



## **GFH records a half yearly net profit of US\$ 0.7 million**

**Manama, Bahrain – 30 August, 2011:** Gulf Finance House (“GFH” or “the Bank”) has reported a half year net profit of US\$ 0.7 million for the period ending 30 June, 2011, as compared to a loss of US\$ 47.6 million for the same period in 2010. The Bank did however report a loss in the second quarter of this year amounting to US\$ 11.23 million, as compared to a net loss of US\$ 40.2 million for the same period in 2010. The reported loss for the second quarter of this year was mainly due to higher finance expenses and exchange rates.

Total income for the first half of 2011 reached US\$ 32.8 million, an increase of 27% over the same period last year, where the Bank only recorded a total income of US\$25.9 million. This increase in total income was mainly attributable to income from asset sales and settlement of liabilities.

Mohammed H. Al-Nusuf, Deputy CEO of GFH commented on the results for the first half of 2011, saying, “We are proud of the progress made so far which reflects an unmistakable improvement from last year. GFH has undergone significant restructuring and reassessing of its business model in order to return to the profitability we have thus far seen in 2011. This has been a challenging time for us as a bank, and yet we have persevered, and with the consistent and solid support of our investors, our shareholders, our management team and our employees, we have continued on our path towards re-profitability.”

Hisham Al Rayes, Chief Investment Officer at GFH commented on the bank’s income model and strategy saying: “We have been working on several transactions since the beginning of the year with the determination to return to profitability. Projects were restructured to permit earlier exits, liabilities maturity date have been extended, and income models have been revised“

“In addition to this, income has been recognized from asset sales and settlement of liabilities. Looking ahead to the second half of the year we expect a larger contribution to the income from our subsidiaries and associates particularly: Khaleeji Commercial Bank and G Capital”

It is worth noting that G Capital (a subsidiary of GFH - based in Dubai, UAE) has recently secured an acquisition transaction through bidding for Adabank in Istanbul Turkey in partnership with the renowned Gürmen Group.

**- Ends -**

About Gulf Finance House

Since its establishment in 1999, Bahrain based Gulf Finance House (GFH) has been a driving force in the development of regional Islamic financial institutions and infrastructure projects across the Middle East. Its shares are listed on the Kuwait Stock Exchange, the Bahraini Stock Exchange, the Dubai Financial Market and the London Stock Exchange in the form of a GDR. It has been responsible for the creation of leading Middle Eastern financial institutions such as First Energy Bank, QInvest, Syria Finance House, Inovent, Khaleeji



Commercial Bank and Arab Finance House. In addition, GFH has created a wide range of significant economic infrastructure projects across the MENA region and beyond.

GFH is currently transitioning to a new business model which will see the business focus on becoming a global leader in the creation and development of Islamic financial institutions.

**For further information please contact:**

Amal Turki

Head of Corporate Communications

Tel: +973 17538538

Email: [aturki@gfh.com](mailto:aturki@gfh.com)

Website: [www.gfh.com](http://www.gfh.com)