

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION AND REVIEW REPORT
FOR THE THREE MONTH PERIOD ENDED
MARCH 31, 2011

Report on Review of Interim Condensed Consolidated Financial Information

The Shareholders
SHUAA Capital PSC
Dubai
United Arab Emirates

We have reviewed the accompanying interim consolidated statement of financial position of **SHUAA Capital PSC and its Subsidiaries** (the “**Group**”) as of March 31, 2011 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the period from January 1, 2011 to March 31, 2011, and a summary of significant accounting policies and other explanatory information. The Directors of the Group are responsible for the preparation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review. The interim financial information for the period from 1 January 2010 to 31 March 2010 was reviewed by another auditor whose report dated May 2, 2010 expressed an unqualified conclusion.

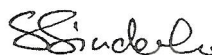
Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2400 “*Engagements to Review Financial Statements*” applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not presented fairly, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)



Saba Sindaha
Partner
Registration No. 410

10 May 2011

SHUAA Capital psc**Interim Consolidated Statement of Financial Position**

As of 31 March 2011

(In Thousands of U.A.E. Dirhams)

		31 March 2011 Unaudited	31 December 2010 Audited	31 March 2010 Unaudited
	<i>Notes</i>			
Assets				
Cash and deposits with banks	3	448,064	397,149	384,901
Receivables and other debit balances		39,785	39,279	121,355
Installment credits, loans and advances	4	569,855	605,295	797,142
Investments in SHUAA managed funds	5	184,878	170,431	173,002
Investments in third party associates	6	182,036	186,677	461,266
Other investments	7	292,575	377,824	514,890
Fixed assets		39,859	41,907	44,085
Goodwill		103,794	103,794	143,039
Total Assets		1,860,846	1,922,356	2,639,680
Liabilities				
Due to banks	8	130,204	133,931	310,310
Payables and other credit balances		161,992	169,668	584,774
Medium-term debt	9	112,917	143,958	29,750
Total Liabilities		405,113	447,557	924,834
Equity				
Share capital		1,065,000	1,065,000	1,065,000
Treasury shares	10	(14,458)	(14,458)	(14,458)
Employee stock option plan shares	11	(86,603)	(86,603)	(95,329)
Statutory reserve		728,295	728,295	728,295
(Accumulated losses)/retained earnings		(260,566)	(235,678)	23,575
Investment revaluation reserve	12	23,939	18,043	1,518
Translation reserve		(200)	(160)	5,808
Equity attributable to the shareholders of the parent		1,455,407	1,474,439	1,714,409
Minority interest		326	360	437
Total Equity		1,455,733	1,474,799	1,714,846
Total Liabilities and Equity		1,860,846	1,922,356	2,639,680

The interim condensed consolidated financial information from page 2 to 18 were approved by the Directors on 10 May 2011.


 Sameer Al Ansari – Chief Executive Officer
 and Member of the Board of Directors

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial information.

Interim Consolidated Income Statement

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

	<i>Notes</i>	<i>1 January to 31 March 2011 (3 months) Unaudited</i>	<i>1 January to 31 March 2010 (3 months) Unaudited</i>
Interest income		18,228	23,001
Fees and commissions		16,742	27,938
Trading income		157	1,505
(Loss)/gain from investments in SHUAA managed funds	13	(8,000)	8,415
Total revenues		27,127	60,859
General and administrative expenses		(57,944)	(63,688)
Interest expense		(4,387)	(10,783)
Depreciation		(2,849)	(3,080)
Provisions		(1,844)	(1,580)
Total expenses		(67,024)	(79,131)
Net loss before gain from other investments		(39,897)	(18,272)
Gains from other investments, including investments in third party associates	14	13,552	37,749
(Loss)/profit for the period		(26,345)	19,477
Attributable to:			
Minority interest		(34)	(9)
Equity holders of the parent		(26,311)	19,486
(Loss)/earnings per share (equity holders of the parent) for the period			
Basic (loss)/earnings per share (in AED)	15	(0.025)	0.018

