CMP/JUN/2019/0021

30th June 2019

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: Fitch Affirms GFH's Rating at 'B' with a Stable Outlook

GFH Financial Group would like to inform its shareholders and the markets that Fitch Ratings, the international credit rating agency, has affirmed its Long-and Short-Term Issuer Default Rating (IDR) at 'B' with the Outlook on the Long-Term IDR as Stable.

The affirmation of the Group's ratings was reported by Fitch as taking into account management's aim to reshape GFH's business model towards a greater focus on fee generation and lower-risk, lower-return investments and shareholders' support.

In addition the ratings reflect the Group's achievement in 2018 of a third successive year of material net income. GFH's 2018 consolidated profit of US$115 million represented an 11% increase on 2017. Fitch also went on to cite GFH's capitalisation as sound relative to the rating level, supported by regulatory oversight from the Central Bank of Bahrain.

The report also cited as positive the increase in 2018 of GFH' proportion of liquid assets as it significantly grew its money market activities. It also took note that this trend has continued in the first quarter of 2019, with income from treasury activities now a separately reported line on the Group's income statement.

Management's Opinion on the Assigned Rating:
Fitch's affirmation of GFH's ratings reflects the continued recognition of the strong and steady progress GFH is delivering across its businesses. The bank will continue diversifying its business and securing strong income generation for the benefit of its shareholders and investors. The management is looking forward to keep building on this momentum and to delivering even stronger results and performance in 2019 and beyond.

Yours Sincerely,

Nabeel Mirza
Head of Compliance