

SHUAA Capital Third Quarter 2013 Results



Progress Report

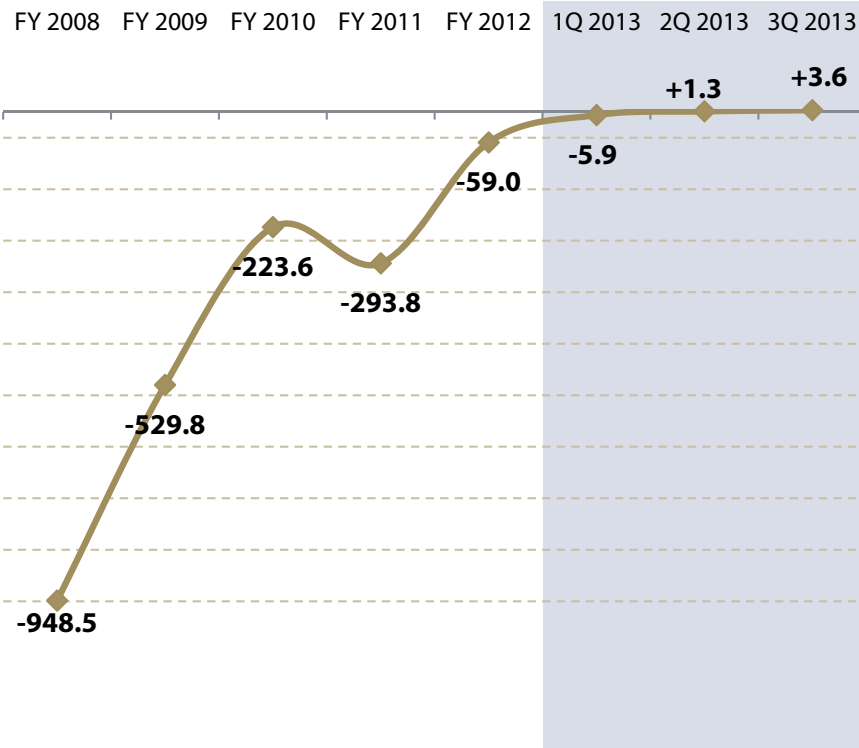
Financials & Strategy Implementation

Net Profit/Loss

On track to achieve 2013 Earnings Guidance

Net Profit/Loss

In AED Million



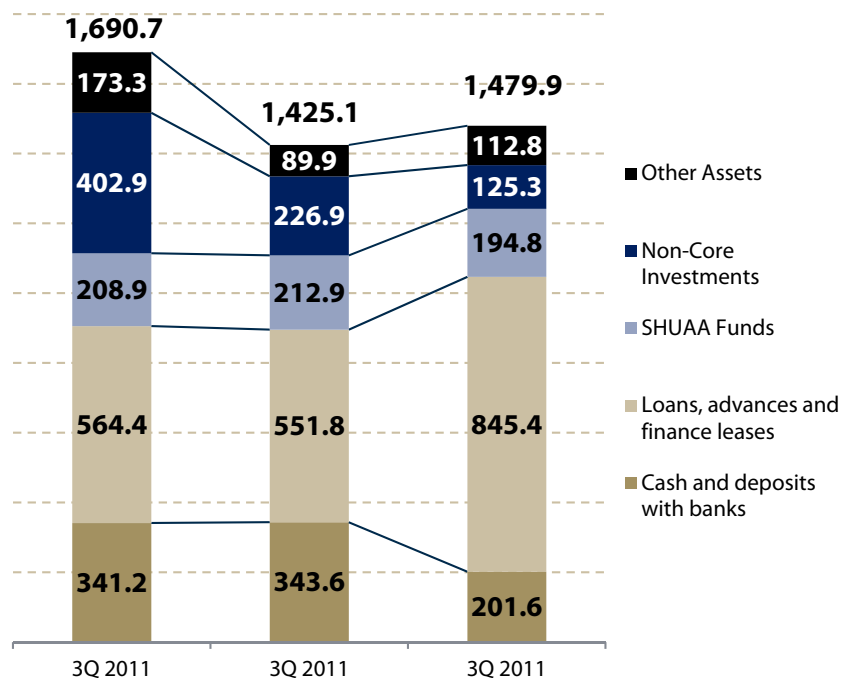
2013E Earnings Guidance

- SHUAA maintains its guidance for 2013 with a range between a net profit of AED 6 m and a net loss of AED 18 m.
- Asset Management, Investment Banking, Capital Markets, Lending & Brokerage are profitable as of Q3 and 9M 2013.
- Credit (Investment in Fund & Infrastructure) and Corporate (Cost Center) remain loss-making.

