



GFH'S LONG TERM RATINGS BY CI RATINGS AFFIRMED AT 'BB' WITH A 'STABLE' OUTLOOK



-Group's strong profitability, increased liquidity and sound leverage highlighted -

Manama, 26 September 2019: GFH Financial Group ("GFH") announced today that Capital Intelligence Ratings ("CI Ratings"), the international credit rating agency, has affirmed its Long-Term Foreign Currency Rating (LTFCR) and Short-Term Foreign Currency Rating (ST FCR) for GFH at 'BB' and 'B', respectively, with Outlook for the ratings at Stable.

The ratings affirmation was once again supported by strong and increased liquidity reported by the Group and underpinned by an improved funding profile in line with GFH's strategy to diversify its business and income generating investments and activities. According to the report, increased liquidity is being driven by improved confidence in GFH, which saw sustained growth in money market funds. Also supporting the ratings is GFH's sound leverage along with satisfactory debt service capacity, and the strong profitability at both the operating and net levels. An additional factor cited as contributing to the ratings is the Group's sound capital adequacy and improved internal capital generation rate.

The report also highlighted GFH's continuous progress on its key strategic objective to transform itself from an investment bank into a financial group, notwithstanding the challenging operating conditions in the region. As GFH diversifies its business model, CI Ratings expects this will even further mitigate the effect of its legacy exposure to real estate development assets and, concurrently, reduce earnings volatility attributed to investment banking.

Commenting, Mr. Hisham Alrayes, CEO of GFH, said, "We're extremely pleased with continued market recognition in the strong results and progress we continue to deliver at GFH. This confidence in the Group and our outlook is the result of the tangible improvements we have reported at the financial and operating levels including strong levels of profitability and a significantly improved balance sheet and debt profile. Our focus on transforming GFH into a fully-fledged financial Group is also now well in effect and reflects a more diverse business and base for income generation, which has been critical to our continued ability to keep delivering value for our shareholders and investors and which serves as the foundations upon which we are planning our continued expansion and sustainable growth both in the region and in key international markets where we're active."



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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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