

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION AND REVIEW REPORT
FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2012

Report on Review of Interim Condensed Consolidated Financial Information

**The Shareholders
SHUAA Capital PSC
Dubai
United Arab Emirates**

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of **SHUAA Capital PSC and its Subsidiaries** (the “Group”) as of 31 March 2012 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the period from 1 January 2012 to 31 March 2012, 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.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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**

6 May 2012

Interim Consolidated Statement of Financial Position

As of 31 March 2012

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

		31 March 2012 Unaudited	31 December 2011 Audited	31 March 2011 Unaudited
	<i>Notes</i>			
<u>Assets</u>				
Cash and deposits with banks	3	345,125	340,207	448,064
Receivables and other debit balances		46,716	43,513	39,785
Installment credits, loans and advances	4	536,003	576,444	569,855
Investments in SHUAA managed funds	5	276,765	232,721	184,878
Investments in third party associates	6	134,369	135,526	182,036
Other investments	7	169,612	213,644	292,575
Property and equipment		28,123	29,927	39,859
Goodwill		34,111	34,111	103,794
Total Assets		<u>1,570,824</u>	<u>1,606,093</u>	<u>1,860,846</u>
<u>Liabilities</u>				
Due to banks	8	213,730	222,181	130,204
Payables and other credit balances		166,755	161,238	161,992
Medium term debt	9	25,313	53,750	112,917
Total Liabilities		<u>405,798</u>	<u>437,169</u>	<u>405,113</u>
<u>Equity</u>				
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)	(86,603)
Statutory reserve		728,295	728,295	728,295
Accumulated losses	22	(538,536)	(530,301)	(260,566)
Investment revaluation reserve	12	10,403	6,803	23,939
Translation reserve		(210)	(217)	(200)
Equity attributable to the shareholders of the parent		1,163,891	1,168,519	1,455,407
Non controlling interests		1,135	405	326
Total Equity		<u>1,165,026</u>	<u>1,168,924</u>	<u>1,455,733</u>
Total Liabilities and Equity		<u>1,570,824</u>	<u>1,606,093</u>	<u>1,860,846</u>

The interim condensed consolidated financial information from page 2 to 18 was approved by the Directors on 6 May 2012.



Maktoum H. Al Maktoum
Executive Chairman

The attached notes 1 to 22 form an integral part of this interim condensed consolidated financial information.

Interim Consolidated Income Statement

For the period ended 31 March 2012

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

	<i>Notes</i>	<i>1 January to 31 March 2012 (3 months) Unaudited</i>	<i>1 January to 31 March 2011 (3 months) Unaudited</i>
Interest income		21,372	18,228
Net fees and commissions		12,065	16,742
Trading income		25	157
Gains/(losses) from investments in SHUAA managed funds	13	21,552	(8,000)
Total revenues		55,014	27,127
General and administrative expenses		(54,932)	(57,944)
Interest expense		(3,795)	(4,387)
Depreciation		(2,336)	(2,849)
Provisions		(1,025)	(1,844)
Total expenses		(62,088)	(67,024)
Net loss before gain from other investments		(7,074)	(39,897)
(Losses)/gains from other investments, including investments in third party associates	14	(740)	13,552
Loss for the period		(7,814)	(26,345)
Attributable to:			
Non controlling interests		734	(34)
Equity holders of the parent		(8,548)	(26,311)
Basic loss per share (in AED)	15	(0.008)	(0.025)

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

For the period ended 31 March 2012

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

	<i>1 January to 31 March 2012 (3 months) Unaudited</i>	<i>1 January to 31 March 2011 (3 months) Unaudited</i>
Loss for the period	(7,814)	(26,345)
Other comprehensive income		
Net revaluation reserve movement on:		
- Investments in SHUAA managed funds	3,282	769
- Other investments	(1,419)	10,165
Share of other comprehensive income of associates	1,737	(5,038)
Exchange differences on translation of foreign operations	3	(40)
Other comprehensive income for the period	3,603	5,856
Total comprehensive loss for the period	(4,211)	(20,489)
Attributable to:		
Non controlling interests	730	(34)
Equity holders of the parent	(4,941)	(20,455)

