



## GFH Receives Ratings Affirmation from CI Ratings

**Manama – 17 September 2024:** GFH Financial Group (“GFH” or “the Group”) today announced that Capital Intelligence Ratings (“CI Ratings” or “CI”) has affirmed its Long-Term Foreign Currency Rating (LT FCR) and Short-Term Foreign Currency Rating (ST FCR) at ‘BB-’ and ‘B’, respectively. The Outlook on the LT FCR remains Stable.

According to CI, the ratings remain underpinned by GFH’s adequate liquidity and low refinancing risk, alongside good debt service record, and reasonable diversification of assets by geography, improved capitalisation, and satisfactory profitability.

The ratings report further highlighted that GFH continues to strengthen its core businesses, invest in human capital and infrastructure, and improve risk and compliance functions. CI underscored that the Group is well managed, and that the business strategy, which has been effectively executed has established GFH as a fully integrated Sharia’a compliant financial group with a successful GCC-based business franchise.

The Group’s steadily expanding balance sheet over the last four years. This includes progress at GFH’s retail banking subsidiary Khaleeji Bank (KB) in Bahrain. According to CI, balance sheet expansion was driven by the launch of new business segments notably lower risk treasury activities. This is expected to help diversify risk assets and revenue streams and, consequently, improve the Group’s risk profile over recent periods.

Also highlighted was the strategic importance given by the Group to improving liquidity through the growth of its treasury and money market activities – and diversifying away from real estate assets. The Group’s liquidity position was noted as a credit strength, and a factor CI expected to continue to support the ratings in the short to medium term.

In addition to sound liquidity management, the Group was also said to be maintaining an appropriate funding structure, which remains crucial for debt service under both normal and distressed conditions. This factor supports the ratings and was highlighted as an important pillar of GFH’s funding policy. Capitalisation and the quality of capital were also noted as being adequate as was overall capital flexibility.

The report concluded by highlighting that GFH remains a steady performer, with key profitability metrics having improved in H1 24. This is said to be the result of a more diversified business model, which has helped generate stable revenue streams, which CI expects will continue over the medium term.

**-Ends-**

### **About GFH Financial Group B.S.C.:**

GFH Financial Group is one of the most recognised financial groups in the Gulf region. Its businesses include Investment Management, Commercial Banking and Treasury & Proprietary Investments, with assets and funds under management exceeding US\$20 billion dollars. The Group’s operations are principally focused across the GCC, North Africa and India, along with strategic investment in the U.S., Europe and the U.K. GFH is listed in Bahrain Bourse, Abu Dhabi Securities Exchange, Boursa Kuwait and Dubai Financial Market. For more information, please visit [www.gfh.com](http://www.gfh.com).

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