

GFH H1 profit grows 13.9% to US\$42.18 million

● Second quarter net profit rose 10.2%

● Consolidated net profit was US\$26.03 m

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GFH Financial Group yesterday reported profits for the second quarter and first half 2022, attributing the increases mainly to income generated from the placement of the Group's global investments, commercial banking business and sustainable infrastructure platform.

Second quarter net profit attributable to shareholders was US\$23.06 million up 10.2% from US\$20.92 m in the year-ago quarter reflecting continued steady growth and progress.

Earnings per share was US cents 0.67 compared to US cents 0.68 for the comparative quarter



Ghazi Al Hajeri, Chairman of GFH



Hisham Alrayes, CEO of GFH

of 2021.

Total income was US\$91.95 m compared to US\$90.62 m in the prior-year quarter, a rise of 1.5%. Consolidated net profit was US\$26.03 m compared with US\$24.81 m in the year-earlier quarter, an increase of 4.9%. Total expenses were US\$65.92 m compared to US\$65.82 m in the

comparative period of 2021, an increase of 0.2%.

H1 results

Net profit attributable to shareholders rose 13.9% to US\$42.18 m compared to US\$37.04 m in the year-ago period. Earnings per share was US

cents 1.22 compared to US cents 1.21 a year ago. Total income was US\$182.76 m versus US\$181.01 m for the 2021 period, an increase of 1.0%. Consolidated net profit increased by 2.8% to US\$45.38 m from US\$44.15 m in the first six months of 2021. Total expenses were US\$137.39 m up 0.4% from US\$136.87 m for the first

six months of 2021.

Commenting, Ghazi Al Hajeri, Chairman of GFH, said, "The aim is to accelerate growth and investments in sustainable infrastructure assets and environments across the Gulf and internationally, an area of significant opportunity and one in line with our focus on furthering embedding ESG principles and impact into the heart of our business, investments and development principles. With positive momentum from the first half of the year, we look forward to maintaining our upward trajectory and creating even greater value for our investors and shareholders."

Hisham Alrayes, CEO of GFH, added, "During the period, we acquired a majority stake in SQ Asset Management, a US-based student housing specialist, strengthening our presence in the US real estate sector and supporting new transactions of approximately US\$0.5 billion in the student housing space

during the first half of the year alone. Our commercial banking subsidiary, KHCB, has also performed well during the period, continuing to increase its contributions after a successful turnaround. We are also very proud that Infracorp, which was launched in January of this year, has already announced good profits during its first reporting period. We expect even further progress in these key areas of our business and continued expansion of our investment activities, deal flow and global footprint. This remains a priority in the forthcoming periods as we actively pursuing organic and inorganic growth with an eye towards delivering even stronger results during the remainder of 2022."

Currently, GFH manages over US\$15 billion of assets and funds including a global portfolio of investments in logistics, health-care, education and technology in the MENA region, Europe and North America.

Bank ABC posts US\$70 million H1 profit

● H1 total operating income crossed \$500 million mark for the first time in history

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Bank ABC (Arab Banking Corporation) yesterday reported a jump in its quarterly and H1 profits, aided by higher interest rates, volumes and inclusion of revenue from BBE, despite facing unexpected headwinds from geopolitical developments and persistent high inflation across some markets.

The headwinds, the bank said, were counterbalanced by sustained high oil prices, improving economic activity in other markets and rising interest rates.

Bank ABC also said that its merger and integration of BBE along with its digital and other strategic initiatives are progressing well.

Group Chairman, Saddek Omar El Kaber, said, "We are extremely pleased with the Group's performance with historic achievement in revenues and solid growth in profits during the first half of 2022 despite



Saddek Omar El Kaber, Bank ABC's Group Chairman



Bank ABC Head Office in Bahrain

unexpected headwinds."

"We are looking forward to further progress on our strategy and gaining momentum in our revenues to achieve record levels for the full year."

Second quarter results

Consolidated net profit attributable to the shareholders of the parent was US\$39 million, 56% higher compared to US\$25 m reported for the same period last year.

Earnings per share remained unchanged at US\$0.01.

Total comprehensive income attributable to the shareholders of the parent was a loss of US\$111 m, compared to US\$137 m profit reported for the same period last year, mainly from a net impact of

foreign exchange translation in foreign subsidiaries and change in fair value of debt instruments.

