

Islamic International Rating Agency (IIRA) reaffirms the ratings of GFH



الوكالة الإسلامية الدولية للتصنيف
Islamic International Rating Agency

- 'BB/B' International Rating for GFH Financial Group
- 'BB+(bh)/B(bh)' National Scale Rating,
- 'Positive' outlook

Bahrain – 13 April 2016: Islamic International Rating Agency (IIRA) has reaffirmed GFH Financial Group's (GFH) international rating as 'BB/B' (Double B / Single B) and its national scale rating as 'BB+(bh)/B(bh)' (Double B Plus / Single B), along with a 'positive' outlook.. GFH's fiduciary score has been assessed in the range of 61-65, reflecting adequate fiduciary standards.

Commenting on IIRA's rating, Mr. Hisham Alrayes, CEO of GFH said: ". The affirmation of the rating by IIRA is a testimony of our strategic initiatives to overhaul our business and position ourselves as a leading financial services group in the region. The IIRA ratings reflect the continuous growth and profitability of our Group. Despite challenging market conditions, GFH continues to diversify its investment portfolio to maximise the returns for our shareholders."

IIRA noted that the Group's risk profile has improved in recent years, largely due to its capitalisation and funding structure. Core income has also posted modest improvement on the back of growth in commercial and investment banking business. The rating agency also commented on the the recent acquisition of a 10% stake by Abu Dhabi Financial Group as an anchor shareholder, and opined that it augurs well for the institution. IIRA further opined that the potential for business synergies in this acquisition, underlies the 'Positive' outlook on ratings. The rating was constrained by significant exposure of GFH to low-yielding or non-earning legacy assets. However, the rating agency also noted that some progress has been made with respect to legacy projects. IIRA also observed that the MENA region's unfavourable politico-economic situation could pose further challenges for the banking sector in general.

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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

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