SHUAA Capital psc**Interim Consolidated Statement of Comprehensive Income**

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

	1 January to 31 March 2011 (3 months) Unaudited	1 January to 31 March 2010 (3 months) Unaudited
(Loss)/profit for the period	(26,345)	19,477
Other comprehensive (loss)/income		
Net revaluation reserve movement on:		
- Investments in SHUAA managed funds	769	5,923
- Other investments	10,165	4,577
Share of other comprehensive income of associates	(5,038)	-
Exchange differences on translation of foreign operations	(40)	(46)
Other comprehensive income for the period	5,856	10,454
Total comprehensive (loss)/income for the period	(20,489)	29,931
Attributable to:		
Minority interest	(33)	(12)
Equity holders of the parent	(20,456)	29,943

SHUAA Capital psc**Interim Consolidated Statement of Cash Flows**

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

	1 January to 31 March 2011 (3 months) Unaudited	1 January to 31 March 2010 (3 months) Unaudited
Operating activities		
(Loss)/profit for the period	(26,345)	19,477
Adjustments:		
Depreciation	2,849	3,080
Unrealised loss/(gain) on investments in SHUAA managed funds	4,711	(341)
Income from other investments	(10,727)	(548)
Share based payments charge	1,423	3,951
Provisions	1,844	(6,420)
Operating (loss)/profit before changes in operating assets and liabilities	(26,245)	19,199
Changes in operating assets and liabilities:		
(Increase) in receivables and other debit balances	(506)	(12,032)
Decrease in installment credits, loans and advances	33,621	13,601
(Decrease)/ increase in payables and other credit balances	(7,701)	7,576
Net (acquisition)/sale of SHUAA managed funds	(21,677)	8,572
Net cash (used in)/from operating activities	(22,508)	36,916
Investing activities		
Net proceeds from other investments/associates	109,023	50,188
Addition to investment in subsidiaries/minority interest	-	(34,907)
Net purchase of fixed assets	(801)	(372)
Net cash from investing activities	108,222	14,909
Financing activities		
Decrease in medium term debt	-	(29,816)
Decrease in amounts due to banks	(34,768)	(113,387)
Decrease in amounts due to others	-	(50,000)
Movement in employee stock option plan shares	-	(17,133)
Net cash used in financing activities	(34,768)	(210,336)
Increase/(decrease) in cash and cash equivalents	50,946	(158,511)
Foreign currency translation	(31)	(47)
Cash and cash equivalents at beginning of the period	397,149	543,459
Cash and cash equivalents at end of the period	448,064	384,901

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial information.

SHUAA Capital psc

Interim Condensed Consolidated Statement of Changes In Equity

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

	Equity attributable to shareholders of the Parent							Minority interest	Total
	Share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	(Accumulated losses)/retained earnings	Investment revaluation reserve	Translation reserve		
Balance as of 1 January 2010 (Audited)	1,065,000	(14,458)	(78,196)	1,714,140	(985,845)	(8,982)	5,851	449	1,697,959
Total comprehensive loss for the period	-	-	-	-	19,486	10,500	(43)	(12)	29,931
Directors' remuneration	-	-	-	-	138	-	-	-	138
Accumulated losses offset	-	-	-	(985,845)	985,845	-	-	-	-
Net movement in employee stock option plan shares	-	-	(17,133)	-	-	-	-	-	(17,133)
Share based payments charge	-	-	-	-	3,951	-	-	-	3,951
Balance as of 31 March 2010 (Unaudited)	1,065,000	(14,458)	(95,329)	728,295	23,575	1,518	5,808	437	1,714,846

	Equity attributable to shareholders of the Parent							Minority interest	Total
	Share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	Accumulated losses	Investment revaluation reserve	Translation reserve		
Balance as of 1 January 2011 (Audited)	1,065,000	(14,458)	(86,603)	728,295	(235,678)	18,043	(160)	360	1,474,799
Total comprehensive loss for the period	-	-	-	-	(26,311)	5,896	(40)	(34)	(20,489)
Share based payments charge	-	-	-	-	1,423	-	-	-	1,423
Balance as of 31 March 2011 (Unaudited)	1,065,000	(14,458)	(86,603)	728,295	(260,566)	23,939	(200)	326	1,455,733

The attached notes 1 to 20 form an integral part of this interim condensed consolidated financial information.

SHUAA Capital psc

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

1. LEGAL STATUS AND ACTIVITIES

SHUAA Capital psc (the 'Company') is a public shareholding company established in Dubai, United Arab Emirates, pursuant to Emiri Decree No. 6 of 25 April 1979 and in accordance with the Federal Law No. (8) of 1984 (as amended). The registered address of the Company is P.O. Box 31045, Dubai, United Arab Emirates. The Company's shares are traded on the Dubai Financial Market in the United Arab Emirates.

