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News Release

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SHUAA launches Sharia compliant Installment and Lease Financing Business in Saudi Arabia

- Gulf Installments Company ('Gulf Installments') established to provide Sharia compliant installment and lease financing with a focus on small and medium sized enterprises
- Saudi Arabian small and medium sized enterprises (SMEs) account for 90 per cent of all Saudi businesses but receive only 2 per cent of bank lending
- In Saudi Arabia, Gulf Installments Company aims to replicate the financial success of SHUAA's UAE SME financing subsidiary, Gulf Finance Company

SHUAA Capital psc today announced the establishment of Gulf Installments Company. Following the success of Shuaa's subsidiary Gulf Finance Corporation in the UAE, Gulf Installments Company, the new Saudi-based installment company focused on providing installment and lease financing to businesses across a variety of sectors and assets will be operated by Gulf Finance under a management contract with SHUAA.

His Highness Sheikh Maktoum Hasher Al Maktoum, Executive Chairman of SHUAA Capital and Chairman of Gulf Finance said:

"We are excited about the establishment of Gulf Installments in Saudi Arabia. This is an important strategic milestone for our Credit business that we announced in October 2012, and represents an enormous opportunity for SHUAA to build out a successful business in the largest regional economy. Our investment in Gulf Installments is an investment in the success story of Saudi Arabia, and underscores our confidence in the growing private sector in the Kingdom."

Saudi Arabia is the largest economy in the GCC, with a nominal GDP of USD 435 billion, and is expected to grow by 4.5 per cent in 2013. Even though Saudi SMEs account for 90 per cent of Saudi businesses and 24.7% of total employment, they represent only 2 per cent of the Saudi banks' lending market. With over 220,000 SMEs in the Kingdom, many of which are underserved, credit demand outpaces supply.

Dr Sabah al-Binali, Chairman of Gulf Installments, and Vice Chairman of its operator Gulf Finance said: "Our move into Saudi Arabia is a perfect opportunity to extend SHUAA's reach into a new and dynamic market place. We have exceptional expertise within the SME space and through Gulf Installments, we are now able to offer the Saudi business community a wide range of credit solutions. These solutions are in demand by a large number of clients which paves the way for building significant market share."

David Hunt is appointed as the Chief Executive Officer of Gulf Installments in Saudi Arabia. An experienced Managing Director with over 24 years financial services experience in emerging markets and extensive regional knowledge, Mr Hunt is perfectly placed to lead the company's

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operation as it expands into the Kingdom. Prior to joining Gulf Installments, David held various senior and Director-level positions at the HSBC Group. He was Managing Director and Chairman of the Executive Committee of SABB Takaful, a Saudi publicly quoted insurance company, and most recently Head of Regional Insurance at HSBC Bank Middle East. He will lead a team of seasoned bankers, financial veterans and credit professionals.

Mr Hunt said: “Gulf Installments aims to finance SMEs across a variety of sectors, from contracting and construction, to healthcare and education; whether they need to establish their business or expand it by purchasing assets such as heavy plant and machinery, medical equipment, or contracting and constructing equipment.

“There is a strong demand for our proposition as Gulf Installments will deliver Sharia compliant financing solutions to the Saudi market. Our installment and lease financing solutions offer an alternate source of funding to existing bank facilities, provide increased affordability and purchasing power, and allow our customers to enjoy long term stability for asset purchases. Furthermore, they release working capital and improve cash flow for businesses.”

Gulf Installments offers lease financing for a wide range of fixed assets. Lease periods are available from 1 to 4 years and can be tailored to suit the needs of each individual client based on the term, down payment and rental plan.

Strategic alliances have already been negotiated with two of the top five heavy equipment vendors in the Kingdom, which will underpin the business and ensure immediate traction. This in turn will capitalise on the significant growth within Saudi Arabia’s construction industry which awarded SAR270 billion of contracts in 2011 up 155% on 2010.

Gulf Installments is based in Jeddah and will be expanding across the Kingdom over the course of the next few years.

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Cautionary Statement Regarding Forward-Looking Information

This document contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "anticipate," "aspire," "intend," "plan," "goal," "objective," "seek," "believe," "project," "estimate," "expect," "forecast," "strategy," "target," "trend," "future," "likely," "may," "should," "will" and similar references to future periods.

Examples of forward-looking statements include, among others, statements we make regarding:

- *Expected operating results, such as revenue growth and earnings.*
- *Anticipated levels of expenditures and uses of capital*
- *Current or future volatility in the capital and credit markets and future market conditions.*

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the *forward-looking statements include, among others, the following: Our ability to maintain adequate revenue levels and cost control; economic and financial conditions in the global markets and regional markets in which we operate, including volatility in interest rates, commodity and equity prices and the value of assets; the implementation of our strategic initiatives, including our ability to effectively manage the redeployment of our balance sheet and the expansion of our strategic businesses; the reliability of our risk management policies, procedures and methods; continued volatility in the capital or credit markets; geopolitical events; developments and changes in laws and regulations, including increased regulation of the financial services industry through legislative action and revised rules and standards applied by our regulators.*

Any forward-looking statement made by us in this document and presentation is based only on information currently available to us and speaks only as of the date on which it is made. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise.

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SHUAA Capital psc ('SHUAA') offers client-centric, fully integrated financial services. SHUAA, headquartered in Dubai, United Arab Emirates, services corporate and institutional clients as well as family businesses and high-net-worth-individuals with expertise in the areas of asset management, investment banking advisory services, capital markets and credit. SHUAA was established in 1979 by Emiri decree No. 6. SHUAA is a public shareholding company, regulated as a financial investment company by the UAE Central Bank, and its stocks are listed on the Dubai Financial Market. www.shuaa.com

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