



## GFH REPORTS AN INCREASE OF 13.97% IN NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR 2023 TOTALING US\$102.86 MILLION

Manama, Bahrain – 13 February 2024

	Total Income	Shareholders Profit	EPS
<b>12M 2023</b>	<b>US\$369.53mn</b>	<b>US\$102.86 mn</b>	<b>US cents 2.95</b>
% Change	+ 24.10% YoY	+ 13.97% YoY	+ 11.32% YoY
<b>Q4 2023</b>	<b>US\$108.24 mn</b>	<b>US\$23.94 mn</b>	<b>US cents 0.69</b>
% Change	- 1.36% YoY	- 0.32% YoY	- 6.76% YoY

### Group Highlights for Q4 and 12M 2023:

- Strong double-digit growth in income and enhanced profitability for 2023 supported by contributions across the Group’s subsidiaries, associates, and investments.
- Recommended total cash dividend of 6.2% on par value (USD 0.0164 per share) for 2023, subject to approval by the General Assembly and regulators.
- Continued momentum in investment banking throughout the year, including the successful close in Q4 of the Group’s third US Medical Clinics portfolio, and new healthcare and logistics transactions in Saudi Arabia.
- Exits from several investments including the sale of the Group’s first diversified US Student Portfolio acquired in 2021, delivering 10.4% ROI to GFH’s investors.
- Partial exits from proprietary investments in Bahrain to strategic partners in AlAreen Park Hotel & Resort.
- Solid contributions from the Group’s Treasury Investment Portfolio resulting in steady investment income (recurring and from mark-to-market gains).
- Continued confidence in the Group as underscored by the Group’s credit ratings reaffirmation (Fitch and Capital Intelligence) in Q4 and during the year. These ratings reflect the Group’s resilient business model, future-proof strategy and strong financial performance.



**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 2023 (“the year”).

Net profit attributable to shareholders was US\$23.94 million for the fourth quarter of the year versus US\$24.02 million in the fourth quarter of 2022, a decrease of 0.32% resulting from lower contribution from the commercial banking subsidiary during the quarter. Earnings per share for the quarter were US cents 0.69 compared with US cents 0.74 in the fourth quarter of 2022. Total income was US\$108.24 million for the fourth quarter of the year with sound contributions made from the Group’s subsidiaries, and income from placements and fees of investment portfolios, and treasury activities. This is compared with US\$109.73 million in the fourth quarter of 2022, a decrease of 1.36%. Consolidated net profit for the fourth quarter was US\$24.18 million compared with US\$26.23 million in the fourth quarter of 2022, a decrease of 7.82%. Total expenses for the quarter were US\$84.06 million compared with US\$83.50 million in the prior-year period, up 0.67%.

The Group reported net profit attributable to shareholders of US\$102.86 million for the full year compared with US\$90.25 million in 2022, an increase of 13.97%. The gain is attributed to growth in the investment banking business, contributions from the commercial banking subsidiary, proprietary income, as well as treasury activities. Earnings per share for the year was US cents 2.95 compared to US cents 2.65 for the full year 2022, an increase of 11.32%. Total income for the year was US\$369.53 million, up 24.10% from US\$297.76 million for the previous year. Consolidated net profit for the year was US\$105.23 million compared with US\$97.71 million in 2022, an increase of 7.69%. Total expenses for the year were US\$264.30 million compared with US\$200.06 million in 2022, an increase of 32.11%.

Total equity attributable to shareholders was US\$989.54 million at 31 December 2023, down 0.71% from US\$996.60 million at year-end 2022. Total assets of the Group increased by 13.93% to US\$11.12 billion at 31 December 2023 compared with US\$9.76 billion at 31 December 2022.

In line with the Group’s strong results, the Board of Directors has recommended a total cash dividend of 6.2% on par value (US\$0.0164 per share), subject to approval by the General Assembly and regulators.

Currently, GFH manages over US\$21 billion of assets and funds including a global portfolio of investments in logistics, healthcare, education and technology in the MENA region, Europe and North America.

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 Abu Dhabi Securities Exchange, Bahrain Bourse, Boursa Kuwait and Dubai Financial Market.



**Ghazi Al Hajeri**

*Chairman, GFH Financial Group*

“Having entered 2023 with strong momentum, we’re delighted to announce another year of growth marked by enhanced profitability and a double-digit increase in income. Our results reflect the robust nature of our fundraising efforts and investment portfolios, and the Group’s ongoing achievements in creating value for our shareholders. And we are pleased to announce another solid cash dividend for the year of 6.2% on par value for all our shareholders. It has been an unwavering focus on the Group’s strategy that has allowed us to build our core businesses and expand our investment portfolios in key defensive sectors and geographies, especially in the GCC and US. Our agility and ability to deliver growth year after year continues to be rewarded and we are proud of the strong investor and market confidence in the Group. Having ended the year with positive momentum, we look forward to continuing to achieve greater value for our investors and shareholders in 2024 and beyond. We will continue to prudently grow our portfolio of investments and strategic assets across our key markets of focus in the region and internationally.”



