SHUAA

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Earnings Release

13 April 2014

SHUAA reports AED8.2m net profit in Q1 2014 and AED64.1m revenues

SHUAA Capital today reports preliminary and unaudited Q1 2014 results for the period ended 31 March 2014. Revenues were 77% higher at AED64 million in the first quarter 2014 compared to AED36 million in the first quarter 2013. SHUAA's net profit was AED8.2 million versus a net loss of AED 5.9 million respectively. All core fee and interest generating business divisions posted a net profit.

On a sequential basis, net profit increased 118% from AED3.8 million in the fourth quarter 2013, on revenues of AED64 million. Higher income in the lending and investment banking divisions accounted for the majority of the quarter-on-quarter improvement.

Sheikh Maktoum Hasher Al Maktoum, Executive Chairman of SHUAA Capital said: "We are witnessing a strong recovery in the capital markets and investment banking arena, where we have been able to firmly position SHUAA as a market leader. Our asset management division continues to deliver solid performance and we see growing demand for our SME lending business."

Financial highlights for the first quarter of 2014 include:

- Investment Banking posted a net profit of AED8.0 million, making it the strongest performing division of the quarter. Investment Banking continues to perform well with the increasing number of IPOs and corporate transactions being worked on. In Q1 2013, the investment banking division recorded a net loss of AED0.87 million.
- Lending generated a net profit of AED7.4 million compared to a profit of AED 2.6 million in Q1 2013. Revenues were up 47% to AED 30.8 million, compared to AED 20.9 million generated in Q1 2013.
- Capital Markets witnessed a 66% jump in fees and commissions to AED3 million compared to AED1.8 million due to SHUAA's stronger positioning in institutional sales and trading. Total revenues were AED 3.3 million, an increase of 59% compared to AED 2.1 million in Q1 2013. Net profit of the division was AED1.5 million in Q1 2014.
- Asset Management saw an increase in year-on-year fees and commission income to AED4.8 million from AED4.1 million and produced a 65% increase in net profit of AED3.1 million versus AED1.9 million in Q1 2013.
- Corporate reported a net loss of AED 11.8 million in Q1 2014 which is in line with budget.

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Sheikh Maktoum added: "The continued economic revival of the UAE over the last year has allowed us to start demonstrating our earnings capabilities. Our focus now is squarely on income generation in key divisions that will help us drive growth and value for clients and shareholders, while maintaining our cost discipline.

SHUAA is in the process of realising further revenue upside from the execution of its investment banking pipeline, the build-out of its global institutional standard sales and trading platform, the inflow of assets under management and the increase in financial leverage to fund accelerated origination activities of its SME lending business."

SHUAA expects to publish its earnings release and interim condensed consolidated financial statements for Q1 2014 on Sunday, 11 May 2014.

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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