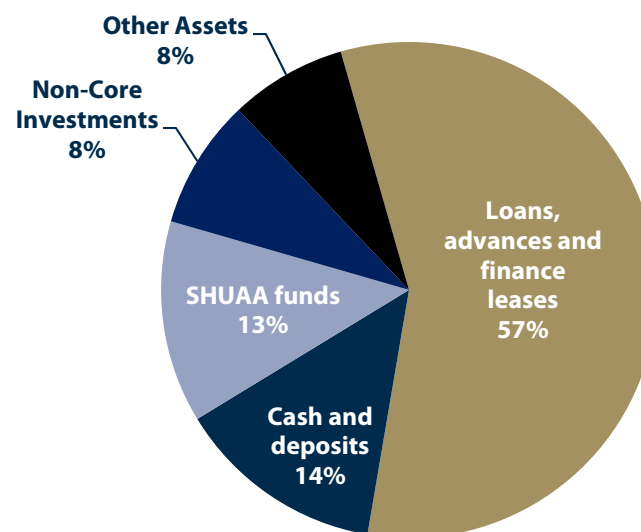
Progress Report

Managing SHUAA's Balance Sheet

Total Assets – Two Year Movement
In AED million

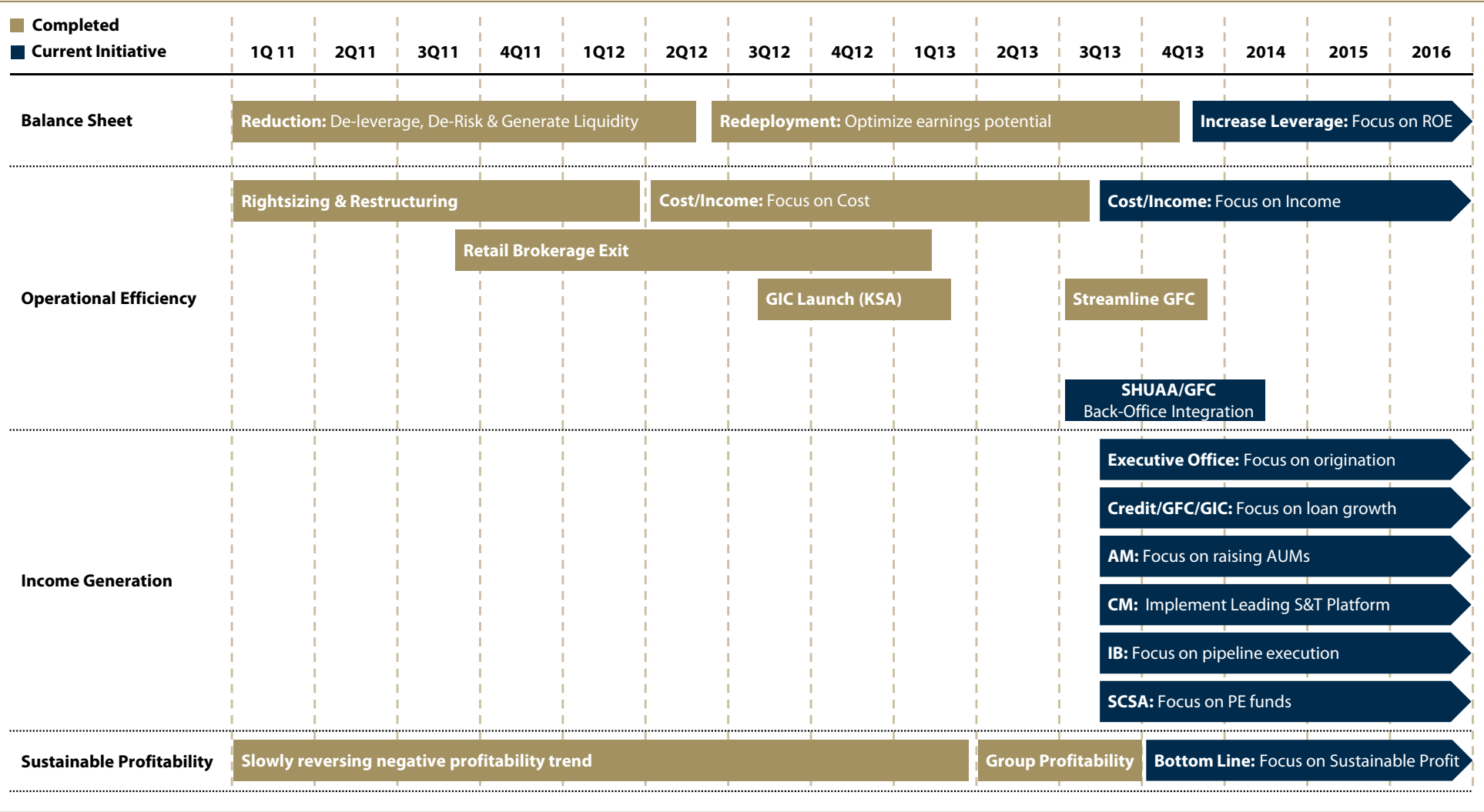


Balance Sheet Composition
As of 30 September 2013



Progress Report

