



FITCH UPGRADES GFH RATING TO 'B'; OUTLOOK POSITIVE



[Manama, 12 July 2017]: GFH Financial Group (GFH) announced today that Fitch Ratings, the international credit rating agency, has upgraded its Long-term Issuer Default Rating (IDR) from 'B-' to 'B' with a Positive Outlook. The Short-term IDR has been affirmed at 'B'.

The upgrading of the Group's IDR rating was cited by Fitch as a reflection principally of GFH's improved financial position following its strengthening of its capital position and reducing associated legacy uncertainties.

The Positive Outlook further reflects Fitch's view of the measures GFH's management has taken to reshape its business model towards a greater focus on income-generating investments which have and are expected to result in more consistent profitability. These include an increasing and generally more stable revenue contribution from commercial banking activities. Also noted as a positive factor by Fitch is Abu Dhabi Financial Group's presence as a significant shareholder in the Group.

Fitch further opined that the ratings could be upgraded if GFH demonstrates a track record of stable profitability and cash flows from its business model. Successful development and exit from illiquid legacy real estate projects could also be positive for the ratings.

Commenting, Mr. Hisham Alrayes, CEO of GFH said, "We are delighted with the upgrading of our rating by Fitch and their recognition of the continued strengthening of the GFH business, our financial position and prospects. We have worked hard to settle legacy issues and achieve diversification of our business lines. As noted by Fitch, we now have a strong and diverse range of income yielding investments, a cleaner balance sheet and assets that provide us with steady streams of recurring income and returns. These ratings more broadly also serve to reaffirm the strength and success of our strategy and the direction in which we are taking our business. We look forward to further enhanced performance and results as we build upon these foundations."

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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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