



GFH FIDUCIARY RATINGS REAFFIRMED BY IIRA

Manama, December 11, 2019: GFH Financial Group (GFH) today announced that Islamic International Rating Agency (“IIRA”) has reaffirmed its international scale ratings at ‘BB / B’ (Double B / Single B). At the same time, national scale ratings have been maintained at ‘BBB-(bh) / A3(bh)’ (Triple B Minus / A Three) with the Outlook on the assigned ratings at ‘Stable’.

The report reviewed the Group’s progress across its key business lines which include investment banking, real estate development, the recently expanded treasury and proprietary investments, and commercial banking undertaken through its 55.4% holding of Bahrain - based Khaleeji Commercial Bank. It positively noted that while the Group’s investments book in real estate assets was sizable that this concentration is reducing with a recent buildup of investment in treasury products and increasing investments in volatility resistant sectors – including education and healthcare, through its Investment Banking platform.

Other positive achievements and factors highlighted in the report were special note of GFH’s ability to achieve successful exits from some of its real estate projects, thereby benefitting from appreciation and the Group’s ongoing association with UAE-based Abu Dhabi Financial Group (“ADFG” or “the Group”) as a controlling shareholder.

Looking at its financial position, the report highlighted the Group’s solid Capital Adequacy Ratio which stood at 14.48% at Q3’19, comfortably above the CBB minimum of 12.5%. It also noted that the Group is in the process of raising more medium-term funding over the coming quarters, which is expected to allow for a better matched maturity profile of assets and liabilities, and underpins IIRA’s expectation of improvement in the emerging liquidity risk profile of the Group. At the same time, the report also highlighted that cost rationalisation measures among other strategies are expected to result in boosting of profitability over the coming periods.

Commenting Mr. Hisham Alrayes, CEO of GFH, said, “We’re once again very pleased with the continued positive analysis of GFH’s progress, achievements and prospect for the future. As highlighted by IIRA’s report, we continue to diversify our business through expansion in our treasury lines as well continued growth across our investment banking business, achieve successful exists and do all that is necessary to continue to even further strengthen our financial position. With a solid year in 2019 and stable outlook for the future, we look forward to further progress and achievements in the year ahead as we continue to execute our strategy and realise the benefit of our investments and efforts over the past year.”

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About GFH Financial Group B.S.C.:

GFH is one of the most recognized financial groups in the gulf region that includes: Asset Management, Wealth Management, Commercial Banking and Real Estate Development. The group operations are focused in the GCC, North Africa and India. GFH is listed in Bahrain Bourse, Kuwait Stock Exchange and Dubai Financial Market.

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