



CMP/MAY/2016/0014

21st May 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: Kuwait's CMA insists on IFRS

GFH wishes to inform its shareholders and the markets of the Kuwait's Capital Markets Authority (CMA) Disciplinary Board Resolution No. 21/2016 issued on Thursday, 19th May 2016, where they have warned GFH of the consequences of non-compliance with international accounting standards (IFRS) in the future.

CMA had raised the case no. 84/2016 and summoned GFH's legal representative regarding non-compliance with (IFRS) standards while preparing/ publishing GFH annual audited financial results of year-end 2015.

It is to be noted that GFH prepares its financial statements as per the (AAOIFI) standard which is an international accounting standard for Islamic Banks that is to a large extent similar to IFRS and is mandatory on all Bahraini Islamic Banks.

GFH is considering options for publishing future financial results in a manner acceptable to the Central Bank of Bahrain and the CMA of Kuwait. Furthermore, GFH intends to appeal against the CMA's decision.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Nabeel Mirza', is written over a faint, light-colored signature line.

Nabeel Mirza

Compliance Director & MLRO