



CMP/SEP/2018/0020

26th September 2018

Mr. Hassan Al Serkal

EVP, COO – Head of Operations Division, Market Operations Division

Dubai Financial Market

P.O Box 9700

Dubai - United Arab Emirates

Dear Mr. Al Serkal,

Subject: Capital Intelligence Affirms GFH's Rating at "BB" with a 'Stable' Outlook

GFH would like to advise its shareholders and the markets that Capital Intelligence Ratings ("CI") has today announced and affirmed its long term rating to 'BB', while maintaining the Short-Term Rating at 'B' with a 'Stable' Outlook .

The Group's ratings were supported by the bank's ongoing strong profitability at both operating and net levels, improved diversification of business segments and revenues in recent years, as well as the successful implementation of its strategy to convert to a financial group. Also supporting the ratings are GFH's low debt levels and consequent moderate leverage, as well as the sound capital adequacy. The adequate balance sheet liquidity along with satisfactory debt service capacity and reasonably diversified funding sources are also supporting factors .

The major constraining factors reported were sovereign credit risk and relatively high concentration of assets in the real estate sector. Also, despite the rebound in oil prices, the regional economic environment remains challenging which has also had an impact GFH's commercial banking activities.

Management opinion on the assigned Rating:

The affirmation of the credit rating is an endorsement of GFH's success, and reflects continued confidence of its investors and shareholders in GFH's strategy and performance. The management looks forward for further growth and success based on the acquisitions of financial institutions and strategic assets.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Nabeel Mirza', enclosed within a blue oval.

Nabeel Mirza

Senior Director Compliance & MLRO