bank recorded a total income of US$ 32.8 million. Total expenses decreased from US$ 32.1 million to US$ 26.8 million, a 17% reduction compared to the same period last year.

Commenting on the announcement, Hisham Alrayes, Acting Chief Executive Officer at GFH said: "The surge in the Bank's net profits for the first half of this year is a result of the successful restructuring of some of our facilities, and the income earned from the management fees. The restructuring was extremely positive for the Bank, as it allowed us a greater degree of financial flexibility as we continue to focus on accelerating our business growth with the aim of returning to long-term profitable growth, as well as significantly bolstering our asset liability profile."

"I am extremely confident that, with the continued support of our shareholders, board members, and the Central Bank of Bahrain, GFH will see continued operational stability in the short term and sustainable profitability in the long term. I would also like to thank our employees for their commitment and efforts that has led to these positive results, particularly during the restructuring process."

During the past six months, GFH successfully restructured the US$45 million remaining debt on a syndicated Wakala facility worth US$ 100 million. In addition, the Bank also obtained approval from its Sukuk holders to restructure its outstanding debt amounting to US$110 million. Both debts will mature in 2018 and provide a two-year grace period for the repayment of the principal amounts.

- Ends –

For further information please contact:
Amal Turki
Head of Corporate Communications
Tel: +973 17538538
Email: aturki@gfh.com
Website: www.gfh.com