



GFH REPORTS NET PROFITS OF US\$17 MILLION FOR 2014

- *Year marked by launch of the new strategy and identity of GFH*
- *New investments of over US\$150m*

Manama, Bahrain – February 22nd, 2015: GFH, the Bahrain based financial group, today announced its financial results for the fiscal year ended December 31, 2014, a transformative year marked by the launch of the new strategy and identity of the bank.

For 2014, the group posted a consolidated net profit of US\$17 million when compared to a net loss of US\$18 million for the previous year. The profit attributable to shareholders for 2014 is US\$11 million as compared to a loss of US\$18 million for 2013.

Total consolidated income for 2014 is US\$160 million as compared to US\$13.5 million in 2013. Excluding income of US\$94.3 million from non banking operations, this reflected a sharp 387% rise in investment banking income, compared with the previous year. This was the result of a significant increase in placements and recoveries made during the year.

Operating profit before provisions for the year was US\$27.6million compared to a loss of US\$14.6 million in 2013. Total provisions of US\$10.5million were taken in 2014 by GFH. Operating expenses for the year were US\$133.8 million. Excluding costs related to non-banking income, expenses were US\$42 million compared with US\$ 34.6 million in the prior year.

Looking at the group's fourth quarter results, net profits stood at US\$1.4 million compared with a loss of US\$18.7 million in 2013. This was mainly attributed to the successful placement of the group's investments in two key residential transactions during the last quarter of the year, whilst this was affected by equity market crash in fourth quarter by US\$ 6.3 million.

Commenting on the year's results, Dr. Ahmed Al- Mutawa, Chairman of GFH, said, "We have taken steps in 2014 to recapitalize our balance sheet, strengthen our structure and emerge as a financial group. We embarked upon a new strategy to create a more stable financial position through increasing the capital and enhancing the balance sheet, while focusing on acquisitions to enhance the financial position of the Group and our co-investors through steady streams of income and opportunities for strong upside potential at exit".

Dr. Al Mutawa continued, "We are pleased with the results achieved and we aspire to achieve better results this year to allow us to make distributions to shareholders. On this occasion, I would like to take this opportunity to thank our senior team for leadership throughout the year as well as the dedication of our entire staff. Their efforts have seen us enter 2015 in a



stronger position to deliver greater value and enhanced results for our shareholders and co-investors in the year ahead."

Further commenting Mr. Hisham Alrayes, CEO of GFH, added, "We are extremely pleased that 2014 was a year of returning back strongly to investment placement, through attracting and placement of US\$86m in a number of attractive investment transactions. We also concluded a number of successful exits from some of the investment projects, in addition to successful recoveries due to the bank from various parties, in addition to the settlement of some claims. We continued to work hard to enhance the potential of our current investments and seek out new opportunities for growth of the group and our co-investors, with the launch of three investment projects, Philadelphia Private School in Dubai, "Nurollife" residential project in Istanbul, in addition a diversified investment portfolio including residential properties in Houston and Atlanta, as these projects are located in a different economic environment with distinctive options in each area. We profitably exited a UK real estate investment during the third quarter of 2014 delivering returns to investors at a rate of 21% per annum.

In 2014, we resumed our activity in our projects in Tunisia and Morocco through working with a number of companies to restructure the debts and liabilities of the projects. In addition, we worked towards the completion of the master plan of Dubailand project through "Stantec" company of Canada, the Waterfront project in Bahrain with WATG Company from USA, in addition to making progress on restarting the development of the Vilamar project in Bahrain.

We expect 2015 to be an important year for GFH as we look forward to conclude a number of acquisitions to enhance the balance sheet, implement our strategy and realise more returns that allow us to make distributions to the shareholders.

Mr. Alrayes concluded, "On this occasion, I would like to extend my thanks and gratitude to all the investors and shareholders for their continued support and confidence in GFH. I would also like to extend my appreciation to the Central Bank of Bahrain for its ongoing guidance and direction."

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About GFH:

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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