



## GFH REPORTS FINANCIAL RESULTS FOR FIRST HALF 2020



**Manama – 17 August 2020** – GFH Financial Group B.S.C (“GFH” or “the Group”) (Bahrain Bourse: GFH) today announced its financial results for the first six months of the year ended 30 June 2020 (“the period”).

Net profit attributable to shareholders was US\$15.05 million for the six month period compared with US\$49.13 million in the first half of 2019, a decrease of 69.4%. This was attributed to the COVID-19 pandemic and slower markets, which impacted the Group’s investment banking, commercial banking, real estate and treasury business lines. Earnings per share for the period was US cents 0.45 compared to US cents 1.45 for the first six months of 2019. Consolidated net profits for the Group were US\$20.39 million for the six month period compared to US\$48.43 million in the first half of 2019, a decrease of 57.9%.

Total equity attributable to shareholders was US\$0.85 billion at 30 June 2020 from US\$1.00 billion at year-end 2019, a decrease of 15.0% due to the financial impact of COVID-19 resulting in modification losses, commercial banking restructuring activities and recognition of fair value losses and foreign currency translation differences at the Group level. Total assets of the Group were US\$6.13 billion at 30 June 2020 compared with US\$5.95 billion at 31 December 2019, an increase of 3.1%.

Total Income for the first six months of the year was US\$146.53 million versus US\$163.55 million for the 2019 period, a decrease of 10.4%. Given challenging market conditions, these results nevertheless reflect the resilient nature of the diverse business model of the Group where every business line has contributed to the operating income. Total Expenses for the period were US\$126.14 million versus US\$114.65 million for the first six months of 2019, an increase of 10.0%, due to costs associated with the issuance of the Group’s Sukuks during the first half of the year.

Commenting on the results, Mr. Jassim Alseddiqi, Chairman of GFH, said, “For the first six months of 2020, the Group is pleased, despite the current challenges and the impact of COVID-19 on our business and global markets, to make steady progress. While net profit for the first six months of the year was impacted by the current conditions, the Group’s achievements and underlying strong financial health and operational performance was reflected in ongoing investor and market confidence. For the period,



the Group successfully placed more than US\$120 million in investments with clients, issued Sukuk to regional and international investors and had its ratings reaffirmed by Fitch. Building on our strong momentum and liquidity, the remainder of 2020 will see the Group focus on continued value creation through further growth and diversification of our operations and investment portfolios.”

Mr. Hisham Alrayes, CEO of GFH, added, “We are pleased to continue to report strong revenue generation especially from our core investment banking activities and from the strategic and resilient portfolio of investments we have built. Despite the daunting challenges presented by COVID-19, we have seen our investments continue to perform well. With the issuance of Sukuks in the first half of the year, our liquidity position has been even further enhanced and our ability to continue to effectively implement our strategy reinforced. That said, during this period, we have worked to restructure our commercial banking business via a Tier 1 Sukuk issuance and realigned their activities to result in strong positive contribution to the Group. While market conditions remain challenging, we see opportunities to undertake promising investments and to restructure businesses to deliver strong returns and value to our investors and shareholders. This includes continuing our focus on investing in defensive sectors such as education, healthcare, technology and other income generating assets. We remain grateful for the support we have received from the Central Bank of Bahrain and our investors in these extraordinary times and look forward to steady progress throughout the remainder of the year and beyond.”

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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**About GFH Financial Group B.S.C.**

GFH is one of the most recognised financial groups in the Gulf region. Its businesses include Asset Management, Wealth Management, Commercial Banking and Real Estate Development. The Group’s operations are focused in the GCC, North Africa and India. GFH is listed in Bahrain Bourse, Boursa Kuwait and Dubai Financial Market. For more information, please visit [www.gfh.com](http://www.gfh.com)

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