The Company is licensed by the Central Bank of the United Arab Emirates to conduct services as a financial investment company and a banking, finance and investment advisor pursuant to Central Bank Board of Directors Resolution 164/8/94 and as a financial and monetary intermediary pursuant to Central Bank Board of Directors Resolution 126/5/95.

The Company conducts a diversified range of investment and financial service activities strategy with special emphasis on the Arab region in general, the U.A.E. and G.C.C. markets in particular and is actively involved in public and private capital markets in the region.

Details of the Company's material subsidiaries as at March 31, 2011 are as follows:

Name	Country of incorporation	Principle activities	Holding 31 March 2011	Holding 31 December 2010
Gulf Finance Corporation PJSC	United Arab Emirates	Financing	100.0%	100.0%
SHUAA Capital International Limited	United Arab Emirates	Brokerage	100.0%	100.0%
SHUAA Partners Limited	United Arab Emirates	Private Equity	100.0%	100.0%
SHUAA Securities LLC	United Arab Emirates	Brokerage	100.0%	100.0%
SHUAA Capital Saudi Arabia CJSC	Saudi Arabia	Financial services	99.6%	99.6%
Nile One Limited	Egypt	Brokerage	100.0%	100.0%
Asia Brokers Limited	Jordan	Brokerage	99.3%	99.3%

2. SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed financial consolidated financial information is presented in thousands of United Arab Emirates Dirham since that is the country in which the parent company is domiciled and majority of the Group's business is transacted.

The interim condensed consolidated financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments which are stated at their fair value.

The accounting policies adopted, methods of computation, critical accounting judgments and key sources of estimation uncertainty are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2010.

The interim condensed consolidated financial information does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended December 31, 2010. In addition, results for the three-months period ended March 31, 2011 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2011.

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended December 31, 2010.

All significant inter group company balances, income and expenses are eliminated on consolidation.

No income of seasonal nature was recorded in the interim condensed consolidated statement of income for the three months period ended March 31, 2011, and 2010.

The Group has not applied any of the new and revised IFRSs that have been issued but are not yet effective. Management anticipates that the adoption of new and revised standards will have no material impact on the interim condensed financial statements of the Company in the period of initial application.

(In Thousands of U.A.E. Dirhams)

3. CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include a fixed deposit of 43,097 (31 December 2010 – 43,097) with a local bank, which is held as collateral for a Central Bank guarantee.

4. INSTALLMENT CREDITS, LOANS AND ADVANCES

Installment credits, loans and advances comprise the following:

	31 March 2011 Unaudited	31 December 2010 Audited
Installment credits	297,235	296,135
Loans and advances	157,634	163,139
Due from clients	<u>261,416</u>	<u>286,861</u>
	716,285	746,135
Less: Cumulative provision for impairment	(85,623)	(83,115)
Less: Interest in suspense	(6,611)	(6,302)
Less: Unearned income on installment credits	<u>(54,196)</u>	<u>(51,423)</u>
	<u>569,855</u>	<u>605,295</u>

5. INVESTMENTS IN SHUAA MANAGED FUNDS

Investments in SHUAA managed funds consist of the following:

	31 March 2011 Unaudited	31 December 2010 Audited
Held at fair value through profit and loss	107,055	88,683
Available for sale	17,075	16,306
Associates	<u>60,748</u>	<u>65,442</u>
	<u>184,878</u>	<u>170,431</u>

Associates

The Group owns 26.9% (31 December 2010: 23.7%) of SHUAA Hospitality Fund I L.P., a closed ended private equity investment Fund registered as an exempted limited partnership in the Cayman Islands. The principal purpose of the Fund is to undertake direct or indirect investments in hospitality development projects and existing hospitality properties to be managed by Rotana Hotel Management Corporation LLC in the MENA region. As a consequence of cross investment holdings by the fund the Group indirectly owns 23.5% of SHUAA Saudi Hospitality Fund, an open ended investment Fund regulated by the Capital Markets Authority in Saudi Arabia. The principal purpose of the SHUAA Saudi Hospitality Fund is to achieve long term capital growth through investing in hospitality related real estate in the Kingdom of Saudi Arabia.