**Hisham Alrayes**

*CEO and Board Member, GFH Financial Group*

“We are pleased to announce another year of growth and good performance, growing income by 24.1% and profits by 14% during 2023. Our results were supported by sound contributions throughout the year from our key lines of business, including - investment banking, commercial banking, treasury and proprietary investments. We remained agile and innovative in our approach, constantly refining our operating model to navigate the market conditions and business opportunities. Throughout the year, we focused on further building our positions in attractive, recession-proof sectors in the local and global markets. During the quarter, we successfully closed three new strategic transactions in the healthcare and logistics sectors in Saudi Arabia, where we see enormous potential for value creation, and the opportunity to leverage positive macroeconomic trends. Across all we do, we are working to increase our contributions to sustainable growth and development of the sectors and markets in which we invest and for the benefit of all our stakeholders. In conclusion, I’d like to extend our gratitude to our shareholders, investors, regulators and partners for their continued confidence in GFH. We are also proud of our employees across the Group for delivering such strong performance during 2023 and remain confident in their ability to execute our strategy in 2024.”



## **Business Unit Highlights**

GFH operates three main business lines that each continued to deliver sound performance and contributions during the fourth quarter, and which supported growth in the Group's top and bottom line for the full year 2023.

### **Investment Management:**

- During the fourth quarter, the Group's global real estate investment platform, GFH Partners, successfully deployed its third US Medical Clinics portfolio with investors, and exited its first diversified US Student Housing Portfolio acquired in 2021, delivering 10.4% ROI to investors in the fund following a two-year investment period.
- Additionally, the Group closed three strategic investments in Saudi Arabia. This included two new transactions through its flagship regional healthcare platform, Helian, which acquired a 70% equity stake in a leading medical complex in Riyadh, and a c. 60% equity stake in a market-leading hospital in the Southern Region. The third transaction in the Kingdom was the acquisition of a leading food services and logistics company in Saudi Arabia.
- During the fourth quarter, the Group also succeeded in partially exiting its proprietary investments in Bahrain to strategic partners including the AlAreen Park Hotel & Resort.

### **Commercial Banking:**

- The Group's commercial banking business, Khaleeji Bank (Khaleeji), achieved a net profit of US\$24.00 million attributable to the Bank's shareholders for the fiscal year ended 31st December 2023, compared to a net profit of US\$ 37.16 million in 2022.
- Positively, an increase in income before return to investment account holders was reported reaching US\$ 234.13 million during 2023, compared to US\$ 164.98 million for 2022. The 41.91% increase is attributable to a rise in income from financing assets, placements with financial institutions investments in sukuk and investment securities, fees and other income.

### **Treasury & Proprietary Investments:**

- The Group's treasury and proprietary investment performance remained sound during the quarter with ongoing contributions to income.
- Positive performance was the result of robust investment income both recurring and from mark-to-market gains.

## **ESG Highlights**

During the fourth quarter, the Group continued to further strengthen its Environmental, Social and Governance (ESG) related practices and expand its contributions to positive impact across regional and global markets where it is active. Key initiatives during the fourth quarter included:



- **Associate Partnership with the World Economic Forum (WEF):** In December 2023, GFH joined the World Economic Forum as an Associate Partner. This partnership enables the Group to actively contribute to global economic discussions, lending its expertise and insights in core investment sectors. Through its involvement in WEF's 'Shaping the Future of Financial and Monetary Systems' initiative, GFH can play a part in tackling some of the world's most pressing issues through collaboration with industry leaders to identify and create growth and development opportunities.
- **Investments in Health and Social Impact Sectors:** During the fourth quarter, as reported, the Group continued to pursue investments in key sectors such as healthcare, logistics and food services in the Kingdom of Saudi Arabia aligning to its strategy to support sectors crucial to the region's development and well-being. Additionally, GFH contributed to healthcare development in Bahrain, partnering to establish a specialized centre for prostate cancer treatment that utilizes robotic-assisted surgery systems, the first in the region to do so, emphasizing its dedication to diagnostic and therapeutic innovation in the local healthcare space.
- **Investment in Sport and Related Partnerships:** The Group sponsored the prestigious Ironman event in Bahrain in December, demonstrating its support for sports and healthy lifestyles. Partnering with World Aquatics to launch the region's first centre of excellence for aquatic sports, the partnership broke ground on its state-of-the-art facility in Bahrain. GFH continues to seek out opportunities to support both world-renowned and local sporting events that not only promote healthier lifestyles, but also play a role in drawing visitors and investments across the globe to Bahrain.

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

GFH Financial Group is one of the most recognised financial groups in the Gulf region. Its businesses include Investment Management, Commercial Banking and Treasury & Proprietary Investments, with assets and funds under management exceeding US\$21 billion dollars. The Group's operations are principally focused across the GCC, North Africa and India, along with strategic investment in the U.S., Europe and the U.K. GFH is listed in Bahrain Bourse, Abu Dhabi Securities Exchange, Boursa Kuwait and Dubai Financial Market. For more information, please visit [www.gfh.com](http://www.gfh.com).

**Media Contacts:**

**GFH Financial Group**

**Nawal Al-Naji**

Senior Manager- Corporate Communications

Tel: +973 17538538

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

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