



CMP/MAR/2014/0015

23<sup>rd</sup> March 2014

**Ms. Noura Al Hatimi**

VP - Head of Listing & Disclosure Dept.

Dubai Financial Market

PO Box 9700

Dubai - United Arab Emirates

Fax: +971 4331 5148

Dear Ms. Al Hatimi,

**Subject: Clarification on EGM Agenda**

With reference to GFH's published EGM Agenda and the subsequent rumors circulating the markets, GFH would like to clarify the following to the shareholders.

Firstly, the reason for the proposed reduction in the nominal value of GFH shares from US\$0.3075 to US\$0.265 per share is to reduce a large portion of the accumulated losses from the books of GFH. By reducing US\$ 0.0425 per share from the current share nominal value, GFH will be able to reduce the accumulated losses by US\$134,380,324; we believe this reduction will reflect positively on the Bank, and ultimately increase shareholder value in the near future. GFH believes that the 'current share market-price', which already has factored-in the total accumulated losses, should not have an impact as there is no reduction in the number of total outstanding shares.

Secondly, the Sukuk or a similar scheme proposed to raise up to US\$500 million shall be used largely for refinancing the existing debt and obligations that reach US\$280 million, which is currently distributed on 4 different syndications / with high cost and over collaterals. This will allow the bank to unify the counter parties, reduce cost, and unfreeze assets under the collaterals. The remaining part if the facility will be used for inorganic growth for the Bank through acquisitions and for developing projects – these steps are anticipated to provide the required growth impetus to the Bank and would be highly beneficial for the bank's balance sheet and ultimately to its shareholders.

GFH would like to assure its shareholders that it keeps the shareholders interest at the forefront of its decision-making process and continuously strives to increase shareholder value.

Should you require any further details – please feel free to contact us.

Yours Sincerely,

**Nabeel Mirza**

Compliance Manager & MLRO



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23<sup>rd</sup> March 2014

**Mr. Hassan Al Serkal**  
EVP, COO – Head of Operations Division  
Market Operations Division  
Dubai Financial Market  
PO Box 9700  
Dubai - United Arab Emirates  
Fax: +971 4331 5148

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