The Group owns 35.5% (31 December 2010: 35.5%) of Frontier Opportunities Fund I L.P., a closed ended private equity investment Fund registered as an exempted limited partnership in the Cayman Islands. The principal purpose of the Fund is to undertake direct or indirect investments in Syria, Lebanon and Jordan.

(In Thousands of U.A.E. Dirhams)

6. INVESTMENTS IN THIRD PARTY ASSOCIATES

The Group has the following investments in third party associates:

	31 March 2011 Unaudited	31 December 2010 Audited
U.A.E.	105,826	105,826
Other G.C.C.	76,210	80,851
	182,036	186,677

City Engineering LLC

The Group owns 40.0% (31 December 2010: 40%) of City Engineering LLC, a limited liability company based in Sharjah U.A.E. and engaged in contracting activities. The recoverable amount of this asset has been determined based on equity accounting net of an impairment provision.

Septeck Holding Limited

Septeck Holding Limited is a limited liability company, incorporated in Cayman Islands and based in Sharjah U.A.E., engaged in wastewater, water, marina and related infrastructure products and services. The Group owns 49.0% (31 December 2010: 49.0%) of Septeck Holding Limited. The recoverable amount of this asset has been determined based on equity accounting.

Amwal

The Group owns 46.7% (31 December 2010: 46.7%) of Amwal, a Qatari closed shareholding company licensed by the Central Bank of Qatar to conduct investment banking and asset management activities in Qatar. The recoverable amount of this asset has been determined based on equity accounting net of an impairment provision.

7. OTHER INVESTMENTS

Other investments comprise the following:

	31 March 2011 Unaudited	31 December 2010 Audited
Investment securities held at fair value through profit and loss	133,484	156,474
Investments available for sale	151,572	140,433
Investments held to maturity	7,519	80,917
	292,575	377,824

a) Investment securities held at fair value through profit and loss

Investment securities held at fair value through profit and loss comprise the following:

	31 March 2011 Unaudited	31 December 2010 Audited
Fund investments		
Quoted	16,444	24,576
Unquoted	77,748	77,756
Quoted equity securities	17,266	29,302
Fixed income securities	22,026	24,840
	133,484	156,474

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

7. OTHER INVESTMENTS - Continued**b) Investments available for sale**

Investments available for sale comprise the following:

	31 March 2011 Unaudited	31 December 2010 Audited
Quoted direct equity investments	29,700	34,183
Unquoted fund investments	<u>121,872</u>	<u>106,250</u>
	<u>151,572</u>	<u>140,433</u>

c) Investments held to maturity

Investments held to maturity comprise the following:

	31 March 2011 Unaudited	31 December 2010 Audited
Fixed income securities	<u>7,519</u>	<u>80,917</u>
	<u>7,519</u>	<u>80,917</u>

The quoted market value of fixed income securities held to maturity as of 31 March 2011 is 7,519 (31 December 2010: 92,499). Part of the held to maturity investments matured during the period and generated cash proceeds amounting to 85,372.

8. DUE TO BANKS

Due to banks comprise borrowings obtained from commercial banks in the ordinary course of business against the Group's established credit lines with those banks. Amounts due to banks are repayable within twelve months.

	31 March 2011 Unaudited	31 December 2010 Audited
Bank overdrafts	-	4,436
Term loans repayable within twelve months	<u>130,204</u>	<u>129,495</u>
	<u>130,204</u>	<u>133,931</u>

The Group's banking facilities carry EIBOR based floating interest rates plus a spread ranging between 3% and 4%.

At 31 March 2011, letters of guarantee on behalf of the Group amounting to 156,153 (31 December 2010: 155,723) had been provided by the Group's bankers. These guarantees are a standard mechanism used within the region's banking structures and financial exchanges to facilitate activities. It is anticipated that no material liabilities will arise from these guarantees.

9. MEDIUM-TERM DEBT

Medium-term debt comprises the following:

	31 March 2011 Unaudited	31 December 2010 Audited
Term loans	<u>112,917</u>	<u>143,958</u>
	<u>112,917</u>	<u>143,958</u>

Included within medium term debt is 106,667, being the medium term component of a term loan from Abu Dhabi Commercial Bank P.J.S.C secured by a charge over certain of the Group's assets with a combined net asset value of at least 300,000. The total outstanding amount is 213,333 with 106,666 due in 2011 included in due to banks.

