



GFH'S RATING AFFIRMED AND OUTLOOK REVISED TO POSITIVE BY S&P

- Ratings supported by resilient revenue generation and improved business performance
- Revised outlook reflects expected strengthening of the balance sheet linked to spin off of real estate assets

Manama – xx February 2022 – GFH Financial Group B.S.C (“GFH” or “the Group”) today announced that S&P Global Ratings (S&P) has revised the outlook on the Group’s long-term issuer credit rating to positive from stable and affirmed its 'B-' long-term issuer credit rating.

According to the report, the positive outlook reflects the Group’s ability to maintain resilient revenue generation over 2020-2021 and a rebound in business performance in 2021 with a Group return on equity (ROE) of 9.0% in 2021, compared with 4.7% in 2020.

This improvement is noted to be largely spurred by higher treasury business volumes, where the Group generates a positive spread from investment in predominantly regional sovereign sukuk and structured products. Investment banking transactions also proved resilient since customers keen for cash yields retained their appetite for income-generating commercial real estate in Europe and the US.

S&P also highlighted further improvements in the Group’s commercial banking subsidiary, which showed robust results after a significant portfolio clean-up in 2020, and the positive impact of the planned spin-off of the Group’s real estate assets, which it noted, once completed, would help further revitalize the Group's balance sheet and increase the share of income-generating assets.

The rating was also said to take into account expectations that the Group will operate with somewhat stronger liquidity than before. Over the course of 2021, GFH's coverage of short-term wholesale funding improved to about 116% at Sept. 30, 2021, from about 94% at year-end 2020.

The report concludes by noting that further improvements to GFH’s ratings would be linked to progressing on the spin-off of legacy real estate assets and revitalization of its balance sheet.

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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