CPM/MAR/2015/0012
15TH March 2015

Mr. Hassan Al Serkal
EVP, COO – Head of Operations Division
Market Operations Division
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Dear Mr. Al Serkal,

Subject: Clarification on EGM Agenda (Capital Reduction)

With reference to GFH's published EGM Agenda wherein a proposal was made for a capital reduction and the interview conducted with the bank's chairman in the regional newspapers, GFH would like to clarify the following to the shareholders and the markets:

1. The accumulated losses to be eliminated will not impact the net shareholders' equity position of the bank and therefore we believe this reduction will not have an adverse impact on the share price. As matter of fact the reduction is based on the consolidation of the number of shares and then adjusting the accumulated losses against the share capital as of 28th February 2015.

2. The elimination of losses is an accounting procedure to allow the bank to distribute dividends in the future. Also, from a legal perspective, the bank will be able to distribute dividends without any restrictions and implications.

3. The bank's proposal to buy back its shares as treasury shares is aimed to support the share price and improving the value of the share in the markets.

Overall, GFH believes that this capital reduction will reflect positively on the bank's financials and will ultimately increase the shareholders' equity value. In this regard, GFH assures its shareholders that their interest is always protected in all of its decisions.

Yours Sincerely,

Nabeel Mirza
Compliance Director & MLRO