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

10. TREASURY SHARES

The Group held the following treasury shares at 31 March 2011:

	31 March 2011 Unaudited	31 December 2010 Audited
Number of treasury shares	3,500,000	3,500,000
Treasury share as percentage of total shares in issue	0.3%	0.3%
Cost of treasury shares	14,458	14,458
Market value of treasury shares	3,885	4,305

During the period, no treasury shares were bought or sold (31 March 2010: nil).

11. EMPLOYEE STOCK OPTION PLAN SHARES

The following employee stock option plan shares were held in trust at 31 March 2011:

	31 March 2011 Unaudited	31 December 2010 Audited
Number of shares	31,598,004	31,598,004
Shares as percentage of total shares in issue	3.0%	3.0%
Cost of shares	86,603	86,603
Market value of shares	35,074	38,866

No movement in the employee stock option plan shares was recorded during the period (31 March 2010: nil).

12. INVESTMENT REVALUATION RESERVE

	1 January to 31 March 2011 (3 months) Unaudited	1 January to 31 March 2010 (3 months) Unaudited
Available for sale investments		
Balance, beginning of the period	13,890	(7,586)
Realised during the period	-	-
Net movement in fair values during the period	10,934	10,500
Balance, end of the period	24,824	2,914
Group's share of investment revaluation reserves in associates		
Balance, beginning of the period	4,153	(1,396)
Net movement in fair values during the period	(5,038)	-
Balance, end of the period	(885)	(1,396)
Total investment revaluation reserve	23,939	1,518

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

13. GAIN/(LOSS) FROM INVESTMENTS IN SHUAA MANAGED FUNDS

Gains and losses from SHUAA managed funds comprise the following:

	<i>1 January to 31 March 2011 (3 months) Unaudited</i>	<i>1 January to 31 March 2010 (3 months) Unaudited</i>
Funds held at fair value through profit and loss	(3,306)	8,959
Associates	(4,694)	(544)
	<u>(8,000)</u>	<u>8,415</u>

14. GAIN/(LOSS) FROM OTHER INVESTMENTS, INCLUDING THIRD PARTY ASSOCIATES

Gains and losses from other investments are detailed as follows:

	<i>1 January to 31 March 2011 (3 months) Unaudited</i>	<i>1 January to 31 March 2010 (3 months) Unaudited</i>
Third party associates	406	-
Other investments		
Held at fair value through profit and loss	2,309	29,749
Available for sale		
Gain and loss	1,170	8,000
Impairment	(2,306)	-
Held to maturity		
Gain and loss	11,973	-
	<u>13,552</u>	<u>37,749</u>

15. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share have been computed using the net (loss)/profit attributable to the ordinary equity holders of the parent (26,311) (31 March 2010 – 19,486 adjusted by the Directors' remuneration 138) divided by the weighted average number of ordinary shares outstanding 1,061,500,000 (31 March 2010 – 1,061,500,000).

Diluted earnings per share as of 31 March 2011 and 31 March 2010 are equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

16. RELATED PARTY TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party. Related parties represent significant shareholders, directors and key management personnel of the Group, their close family members and entities controlled, jointly controlled or significantly influenced by such parties.

The nature of significant related party transactions and the amounts involved were as follows:

	31 March 2011 Unaudited	31 December 2010 Audited
Cash and deposits with banks		
Other related parties	43,097	43,097
Receivables and other debit balances		
Associates	1,600	45
Other related parties	549	278
Loans and advances		
Associates	23,172	23,172
Other related parties	14,278	12,913
Key management personnel	981	1,347
Investments in SHUAA managed funds	<u>184,878</u>	<u>170,431</u>
	<u>268,555</u>	<u>251,283</u>

Advances to key management personnel reflects trading margin secured against investments held and sums advanced under the staff assistance program available to all employees for which no interest is charged.

	31 March 2011 Unaudited	31 December 2010 Audited
Payables and other credit balances		
Other related parties	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Transactions with related parties included in the interim consolidated statement of income are as follows:

	1 January to 31 March 2011 (3 months) Unaudited	1 January to 31 March 2010 (3 months) Unaudited
Interest income		
Associates	457	602
Other related parties	230	945
Income from investments in SHUAA managed funds		
Associates	(4,694)	(544)
Other related parties	(3,306)	8,959
Fees and commission income		
Other related parties	2,586	1,845
General & administrative expenses		
Other related parties	<u>-</u>	<u>(186)</u>
	<u>(4,727)</u>	<u>11,621</u>

17. SEGMENTAL INFORMATION

For management purposes the Group is organised into six operating segments, all of which are based on business units.