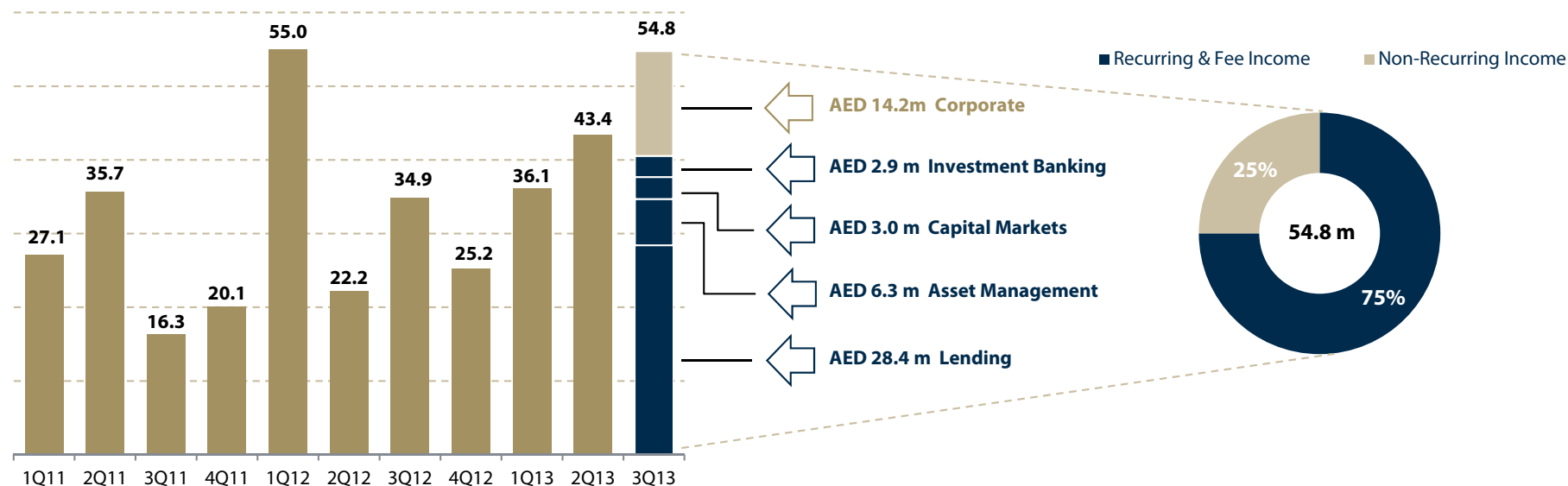
Strategy Implementation



Progress Report

Improved Recurring & Fee Income Generation in 3Q 2013

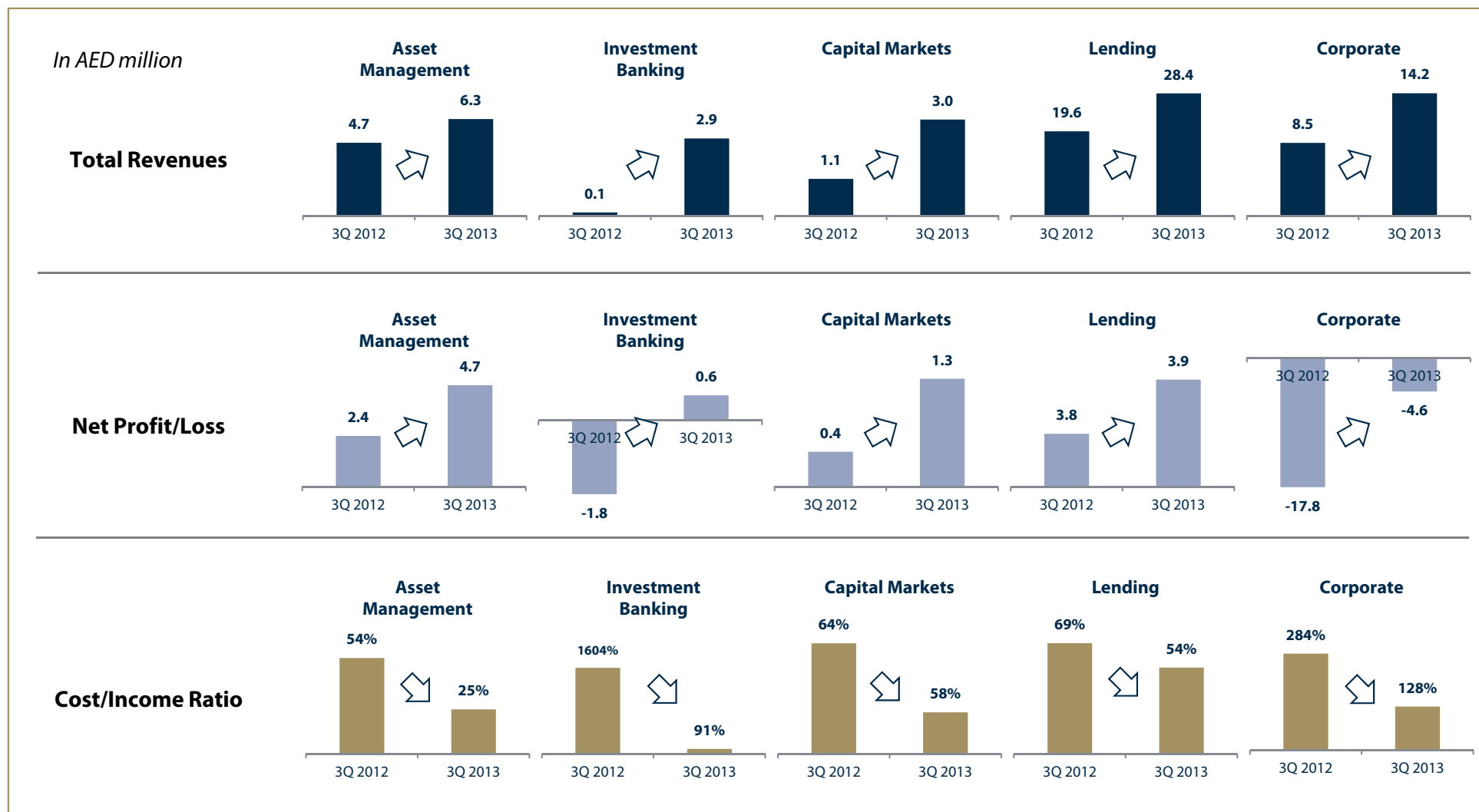
Total Revenues – Quarterly Trend
In AED million as of 30 September 2013¹



