



## CI RATINGS AFFIRMS GFH'S RATINGS AND 'STABLE' OUTLOOK



**Manama, 26 September 2017:** GFH Financial Group (GFH) announced today that Capital Intelligence Ratings (CI Ratings), the international credit rating agency, has affirmed its Long-Term Rating at 'BB' and the Short-Term Rating at 'B'. The Outlook for GFH's ratings remains 'Stable'. According to the agency, the affirmation of the Group's ratings were supported by the successful implementation of its strategy to convert itself to a financial group, improved and satisfactory liquidity, low debt and leverage, and increased profitability at both the operating and net levels in H1 2017.

Also cited as positive contributing factors was the Group's ongoing focus on income-generating investments, planned acquisition of financial services assets and value-accretive exits that are expected to reduce earnings volatility in the future. The rating affirmation also took into account GFH's balance sheet liquidity which has increased to a satisfactory level in recent periods, notwithstanding a marginal decline in the net liquid asset ratio in H1 2017. More positively, GFH's debt service capacity has improved, according to the report, as borrowings are paid down and/or refinanced. The report also noted that as a matter of internal policy, GFH has curtailed new borrowings as clearly evidenced by the low levels of debt. Constraining factors cited in the report were challenging regional economic environment and the fall in oil prices as well as Bahrain's sovereign risk (*Bahrain ratings 'BB+'/'B'/'Stable'*).

Commenting, Mr. Hisham Al Rayes, CEO of GFH, said, "We are pleased that CI Ratings and the market continue to recognise the strong progress that we have achieved in the implementation of our strategy and the transformation of GFH into a fully integrated financial group. We have made prudent decisions to strengthen our financial health and continue to focus on making acquisitions and investments that provide for steady cash-yields and sound returns. The success of this strategy can be seen in the performance of our



commercial banking, asset management, direct investments and real estate operations, where we have built strong and highly diversified portfolios both in terms of the investments we have made as well as the geographies in which we are active which include the GCC, MENA, US and Europe as well the Subcontinent.”

Mr. Al Rayes concluded, “Looking ahead we will work even harder to build on these foundations and, as noted in the report, expect our strategy to result in improved performance and results especially through an increased focus on higher-yielding investments that provide for steady income, a strengthened approach to unlocking value from our real estate portfolio and other assets, continuing the pursuit of value-accretive exits and more rapidly growing the Group organically and through acquisitions of strong financial services companies.

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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, Kuwait Stock Exchange and Dubai Financial Market.

For more information, please visit [www.gfh.com](http://www.gfh.com)

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