Private Equity currently manages four private equity funds as well as the Group's heritage investments. SHUAA Partners Limited, is the Group's private equity brand and is a DIFC category three licensed company staffed by a team of investment experts with a proven track record and a deep understanding of public and private investments in the GCC and wider MENA region.

Asset Management manages twenty two investment portfolios and funds spanning fifteen regional stock exchanges. SHUAA Asset Management offers regional and foreign investors gateways for investment in the GCC and Arab stock markets. SHUAA Asset Management manages conventional equity and debt as well as Shariah compliant portfolios and investment funds using both active and passive management styles.

Investment Banking provides corporate finance advisory, private placements, public offerings of equity and debt securities, trade sales, mergers, acquisitions, divestitures, spinoffs, syndications and structured products.

Brokerage operates under the brand of SHUAA Securities and acts as principal and agent, providing custody and clearing services to clients, providing access to regional exchanges.

Finance activities are conducted by Gulf Finance, which is primarily engaged in asset backed lending with a primary focus on Small and Medium Enterprises finance.

Corporate manages future corporate development and controls all cash and shared service expenses related to the Group. All proprietary investments are incubated within this business segment which also comprises, strategy and business development, legal and compliance, finance, operations, risk management, investor relations, marketing communications and human resources, including Group wide bonus and employee compensation and benefits.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

SHUAA Capital psc**Notes to the Interim Condensed Consolidated Financial Information**

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

17. SEGMENTAL INFORMATION - continued

The following tables present consolidated financial information regarding the Group's business segments.

1 January 2011 to 31 March 2011 (3 months) Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	-	-	1,342	1,506	10,720	4,660	18,228
Net fees and commissions	3,565	2,648	2,549	5,854	1,627	499	16,742
Trading income	-	-	157	-	-	-	157
Gain/(loss) from investments in SHUAA managed funds	(4,582)	(2,973)	-	-	-	(445)	(8,000)
Total (losses)/revenues	(1,017)	(325)	4,048	7,360	12,347	4,714	27,127
General & administrative expenses	(4,847)	(3,344)	(4,241)	(9,304)	(6,155)	(30,053)	(57,944)
Interest expenses	-	-	-	(226)	(913)	(3,248)	(4,387)
Depreciation & amortisation	(25)	-	-	(1,055)	(671)	(1,098)	(2,849)
Provisions	-	-	-	-	(1,383)	(461)	(1,844)
Total expenses	(4,872)	(3,344)	(4,241)	(10,585)	(9,122)	(34,860)	(67,024)
Net gain/(loss) before gain from other investments	(5,889)	(3,669)	(193)	(3,225)	3,225	(30,146)	(39,897)
Gain from other investments	-	14	-	548	-	12,990	13,552
Profit/(loss) for the period	(5,889)	(3,655)	(193)	(2,677)	3,225	(17,156)	(26,345)
Attributable to:							
Minority interests	(5)	(1)	-	(2)	-	(25)	(33)
Equity holders of the parent	(5,884)	(3,654)	(193)	(2,675)	3,225	(17,131)	(26,312)
31 March 2011 Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	118,288	94,400	47,842	243,979	396,636	959,701	1,860,846
Liabilities	1,516	-	-	51,558	64,757	287,282	405,113

SHUAA Capital psc**Notes to the Interim Condensed Consolidated Financial Information**