¹ Preliminary, Unaudited Financial Results

Progress Report

Segmental Results Highlight SHUAA's Operating Leverage



Group Consolidated Financial Results

30 September 2013

Third Quarter 2013 Highlights

In line with 2013 Earnings Guidance

Financial Highlights

- **Net profit** improved by 17.5m to AED 3.6m in Q3 2013 (net loss of AED 13.9m in Q3 2012), and 2.3m improvement versus Q2 2013 net profit of AED 1.3m.
- **Operating expenses** reduced by 10% to AED 41.9m from AED 46.7m in Q3 2012.
- **Cost/income ratio** at 76%, a reduction from 94% in Q2 2013
- **Revenues** of AED 54.8m (Q3 2012: AED 34.9m) mainly due to movement in SHUAA managed funds. Revenues up 26% from AED 43.4m in Q2 2013.
- **Total assets** remain steady at AED 1.5bn and total liabilities up to AED 372m from AED 269m at 2012 year-end.

Business Highlights

- **Balance Sheet** deployment to SME lending division on track. Increased loans, advances and finance leases by AED 117.1m in Q3 (GFC and GIC)
- **Corporate Governance** upgrade concluded and infrastructure related to SME lending in UAE, institutionalized structures that allow local and foreign institutions to provide capital for asset-based lending growth
- **Commenced efficiency program at GFC**
- **Retail Brokerage license** suspended not terminated

2013 Financial Performance

P&L Highlights

Q3 2013 REVENUES

Up **57%** vs Q3 12

Q3 2013 TOTAL EXPENSES

Up **7%** vs Q3 12

Q3 2013 NET PROFIT/LOSS

Up **17.5m** vs Q3 12

Financial Highlights in AED Million

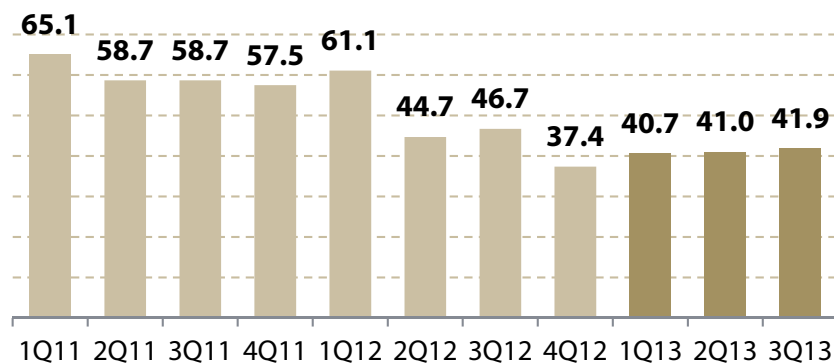
	Q3 2013	Q2 2013	Q3 2012
Total Revenues (incl. SHUAA investments P&L)	54.8	43.4	34.9
General & Administrative Expenses	-37.4	-37.9	-42.8
Operating Expenses	-41.9	-41.0	-46.7
Net Profit/Loss	3.6	1.3	-13.9
Earnings per Share	0.003	0.001	-0.013
Cost/Income Ratio	76%	94%	134%
ROAE	0.3%	0.1%	-1.2%

Cost Structure

On track to achieve target cost/income ratio

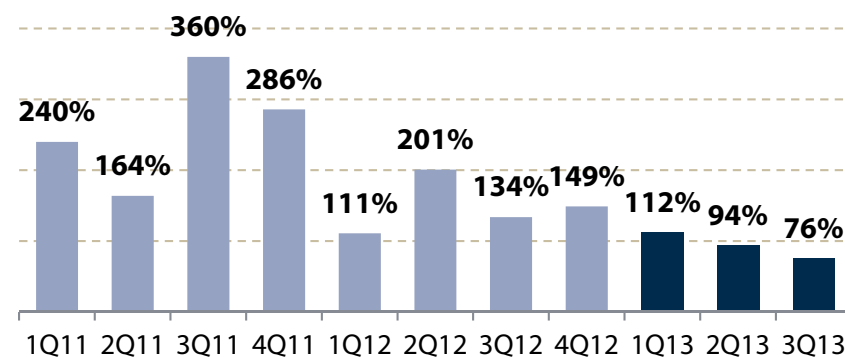
Operating Expenses

In AED million



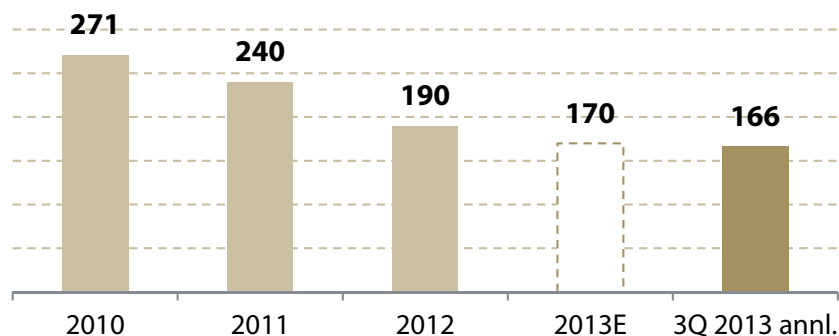
Cost/Income Ratio (Operating Expenses/Revenues)