On a headline basis, total operating income increased 21% to US\$273 m, benefitting from higher interest rates, volumes and inclusion of revenue from BBE during this year. On an underlying basis, total operating income jumped 33% to US\$270 m from the year-ago quarter.

Net interest income surged 40% to US\$193 m, benefitting from higher interest and supported by growing volumes in some key markets.

Operating expenses increased 34% to US\$172 m from a combination of consolidation of BBE as well as the Group returning to

a more normal level of activity.

On an underlying basis, net operating profit was US\$96 m, 28% higher, compared to US\$75 m in Q2 2021. Headline net operating profit was US\$101 m, compared to US\$97 m reported for the same period last year.

Impairment charges or credit loss expenses were US\$26 m compared to US\$29 m reported for the same period last year.

The tax charge was US\$22 m, compared to US\$35 m for the same period last year.

H1 performance

Consolidated net profit attributable to the shareholders of the parent was US\$70 m, 27% higher compared to US\$55 m reported for the same period last year.

Earnings per share was US\$0.02, unchanged from the corresponding period, last year.

On a headline basis, total operating income was US\$520 m, 28% higher, compared to US\$407 m reported for the same period last year. On an underlying basis, Total Operating Income was at US\$523 m, compared to US\$400 m for the same period last year, benefitting from increase in interest rates and consolidation of BBE. Net interest income was US\$370 m, 42% higher against US\$260 m reported for the same period last year, supported by higher interest rates, higher loan volumes, consistent margins and the addition from BBE.

Impairment charges (ECL) for the period were US\$51 m compared to US\$49 m reported for the same period last year, broadly in line with historic credit loss experience. Tax charge US\$42 m, compared to US\$36 m for the first half of 2021.

Loans and Advances were 2% higher for the quarter at US\$17.0 bn compared with US\$16.8 bn at 2021 year-end, reflecting the Group's selective underwriting and strengthening in BRL FX rate. Deposits were at US\$24.7 bn, compared to US\$25.8 bn at the 2021 year-end.

Musk sells Tesla shares worth \$6.9 bn, cites chance of forced Twitter deal

Reuters

Tesla Inc (TSLA.O) Chief Executive Officer Elon Musk sold \$6.9 billion worth of shares in the electric vehicle maker, saying the funds could be used to finance a potential Twitter deal if he loses a legal battle with the social media platform.

"In the (hopefully unlikely) event that Twitter forces this deal to close *and* some equity partners don't come through, it is important to avoid an emergency sale of Tesla stock," he said in a tweet late on Tuesday.

Shares of the microblogging site rose 3.5% to \$44.35 in premarket trading, but were still trading significantly below Musk's offer price of \$54.20 per share. Musk in early July tore up his April 25 agreement to buy Twitter for \$44 bn. Twitter has sued Musk to force him to complete the transaction, dismissing his claim that he was misled about the number of spam accounts.

Tamkeen gets top Golden Bridge Business and Innovation Awards

Awards honours comprehensive transformation plan over the past year

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The Labour Fund (Tamkeen) received a prestigious international award in recognition of its entrepreneurial initiative of conducting a comprehensive transformation plan that focuses on driving greater economic impact for Bahrain.

Tamkeen was named "Entrepreneur of the Year" in the category of non-profit or government organizations in the 14th Annual 2022 Golden Bridge Business and Innovation Awards.



The Golden Bridge Business and Innovation Awards are the



Maha Mofeez, Acting Chief Executive of the Labour Fund (Tamkeen)

world's leading business awards programme honoring achievements in various sectors around the world.

Maha Mofeez, Acting Chief Executive of the Labour Fund (Tamkeen) expressed deep pride in this achievement and highlighted the active role of Tamkeen's employees in receiving this international recognition. She stated: "This achievement was made possible by the unwavering support from our leadership and the great efforts of Tamkeen's dedicated employ-

ees. This recognition motivates us to continue driving change in Bahrain by being entrepreneurial in everything we do. We look forward to further success as we continue this journey of transformation to drive greater economic impact for Bahrain." Tamkeen's transformation resulted in 16 specialized programmes offering individuals and enterprises tailored support designed to help them reach their highest potential. As well as a new assessment framework to ensure transparency

and fairness in evaluation, and a framework for data analytics to streamline performance reporting. Tamkeen also launched an updated online portal, and unveiled a new brand identity that communicates and emphasizes this new approach.

Tamkeen said it will continue to work to provide the high quality and impactful support to enterprises and individuals in Bahrain to enhance productivity and achieve sustainable economic growth for the Kingdom.