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

For the period ended 31 March 2012

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

	1 January to 31 March 2012 (3 months) Unaudited	1 January to 31 March 2011 (3 months) Unaudited
Operating activities		
Loss for the period	(7,814)	(26,345)
Adjustments:		
Depreciation	2,336	2,849
Unrealised (gain)/loss on investments in SHUAA managed funds	(21,552)	4,711
Losses/(gains) from other investments	740	(10,727)
Share based payments charge	313	1,423
Provisions	1,025	1,844
Operating loss before changes in operating assets and liabilities	(24,952)	(26,245)
Changes in operating assets and liabilities:		
Increase in receivables and other debit balances	(3,203)	(506)
Decrease in installment credits, loans and advances	47,299	33,621
Decrease in payables and other credit balances	(2,365)	(7,701)
Net acquisition of SHUAA managed funds	(19,211)	(21,677)
Net cash used in operating activities	(2,432)	(22,508)
Investing activities		
Net proceeds from other investments/associates	44,774	109,023
Net purchase of property and equipment	(532)	(801)
Net cash from investing activities	44,242	108,222
Financing activities		
Decrease in medium term debt	(1,770)	-
Decrease in amounts due to banks	(35,118)	(34,768)
Net cash used in financing activities	(36,888)	(34,768)
Increase in cash and cash equivalents	4,922	50,946
Foreign currency translation	(4)	(31)
Cash and cash equivalents at beginning of the period	340,207	397,149
Cash and cash equivalents at end of the period	345,125	448,064

The attached notes 1 to 22 form an integral part of this interim condensed consolidated financial information.

SHUAA Capital psc**Interim Consolidated Statement of Changes In Equity**

For the period ended 31 March 2012

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

	Equity attributable to shareholders of the Parent									
	Share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	Accumulated losses	Investment revaluation reserve	Translation reserve	Total	Non controlling interests	Total
Balance as of 1 January 2011 (Audited)	1,065,000	(14,458)	(86,603)	728,295	(235,678)	18,043	(160)	1,474,439	360	1,474,799
Total comprehensive loss for the period	-	-	-	-	(26,311)	5,896	(40)	(20,455)	(34)	(20,489)
Share based payments charge	-	-	-	-	1,423	-	-	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)	1,455,407	326	1,455,733
	Equity attributable to shareholders of the Parent									
	Share capital	Treasury shares	Employee stock option plan shares	Statutory reserve	Accumulated losses	Investment revaluation reserve	Translation reserve	Total	Non controlling interests	Total
Balance as of 1 January 2012 (Audited)	1,065,000	(14,458)	(86,603)	728,295	(530,301)	6,803	(217)	1,168,519	405	1,168,924
Total comprehensive loss for the period	-	-	-	-	(8,548)	3,600	7	(4,941)	730	(4,211)
Share based payments charge	-	-	-	-	313	-	-	313	-	313
Balance as of 31 March 2012 (Unaudited)	1,065,000	(14,458)	(86,603)	728,295	(538,536)	10,403	(210)	1,163,891	1,135	1,165,026

The attached notes 1 to 22 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 2012

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

1. LEGAL STATUS AND ACTIVITIES

SHUAA Capital psc (the “Parent 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 and its subsidiaries (“the Group”) conduct 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 31 March 2012 are as follows:

Name	Country of incorporation	Principle activities	Holding 31 March 2012	Holding 31 December 2011
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	94.3%	94.3%

2. SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial information is presented in thousands of United Arab Emirates Dirhams since that is the country in which the parent company is domiciled and the 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 31 December 2011.

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 31 December 2011. In addition, results for the three-month period ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

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 31 December 2011.

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

No income of a seasonal nature was recorded in the interim consolidated statement of income for the three-month periods ended 31 March 2012 and 2011.

The Group has not applied any of the new and revised IFRSs that have been issued but are not yet effective. The Group anticipates that these new standards will be adopted in the Group’s consolidated financial statements in the year of initial application and that the application of such standards may have significant impact on amounts reported in respect of the Group’s statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

3. CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include a fixed deposit of 21,500 (31 December 2011 – 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 2012 Unaudited	31 December 2011 Audited
Installment credits, loans and advances	501,804	502,562
Margin lending	149,371	193,476
	651,175	696,038
Less: Cumulative allowance for impairment	(105,588)	(111,905)
Less: Interest in suspense	(9,584)	(7,689)
	536,003	576,444

5. INVESTMENTS IN SHUAA MANAGED FUNDS

Investments in SHUAA managed funds consist of the following:

	31 March 2012 Unaudited	31 December 2011 Audited
Held at fair value through profit or loss	183,620	153,513
Available for sale	16,061	12,778
Associates	77,084	66,430
	276,765	232,721

Associates

The Group owns 27.8% (31 December 2011: 27.8%) 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 this 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 this fund the Group indirectly own 27.1% (31 December 2011: 27.1%) of SHUAA Saudi Hospitality Fund I, a closed ended investment fund regulated by the Capital Markets Authority in Saudi Arabia. The principal purpose of the SHUAA Saudi Hospitality Fund I 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 2011: 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 this fund is to undertake direct or indirect investments in Syria, Lebanon and Jordan.