In %



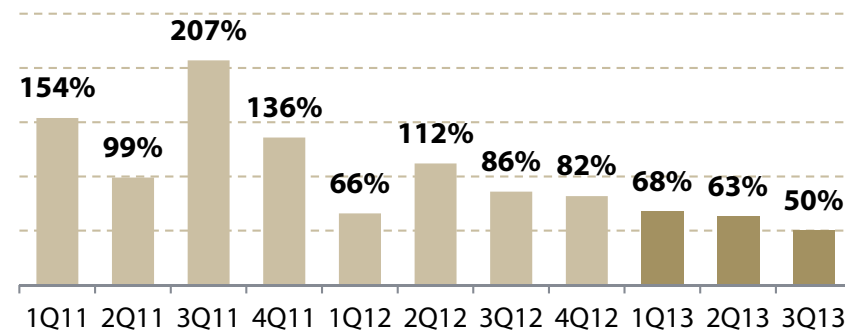
Operating Expenses – 3Q 2013 annualized vs Guidance

In AED million



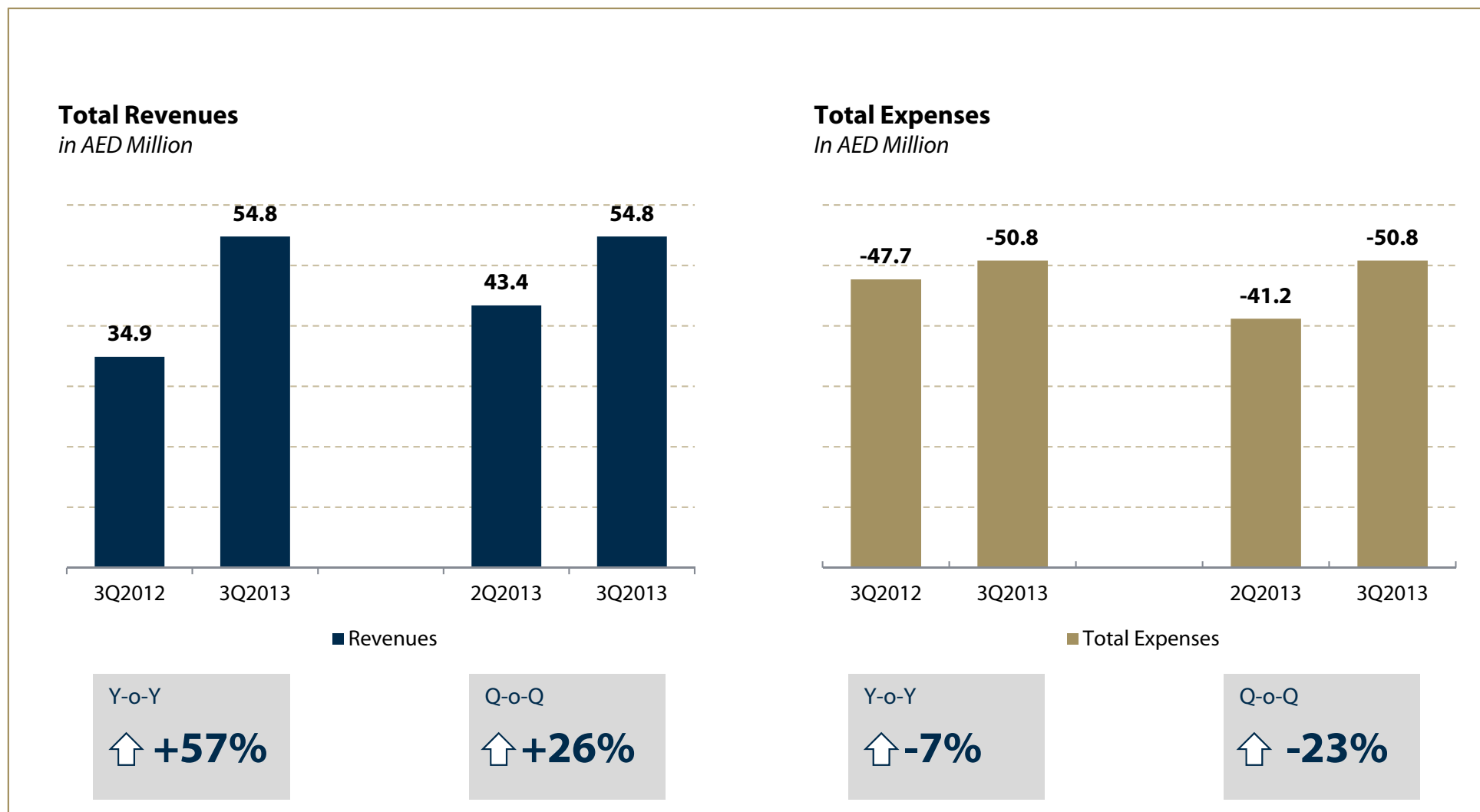
Compensation Ratio (Compensation/Revenues)

