



## **GFH’s Ratings Upgraded by S&P to ‘B’ on Resilient Business and Financial Performance, Outlook Stable**

**Manama – 27 December 2022** – GFH Financial Group B.S.C (“GFH” or “the Group”) today announced that S&P Global Ratings raised its long-term issuer credit rating to ‘B’ from ‘B-’, Outlook Stable. At the same time, the agency also raised the credit ratings on sukuk issued by GFH Sukuk Company Ltd to ‘B’ from ‘B-’.

The Group’s ratings upgrade is said to reflect GFH’s strong business and financial performance. The report noted that GFH’s revenue has proved resilient over the 2020-2022 period as well as noting that return on equity has improved to 8.6% over the first nine months of 2022. Despite pressure on the Group’s treasury activities from rising interest rates, the report also cited GFH’s ability to have delivered good investment banking revenue, building on its real estate specialization in Europe and the U.S. and steady commercial banking performance after a restructuring in 2020. The stable outlook, according to S&P, reflects its view that GFH can reduce its exposure to real estate assets while maintaining moderate capitalisation over the next 12-18 months.

S&P went on to highlight that the macroeconomic environment will continue to support GFH’s activities. The report expects that oil prices will remain high through 2023-2024, which would support abundant liquidity in the Gulf Cooperation Council region. In turn, this is expected to keep demand for alternative investments elevated, support commercial banking, and likely keep regional money markets relatively stable despite higher interest rates.

The steady divestment of GFH’s real estate activities was also a contributing factor to the ratings upgrade. Following the spinoff of Infracorp, S&P noted that the Group has successfully reduced its exposure to real estate.

Commenting, Mr. Salem Patel, Chief Investment Officer, Debt and Capital Markets at GFH, said, “We’re pleased to announce S&P’s upgraded ratings for the Group and ongoing market recognition of the strength of GFH’s business and the steps we have taken to further enhance our results and financial position. Despite challenging market conditions, our performance across each of our core business lines has remained resilient, enabling us to deliver solid returns for the Group, our shareholders and investors. We will continue to build on this momentum and strong demand for our unique and well-diversified investments.”

**-Ends-**

### **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, Boursa Kuwait and Dubai Financial Market. For more information, please visit [www.gfh.com](http://www.gfh.com)

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