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2012

(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 2012 Unaudited	31 December 2011 Audited
U.A.E.	62,323	63,179
Other G.C.C.	72,046	72,347
	134,369	135,526

City Engineering LLC

The Group owns 40.0% (31 December 2011: 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 2011: 49.0%) of Septeck Holding Limited. The recoverable amount of this asset has been determined based on equity accounting net of an impairment provision.

Amwal

The Group owns 46.7% (31 December 2011: 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 2012 Unaudited	31 December 2011 Audited
Investment held at fair value through profit or loss	65,681	97,558
Investments available for sale	96,412	108,567
Investments held to maturity	7,519	7,519
	169,612	213,644

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

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

	31 March 2012 Unaudited	31 December 2011 Audited
Fund investments	5,540	9,261
Quoted equity securities	34	15,975
Fixed income securities	60,107	72,322
	65,681	97,558

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2012

(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 2012 Unaudited	31 December 2011 Audited
Quoted equity investments	2,987	9,181
Unquoted fund investments	93,425	99,386
	96,412	108,567

c) Investments held to maturity

Investments held to maturity comprise the following:

	31 March 2012 Unaudited	31 December 2011 Audited
Fixed income securities	7,519	7,519
	7,519	7,519

The fair value of fixed income securities held to maturity as of 31 March 2012 is 7,519 (31 December 2011: 7,519).

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 2012 Unaudited	31 December 2011 Audited
Term loans repayable within twelve months	213,730	222,181

The Group's banking facilities carry EIBOR based floating interest rates plus a spread ranging between 3.0% and 4.5%.

At 31 March 2012, letters of guarantee on behalf of the Group amounting to 153,699 (31 December 2011: 153,698) 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.

Included within term loans is 106,667, being the component of a term loan from a local bank secured by a charge over certain of the Group's assets.

9. MEDIUM TERM DEBT

Medium term debt comprises the following:

	31 March 2012 Unaudited	31 December 2011 Audited
Term loans	25,313	53,750

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

10. TREASURY SHARES

The Group held the following treasury shares at 31 March 2012:

	31 March 2012 Unaudited	31 December 2011 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	3,010	1,925

During the period, no treasury shares were bought or sold.

11. EMPLOYEE STOCK OPTION PLAN SHARES

The following employee stock option plan shares were held in trust at 31 March 2012:

	31 March 2012 Unaudited	31 December 2011 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	27,174	17,379

Movement in employee stock option plan shares was as follows:

	<i>Number of shares</i>	
	1 January to 31 March 2012 (3 months) Unaudited	1 January to 31 December 2011 (12 months) Audited
Balance at the beginning of the period	31,598,004	31,598,004
Executed options	-	-
Acquired shares	-	-
Balance at the end of the period	31,598,004	31,598,004

12. INVESTMENT REVALUATION RESERVE

	1 January to 31 March 2012 (3 months) Unaudited	1 January to 31 December 2011 (12 months) Audited
Available for sale investments		
Balance at beginning of the period	5,609	13,890
Realised during the period	-	(45)
Net movement in fair values during the period	1,863	(8,236)
Balance at end of the period	7,472	5,609
Group's share of investment revaluation reserves in associates		
Balance at beginning of the period	1,194	4,153
Net movement in fair values during the period	1,737	(2,959)
Balance at end of the period	2,931	1,194
Total investment revaluation reserve	10,403	6,803

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2012

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

13. GAINS/(LOSSES) FROM INVESTMENTS IN SHUAA MANAGED FUNDS

Gains and losses from SHUAA managed funds comprise the following:

	<i>1 January to 31 March 2012 (3 months) Unaudited</i>	<i>1 January to 31 March 2011 (3 months) Unaudited</i>
Funds held at fair value through profit or loss	19,337	(3,306)
Associates	2,215	(4,694)
	21,552	(8,000)

14. (LOSSES)/GAINS FROM OTHER INVESTMENTS, INCLUDING THIRD PARTY ASSOCIATES

Gains and losses from other investments are detailed as follows:

	<i>1 January to 31 March 2012 (3 months) Unaudited</i>	<i>1 January to 31 March 2011 (3 months) Unaudited</i>
Third party associates	(2,902)	406
Other investments		
Held at fair value through profit or loss	36	2,309
Available for sale		
Gains	8,541	1,170
Impairment	(6,415)	(2,306)
Held to maturity		
Gain on maturity	-	11,973
	(740)	13,552

15. (LOSS)/EARNINGS PER SHARE

Basic earnings/(losses) per share have been computed using the net loss attributable to the ordinary equity holders of the parent (8,548) (31 March 2011 – (26,311)) divided by the weighted average number of ordinary shares outstanding 1,061,500,000 (31 March 2011 – 1,061,500,000).