In %



Revenues and Cost Base

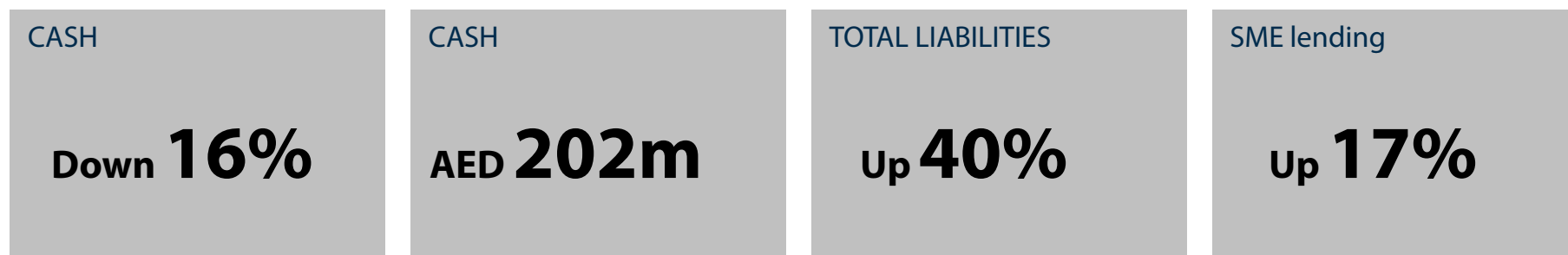
Proven ability to generate more with less



2013 Financial Performance

Quarter-on-Quarter Highlights

Strong Balance Sheet



Financial Highlights in AED Million

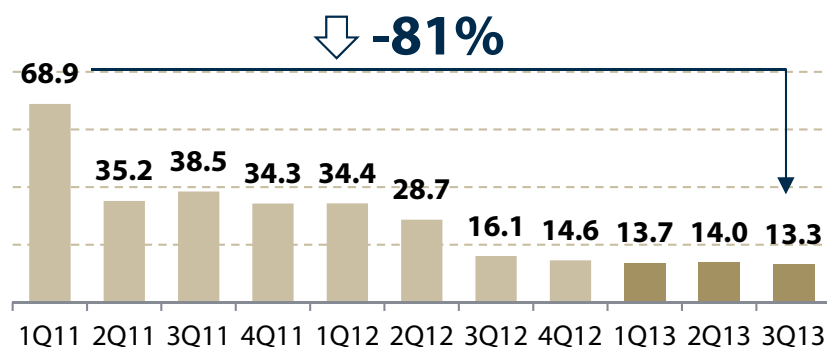
	30 September 2013	30 June 2013	Change
Total Assets	1,480	1,370	8%
Cash	201.6	241.3	-16%
Loans, advances and finance leases	845.4	730.9	16%
<i>Of which SME Lending</i>	813.9	696.8	17%
<i>Of which Private Equity</i>	13.3	14.0	-5%
<i>Of which Margin Lending</i>	18.2	20.1	-9%
Total Liabilities	371.5	264.6	40%
Shareholder's Equity	1,107.9	1,104.6	0.3%

