



CMP/DEC/2018/0013

29th December 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: Islamic International Rating Agency (“IIRA”) Reaffirms the Ratings of GFH

GFH Financial Group (“GFH”) would like to advise its shareholders and the markets that the Islamic International Rating Agency (IIRA) has reaffirmed GFH’s international scale ratings at ‘BB/B’ (Double B / Single B) and national scale ratings at ‘BBB-(bh)/ A3(bh)’ (Triple B Minus / A Three), with Outlook on the assigned ratings as ‘Stable’.

IIRA reported that GFH has posted improvement in core income on the back of strong investment banking transaction volumes during 2017, which continued during the nine months ended September 2018. The ratings, according to the agency, also reflect GFH’s low balance sheet leverage, capitalization comfortably above the minimum regulatory requirements and the benefits of association with anchor shareholder Abu Dhabi Financial Group (“ADFG”) and their shared business interests.

The report highlights that GFH’s investment portfolio has accelerated during last two years with fund raising exceeding US\$1bn through its asset under management, real estate and treasury. It also highlights the US\$1.5bn exits of investors since 2016, which have fueled GFH’s investment operations and profitability.

Management opinion on the assigned Rating:

The Management believes that the recent rating is a recognition of the positive momentum that GFH continues to maintain across its key business lines. The Management also ensures that GFH will continue to work on further strengthening its business and performance by pursuing solid income generating investments, maximizing the value of its existing portfolios



and, importantly, achieving strategic profitable exits that can deliver substantial upside benefit to GFH, its shareholders and investors.

Yours Sincerely,

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

Nabeel Mirza

Senior Compliance Director & MLRO