



CMP/APR/2016/0011

13th April 2016

Mr. Hassan Al Serkal

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

Dubai Financial Market

P.O Box 9700

Dubai - United Arab Emirates

Subject: Islamic International Rating Agency (IIRA) reaffirms the ratings of GFH

GFH Financial Group (“GFH”) would like to advise its shareholders and the markets that that Islamic International Rating Agency (IIRA) has reaffirmed GFH’s international rating as ‘BB/B’ (Double B / Single B) and its national scale rating as ‘BB+(bh)/B(bh)’ (Double B Plus / Single B), along with a ‘positive’ outlook. GFH’s fiduciary score has been assessed in the range of 61-65, reflecting adequate fiduciary standards.

In affirming the ratings, IIRA noted that the Group’s risk profile has improved in recent years, largely due to its capitalisation and funding structure. The rating agency also commented on the recent acquisition of a 10% stake by Abu Dhabi Financial Group as an anchor shareholder, and opined that it augurs well for the institution. IIRA further opined that the potential for business synergies in this acquisition, underlies the ‘Positive’ outlook on ratings.

The rating was constrained by significant exposure of GFH to low-yielding or non-earning legacy assets. However, the rating agency also noted that some progress has been made with respect to legacy projects.

Management opinion on the assigned Rating:

The Management believes that the recent rating is an endorsement of the actions taken by GFH and its shareholders to strengthen the Group’s financial position. The management believes that GFH is on the right track and in future, higher rating levels should be seen for GFH.

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IIRA Ratings Definitions:

Definition for 'BB' band:

'Obligations deemed likely to be met. Protection factors are capable of weakening if changes occur in the economy. Overall quality may move up or down frequently within this rating category'

Definition for 'B' Band:

"Obligations deemed less likely to be met. Protection factors are capable of fluctuating widely if changes occur in the economy. Overall quality may move up or down frequently within this category or into higher or lower rating grade."

Note: The (-) or the (+) is added to the rating based on the discretion of the rating agency. This symbolizes the weightage of the rating granted.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Nabeel Mirza', written over a light blue circular scribble.

Nabeel Mirza

Compliance Director & MLRO