Balance Sheet Management

Redeployed capital to grow GFC/GIC Loan Book

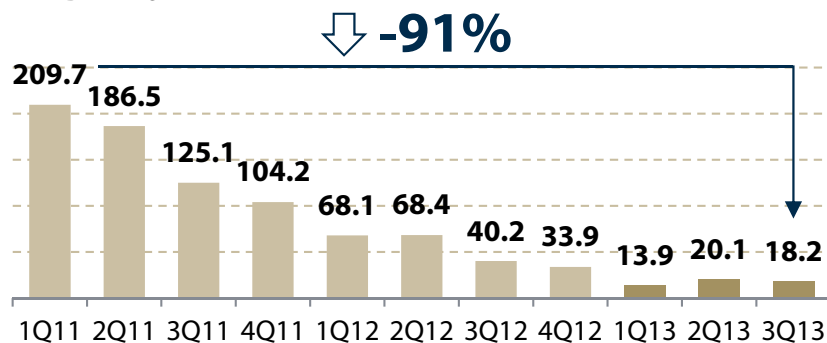
Private Equity Funds Leverage*

In AED Million



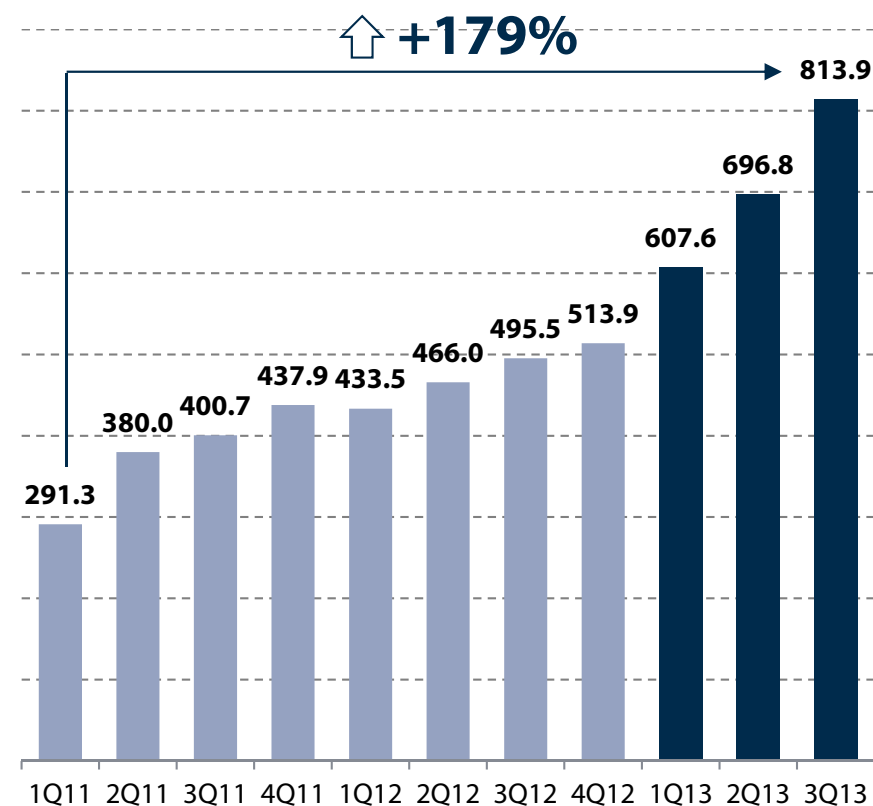
Brokerage Margin Loans*

In AED million



Lending (GFC and GIC)*

In AED Million



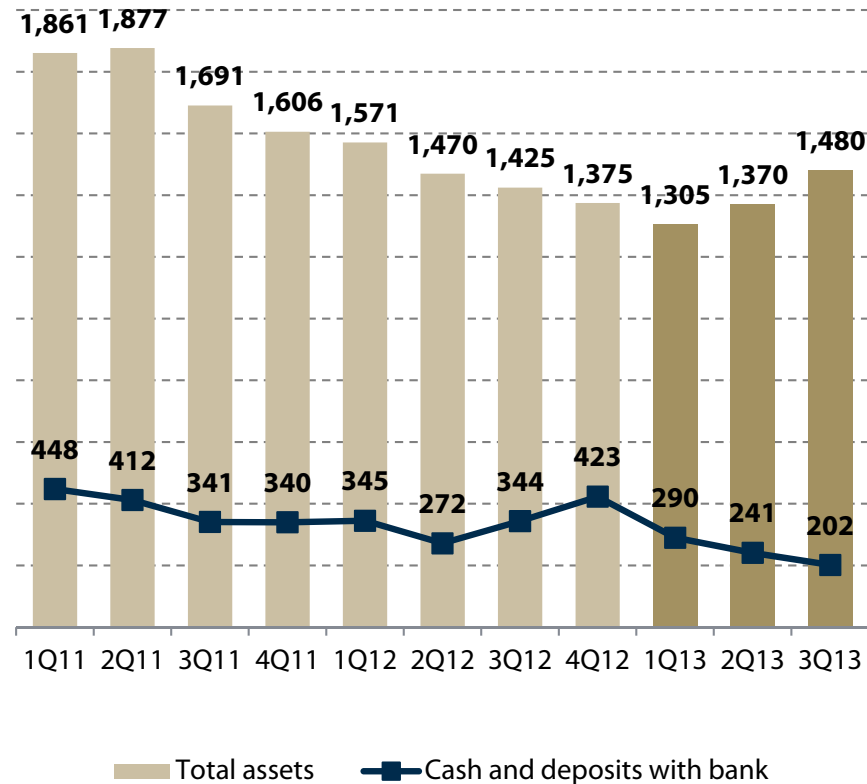
*SHUAA Capital Balance Sheet – Loans, advances and finance leases

