



CMP/JUL/2017/0013
12th July 2017

Sh. Khalifa Bin Ebrahim Al Khalifa
Chief Executive Officer
Bahrain Bourse
P.O Box 3203
Manama - Kingdom of Bahrain

Dear Sh. Khalifa,

Subject: Fitch Upgrades GFH Rating to 'B' with a Positive Outlook

GFH would like to advise its shareholders and the markets that that Fitch Ratings, the international credit rating agency, has upgraded its Long-term Issuer Default Rating (IDR) from 'B-' to 'B' with a Positive Outlook. The Short-term IDR has been affirmed at 'B'.

The upgrading of the Group's IDR rating was cited by Fitch as a reflection principally of GFH's improved financial position following its achievement of strengthening of its capital position and reducing associated legacy uncertainties.

The Positive Outlook further reflects Fitch's view of the measures GFH's management has taken to reshape its business model towards a greater focus on income-generating investments which have and are expected to result in more consistent profitability. These include an increasing and generally more stable revenue contribution from commercial banking activities. Also noted as a positive factor by Fitch is Abu Dhabi Financial Group's presence as a significant shareholder in the Group.

Fitch further opined that the ratings could be upgraded if GFH demonstrates a track record of stable profitability and cash flows from its business model. Successful development and exit from illiquid legacy real estate projects could also be positive for the ratings.

Management opinion on the assigned Rating:

GFH's management believes that the recent rating is a recognition of GFH's continued strengthening of its business, financial position and prospects. GFH now has a cleaner balance sheet, and its assets and investments provide steady streams of recurring income and returns. GFH looks forward to further enhancing its performance and results as it builds upon these foundations.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Nabeel Mirza', enclosed within a blue rectangular box. The signature is stylized and cursive.

Nabeel Mirza
Senior Director Compliance & MLRO