Diluted earnings per share as of 31 March 2012 and 31 March 2011 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 2012

(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 2012 Unaudited	31 December 2011 Audited
Receivables and other debit balances		
Associates	1,086	15,345
Other related parties	237	253
Loans and advances		
Associates	31,681	31,681
Other related parties	2,686	2,686
Key management personnel	807	861
Investments in SHUAA managed funds	276,765	232,721
	313,262	283,547

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 2012 Unaudited	31 December 2011 Audited
Payables and other credit balances		
Other related parties	-	14,658

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

	1 January to 31 March 2012 (3 months) Unaudited	1 January to 31 March 2011 (3 months) Unaudited
Interest income		
Associates	751	457
Other related parties	53	230
(Losses)/gains from investments in SHUAA managed funds		
Associates	2,215	(4,694)
Other related parties	19,337	(3,306)
Fees and commission income		
Other related parties	855	2,586
	23,211	(4,727)

17. SEGMENTAL INFORMATION

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

Asset Management manages nineteen investment portfolios and funds spanning across fourteen 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. It also manages four private equity funds.

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.

Lending 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, treasury, 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 2012

(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 2012 to 31 March 2012 (3 months) Unaudited						
	Asset Management	Investment Banking	Brokerage	Lending	Corporate	Total
Interest income	103	289	311	17,140	3,529	21,372
Net fees and commissions	4,436	2,105	4,679	790	55	12,065
Trading income	-	25	-	-	-	25
Gains from investments in SHUAA managed funds	-	-	-	-	21,552	21,552
Total revenues	4,539	2,419	4,990	17,930	25,136	55,014
General & administrative expenses	(7,179)	(4,600)	(6,967)	(10,157)	(26,029)	(54,932)
Interest expenses	-	-	-	(2,727)	(1,068)	(3,795)
Depreciation	-	-	(118)	(655)	(1,563)	(2,336)
Provisions	-	171	8,872	(1,715)	(8,353)	(1,025)
Total expenses	(7,179)	(4,429)	1,787	(15,254)	(37,013)	(62,088)
Net (losses)/gains before gains/(losses) from other investments	(2,640)	(2,010)	6,777	2,676	(11,877)	(7,074)
(Losses)/gains from other investments	13	-	-	-	(753)	(740)
(Loss)/profit for the period	(2,627)	(2,010)	6,777	2,676	(12,630)	(7,814)
Attributable to:						
Non controlling interests	-	-	(64)	-	798	734
Equity holders of the parent	(2,627)	(2,010)	6,841	2,676	(13,428)	(8,548)

31 March 2012 Unaudited						
	Asset Management	Investment Banking	Brokerage	Lending	Corporate	Total
Assets	7,966	125	157,347	554,873	850,513	1,570,824
Liabilities	27	-	73,182	148,981	183,608	405,798

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

For the period ended 31 March 2012

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

17. SEGMENTAL INFORMATION - continued

1 January 2011 to 31 March 2011 (3 months) Unaudited						
	Asset Management	Investment Banking	Brokerage	Lending	Corporate	Total
Interest income	-	1,342	1,506	10,720	4,660	18,228
Net fees and commissions	6,213	2,549	5,854	1,627	499	16,742
Trading income	-	157	-	-	-	157
Losses from investments in SHUAA managed funds	-	-	-	-	(8,000)	(8,000)
Total revenues	6,213	4,048	7,360	12,347	(2,841)	27,127
General & administrative expenses	(8,191)	(4,241)	(9,304)	(6,155)	(30,053)	(57,944)
Interest expenses	-	-	(226)	(913)	(3,248)	(4,387)
Depreciation	(25)	-	(1,055)	(671)	(1,098)	(2,849)
Provisions	-	-	(64)	(1,383)	(397)	(1,844)
Total expenses	(8,216)	(4,241)	(10,649)	(9,122)	(34,796)	(67,024)
Net (losses)/gains before gains/(losses) from other investments	(2,003)	(193)	(3,289)	3,225	(37,637)	(39,897)
(Losses)/gains from other investments	14	-	548	-	12,990	13,552
(Loss)/profit for the period	(1,989)	(193)	(2,741)	3,225	(24,647)	(26,345)
Attributable to:						
Non controlling interests	(6)	-	(2)	-	(26)	(34)
Equity holders of the parent	(1,983)	(193)	(2,739)	3,225	(24,621)	(26,311)
31 December 2011 Audited						
	Asset Management	Investment Banking	Brokerage	Lending	Corporate	Total
Assets	23,433	6,860	156,807	518,733	900,260	1,606,093
Liabilities	1,106	-	47,220	166,651	222,192	437,169

