



CMP/NOV/2016/0007

13th November 2016

Mr. Hassan Al Serkal

EVP, COO – Head of Operations Division

Market Operations Division

Dubai Financial Market

PO Box 9700

Dubai - United Arab Emirates

Dear Mr. Al Serkal,

Subject: GFH's Financial Results for Q3-2016, period ended 30th September 2016

We would like to inform the shareholders and the markets that the Board of Directors of GFH Financial Group ("GFH" or the "Group") has met today and has approved the financial statements for the 3rd Quarter of 2016 - period ended 30th September 2016. In this regards, we would like to provide the following clarifications:

- 1) For the first nine months of the year 2016, the Group reported a consolidated net profit of US\$ 9.7 million, as compared to US\$ 17.98 million for the same period last year. The consolidated net loss for the third quarter of 2016 was US\$ 8.26 million versus a net profit of US\$ 4.32 million for the third quarter of 2015.

Net profit attributable to shareholders for the first nine months of the year was US\$ 3.9 million as compared to US\$ 4.08 million in 2015. Net loss attributable to shareholders for Q3-2016 amounted to US\$ 7.58 million as compared to a net profit of US\$ 0.76 million in 2015.

The consolidated total income for the first nine months of 2016 was US\$ 99.3 million as compared with US\$ 67.1 million for the same period in 2015. The consolidated operating expenses for the same period was US\$ 64.6 million as compared with US\$ 48.8 million last year.

- 2) The recoveries announced previously have not been included in Q3-2016 financial results, as they are currently subject to CBB's review. Based on their clearance, any recovery will be reflected in our subsequent financials.
- 3) The results have been impacted by the provisions taken by Commercial Banking subsidiary which reflected negatively on the Group's results.
- 4) The results have also been impacted by the expenses in relation to recoveries awarded recently.

Enclosed are the financial statements for the period ended 30th September 2016.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Nabeel Mirza", is written over a circular blue stamp.

Nabeel Mirza

Compliance Director & MLRO