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News Release

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SHUAA announces its intention to open Islamic Window via Gulf Finance

Dubai, UAE – 15 January 2013: SHUAA Capital psc announced today that its wholly-owned subsidiary, Gulf Finance Corporation, a leading UAE-based boutique finance company focused on the needs of Small- and Medium-sized Enterprises (SMEs), has engaged with the UAE Central Bank for a license to establish an Islamic Window for some of its financing activities. Gulf Finance plans to submit the necessary applications in the first quarter of 2013 with a view to being market-ready in the spring of 2013, subject to regulatory approvals.

The program proposed by Gulf Finance to offer Islamic financial services supports the vision announced last week by His Highness Sheikh Mohammed bin Rashid al Maktoum, Prime Minister of the UAE and Ruler of Dubai, to establish a platform of Islamic economic products and services aimed at growing the Islamic economy as part of the overall Dubai economy and maintaining the UAE's role as a regional financial centre.

"We expect SMEs, the backbone of the UAE economy, to benefit from this important initiative. As SMEs represent over 50% of the country's GDP, 80% of employment, and account for over 90% of non-oil exports but only receive around 4% of bank lending, it will be important to their growth to facilitate access to more Sharia-compliant financing," said His Highness Sheikh Maktoum Hasher Al Maktoum, Executive Chairman of SHUAA Capital and Chairman of Gulf Finance. "While large corporates and banks as well as the government sector have good access to Sharia-compliant financing and the retail market is served by several Islamic banks, there is a major gap of Islamic finance available to SMEs at present."

Dubai has a proven track record in pioneering Islamic Finance with the launch of the first Islamic bank as well as the first Islamic financial market. Demand for Shariah-compliant asset finance and investment product has been growing at double-digit rates in recent years. The Ruler's initiative to set up a comprehensive platform of Islamic products and services is expected to nurture additional employment and population growth due to enhanced access to Islamic financing and investment opportunities. It is expected that Islamic finance overall will benefit from further institutionalizing the regulatory environment, according to Sheikh Maktoum.

"SHUAA has traditionally been an integral part of Dubai's non-bank financial infrastructure and with this announcement we pledge our support and commitment to His Highness Sheikh Mohammed bin Rashid Al Maktoum's vision of fostering a vibrant Islamic economy," said Sheikh Maktoum. "We are well poised to benefit from a growing Islamic finance industry and plan to be a leader in this field."

"We are confident that His Highness's vision will foster further advancement of the wider economy by promoting Dubai as a destination for capital and supporting the development of the local SME

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sector, in particular. GFC is one of the largest asset-based lenders to SMEs in the UAE and we look forward to contributing to the future development of this crucial initiative," he added.

Steve Williams, Group Chief Executive Officer, Gulf Finance said, "At Gulf Finance we remain committed to providing our clients with innovative solutions that will help develop and grow their businesses. In response to customer demand, we are developing an asset-based Islamic structure. The UAE has already established itself successfully as an entry point for goods and capital, and we believe that it is well-placed to become the Islamic finance hub for the Middle East, Asia and Africa as well. Our business will be here to support the growing Islamic economy."

Gulf Finance facilitates access to capital to the power, oil and gas, logistics, printing and media, manufacturing and healthcare industries. Over the last decade Gulf Finance has provided over AED 3 billion in finance to SMEs within the UAE.

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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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