The revenue reported above represents revenue generated from external customers only.

The accounting policies of each of the reportable segments are consistent with those of the Group.

Certain comparative numbers as of 31 March 2011 have been reclassified between segments in order to correspond to the changes in the internal reporting to management.

SHUAA Capital psc

Notes to the Interim Condensed Consolidated Financial Information

For the period ended 31 March 2012

(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	271,914	32,652	12,021	27,633	905	-	345,125
Receivables and other debit balances	42,152	1,769	2,733	9	53	-	46,716
Installment credits, loans and advances	491,569	26,438	17,996	-	-	-	536,003
Investments in SHUAA managed funds	45,513	228,703	2,549	-	-	-	276,765
Investments in third party associates	62,323	72,046	-	-	-	-	134,369
Other investments	34,576	53,333	3,530	3,519	2,032	72,622	169,612
Fixed assets	24,802	2,209	1,112	-	-	-	28,123
Goodwill	34,111	-	-	-	-	-	34,111
Total Assets - 31 March 2012	1,006,960	417,150	39,941	31,161	2,990	72,622	1,570,824
Total Assets - 31 December 2011	1,040,415	415,615	49,866	15,962	7,160	77,075	1,606,093
Total Assets – 31 March 2011	1,216,608	406,492	89,836	14,797	14,445	118,668	1,860,846

19. MATURITY PROFILE

The maturity profile of assets and liabilities as of 31 March 2012, 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	323,625	21,500	345,125	-	-	345,125
Receivables and other debit balances	36,311	8,559	44,870	1,846	-	46,716
Installment credits, loans and advances	153,145	146,532	299,677	236,326	-	536,003
Investments in SHUAA managed funds*	29,703	18,610	48,313	228,452	-	276,765
Investments in third party associates*	-	134,369	134,369	-	-	134,369
Other investments*	121,335	34	121,369	48,243	-	169,612
Fixed assets*	1,110	-	1,110	27,013	-	28,123
Goodwill*	-	-	-	-	34,111	34,111
Total Assets	665,229	329,604	994,833	541,880	34,111	1,570,824
Due to banks	120,084	93,646	213,730	-	-	213,730
Payables and other credit balances	141,887	16,915	158,802	7,953	-	166,755
Medium term debt	-	-	-	25,313	-	25,313
Equity	-	-	-	-	1,165,026	1,165,026
Total Liabilities and Equity	261,971	110,561	372,532	33,266	1,165,026	1,570,824
Net liquidity gap	403,258	219,043	622,301	508,614	(1,130,915)	-
Cumulative liquidity gap	403,258	622,301	622,301	1,130,915	-	-

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

20. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	31 March 2012 Unaudited	<i>31 December 2011 Audited</i>
Contingent liabilities	61,395	35,474
Included within contingent liabilities are performance guarantees issued on behalf of City Engineering, an associate. These guarantees are regarded as unlikely to crystallise as a liability.		
	31 March 2012 Unaudited	<i>31 December 2011 Audited</i>
Commitments		
SHUAA managed funds	71,753	80,194
Other investments	44,878	49,837

21. CLIENTS' FUNDS UNDER MANAGEMENT

The Group is licensed as a financial services company regulated by the Central Bank of the United Arab Emirates. At 31 March 2012, clients' assets amounting to 5.6 billion (31 December 2011: 5.3 billion) were managed in a fiduciary capacity, without risk or recourse to the Group. These funds are off balance sheet items and do not constitute part of the Group's assets.

22. SUBSEQUENT EVENT

A resolution of the Annual General Meeting of the Company held on 24 April 2012 has approved the offset of the accumulated losses against the statutory reserve, as of 1 January 2012. The Company is in the process of obtaining the necessary regulatory approvals to this effect.