



CMP/MAY/2017/0009

10th May 2017

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: IIRA Upgrades GFH's Rating to BBB-

GFH would like to advise its shareholders and the markets that that Islamic International Rating Agency ("IIRA") has upgraded the national scale ratings of GFH by a notch to 'BBB-/A3' and has maintained the international scale ratings of GFH at 'BB/B', along with a 'Stable' outlook.

The IIRA's rating action recognizes GFH's recent positive developments that have reinforced the Group's balance sheet, better aligning it for future growth, as planned. The IIRA further noted that the additional provisions that GFH has taken have effectively been reducing the burden of non-earning assets. Capitalization has also strengthened with the consistent deleveraging measures taken by GFH, improving its financial flexibility. They view the recognition of recent litigation related recoveries in 2016, albeit being non-recurring, as a high magnitude event, specifically in terms of enabling the Group's medium-term growth strategy. They have indicated that the Group's core profitability is still in the developing phase and would remain subject to the bank cultivating more steady revenue streams, through its planned acquisitions.

Furthermore, the ratings also reflect the relatively recent acquisition of interest in GFH by a strong institutional investor - Abu Dhabi Financial Group ("ADFG") – an investment bank with business undertakings across the U.A.E. and Europe. While this had been noted in IIRA's previous press release, dated April 13, 2016, IIRA has indicated that ADFG's position as an anchor shareholder has since solidified further.

IRA's assessment on GFH's overall fiduciary score falls in the range of '61-65', reflecting adequate protection of the rights of various stakeholders.

Management opinion on the assigned Rating:

GFH's management believes that the recent rating is an endorsement of its recent actions and decisions and particularly its recently approved new growth strategy of acquisitions of financial institutions and strategic assets. GFH believes that this will further strengthen its financial position on the long run, and anticipates further strengthening of its rating levels in the future.



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', with a stylized flourish at the end.

Nabeel Mirza

Senior Director - Compliance & MLRO