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

17. SEGMENTAL INFORMATION - continued

1 January 2010 to 31 March 2010 (3 months) Unaudited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Interest income	-	-	-	212	14,739	8,050	23,001
Net fees and commissions	6,202	3,138	5,392	11,335	2,268	(397)	27,938
Trading income	-	-	678	827	-	-	1,505
Gains/(losses) from investments in SHUAA managed funds	(545)	8,960	-	-	-	-	8,415
Total revenues	5,657	12,098	6,070	12,374	17,007	7,653	60,859
General & administrative expenses	(3,248)	(3,804)	(5,618)	(9,873)	(6,005)	(35,140)	(63,688)
Interest expenses	(1)	-	-	(409)	(3,185)	(7,188)	(10,783)
Depreciation & amortisation	(60)	-	-	(588)	(419)	(2,013)	(3,080)
Provisions	-	-	-	-	(289)	(1,291)	(1,580)
Total expenses	(3,309)	(3,804)	(5,618)	(10,870)	(9,898)	(45,632)	(79,131)
Net gain/(loss) before gains from other investments	2,348	8,294	452	1,504	7,109	(37,979)	(18,272)
Gains from other investments	-	-	-	43	-	37,706	37,749
Profit/(loss) for the period	2,348	8,294	452	1,547	7,109	(273)	19,477
Attributable to:							
Minority interests	3	2	(1)	(3)	-	(10)	(9)
Equity holders of the parent	2,345	8,292	453	1,550	7,109	(263)	19,486

31 December 2010 Audited							
	Private Equity	Asset Management	Investment Banking	Brokerage	Finance	Corporate	Total
Assets	121,479	89,124	7,686	243,922	418,340	1,041,805	1,922,356
Liabilities	1,211	-	-	44,017	89,671	312,658	447,557

SHUAA Capital psc**Notes to the Interim Condensed Consolidated Financial Information**

For the period ended 31 March 2011

(In Thousands of U.A.E. Dirhams)

18. GEOGRAPHICAL SEGMENTATION

The Group's assets, before considering collateral held or other credit enhancements can be analysed by the following geographical regions:

	UAE	GCC Other	MENA Other	North America	Europe	Asia Other	Total
Cash and deposits with banks	408,190	9,629	18,478	9,286	2,481	-	448,064
Receivables and other debit balances	33,367	3,375	2,662	-	381	-	39,785
Installment credits, loans and advances	465,266	66,591	37,998	-	-	-	569,855
Investments in SHUAA managed funds	53,099	108,699	23,080	-	-	-	184,878
Investments in third party associates	105,826	76,210	-	-	-	-	182,036
Other investments	14,252	138,666	3,895	5,511	11,583	118,668	292,575
Fixed assets	32,814	3,322	3,723	-	-	-	39,859
Goodwill	103,794	-	-	-	-	-	103,794
Total Assets - 31 March 2011	1,216,608	406,492	89,836	14,797	14,445	118,668	1,860,846
Total Assets - 31 December 2010	1,269,289	423,385	90,396	19,454	16,787	103,045	1,922,356
Total Assets - 31 March 2010	1,534,757	779,739	139,172	69,144	11,144	105,724	2,639,680

19. MATURITY PROFILE

The maturity profile of assets and liabilities as of 31 March 2011, determined on the basis of the remaining contractual maturity. Where assets have no contractual maturity date (*), management have made an estimate of the maturity date based on the liquidity of the asset and their intention.

	Less than 3 Months	3-12 Months	Sub total Less than a year	1-5 Years	Over 5 years	Grand total
Cash and deposits with banks	404,967	43,097	448,064	-	-	448,064
Receivables and other debit balances	16,408	21,502	37,910	1,875	-	39,785
Installment credits, loans and advances	271,462	186,905	458,367	111,488	-	569,855
Investments in SHUAA managed funds*	17,075	-	17,075	167,803	-	184,878
Investments in third party associates*	-	87,229	87,229	94,807	-	182,036
Other investments*	96,404	38,938	135,342	157,233	-	292,575
Fixed assets	-	-	-	39,859	-	39,859
Goodwill	-	-	-	-	103,794	103,794
Total Assets	806,316	377,671	1,183,987	573,065	103,794	1,860,846
Due to banks	31,245	98,959	130,204	-	-	130,204
Payables and other credit balances	125,109	17,072	142,181	19,811	-	161,992
Medium-term debt	-	-	-	112,917	-	112,917
Equity	-	-	-	-	1,455,733	1,455,733
Total Liabilities and Equity	156,354	116,031	272,385	132,728	1,455,733	1,860,846
Net liquidity gap	649,962	261,640	911,602	440,337	(1,351,939)	-
Cumulative liquidity gap	649,962	911,602	911,602	1,351,939	-	-

20. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	31 March 2011 Unaudited	31 December 2010 Audited
Contingent liabilities	44,728	45,094
Commitments		
SHUAA managed funds	100,638	100,638
Other investments	50,226	62,152