Strong Balance Sheet

Increased bank lines to fund growth

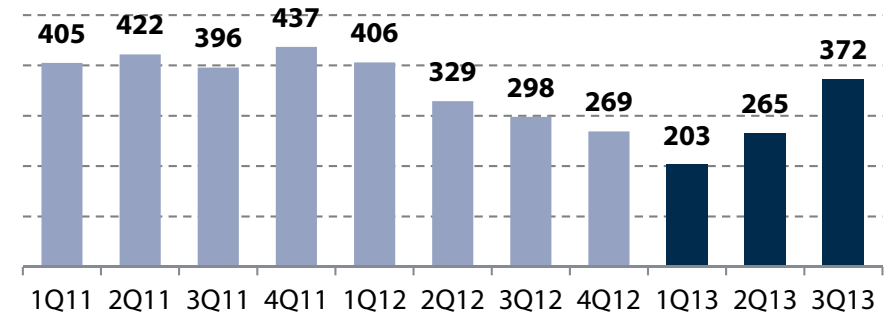
SHUAA Group – Total Assets incl. Cash

In AED Million



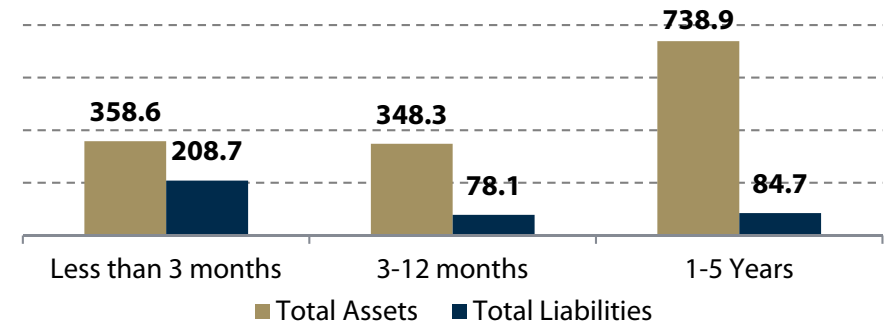
SHUAA Group - Total Liabilities

In AED Million



Maturity Profile as of 30 September 2013

In AED million



Balance Sheet

Consolidated Financial Position

AED Thousands	31-Dec 2012	31-Mar 2013	30-Jun 2013	30-Sep 2013	Sep 2013 vs Dec 2012
Cash and deposits with banks	423,317	289,920	241,256	201,572	(221,745)
Receivables and other debit balances	21,569	17,173	23,361	45,386	23,817
Loans, advances and finance leases	562,382	635,156	730,915	845,394	283,012
Investments in SHUAA managed funds	164,813	171,852	182,705	194,831	30,018
Investments in third party associates	92,046	89,001	87,443	85,069	(6,977)
Other investments	50,867	41,927	40,258	40,209	(10,658)
Property and equipment	25,916	25,754	29,701	33,328	7,412
Goodwill	34,111	34,111	34,111	34,111	-
Total Assets	1,375,021	1,304,894	1,369,750	1,479,900	104,879
Due to banks	136,319	79,479	137,210	231,994	95,675
Payables and other credit balances	133,060	123,153	127,406	139,508	6,448
Total Liabilities	269,379	202,632	264,616	371,502	102,123
Non-controlling interests	518	519	521	526	8

Business Units Financial Highlights

30 September 2013

Performance Segmentation

Q3 2013 Summary P&L by Division

AED 000's	Asset Management	Investment Banking	Capital Markets	Brokerage	Lending	Credit	Corporate	Total
Interest income	60	223	269	-	27,352	-	1,405	29,309
Net fees and commissions	6,213	2,644	1,764	-	1,072	-	197	11,890
Trading income	-	-	946	-	-	-	502	1,448
Gains from investments in SHUAA Funds	-	-	-	-	-	-	12,125	12,125
Total revenues	6,273	2,867	2,979	-	28,424	-	14,229	54,772
General & administrative expenses	(1,562)	(2,612)	(1,724)	(213)	(11,336)	(2,250)	(17,745)	(37,442)
Interest expenses	-	-	-	-	(2,735)	-	-	(2,735)
Depreciation	-	-	-	(11)	(1,192)	-	(483)	(1,686)
Provisions - net	-	352	-	276	(9,295)	-	(293)	(8,960)
Total expenses	(1,562)	(2,260)	(1,724)	52	(24,558)	(2,250)	(18,521)	(50,823)
Losses from other investments	-	-	-	-	-	-	(326)	(326)
Net Profit/(loss) for the period	4,711	607	1,255	52	3,866	(2,250)	(4,618)	3,623

Performance Segmentation

YTD 2013 Summary P&L by Division

AED 000's	Asset Management	Investment Banking	Capital Markets	Brokerage	Lending	Credit	Corporate	Total
Interest income	164	296	761	-	70,927	-	4,768	76,916
Net fees and commissions	15,108	4,763	4,906	249	2,934	-	334	28,294
Trading income	-	-	915	-	-	-	502	1,417
Gains from investments in SHUAA Funds	-	-	-	-	-	-	27,665	27,665
Total revenues	15,272	5,059	6,582	249	73,861	-	33,269	134,292
General & administrative expenses	(6,133)	(5,390)	(4,550)	(3,191)	(36,667)	(6,231)	(50,900)	(113,062)
Interest expenses	-	-	-	-	(5,913)	-	(118)	(6,031)
Depreciation	-	-	-	(36)	(2,845)	-	(1,520)	(4,401)
Provisions - net	-	352	-	5,809	(20,893)	-	7,008	(7,724)
Total expenses	(6,133)	(5,038)	(4,550)	2,582	(66,318)	(6,231)	(45,530)	(131,218)
Losses from other investments	-	-	-	-	-	-	(4,025)	(4,025)
Net Profit/(loss) for the period	9,139	21	2,032	2,831	7,543	(6,231)	(16,286)	(951)

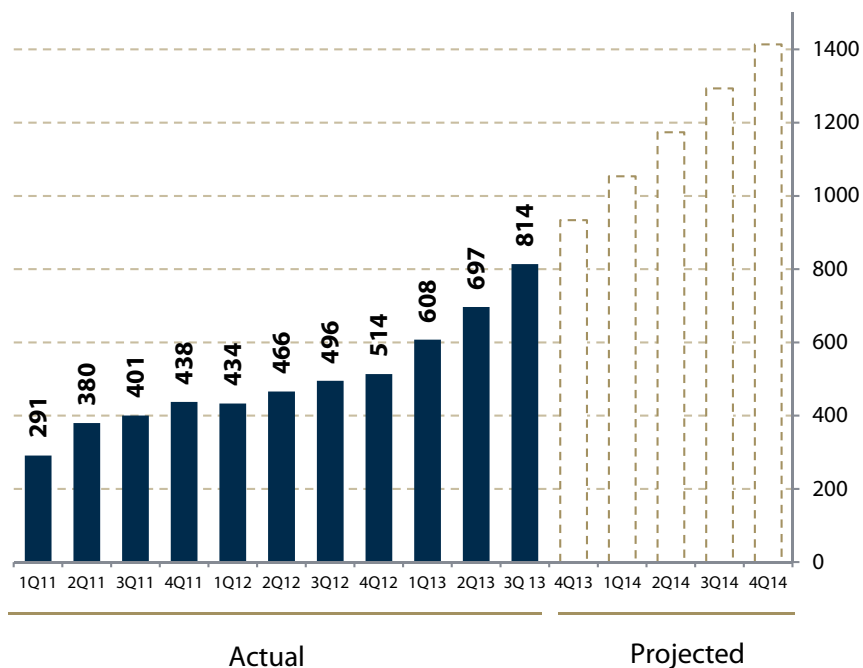
Lending Business

Projected loan growth and sources of funding

INDICATIVE

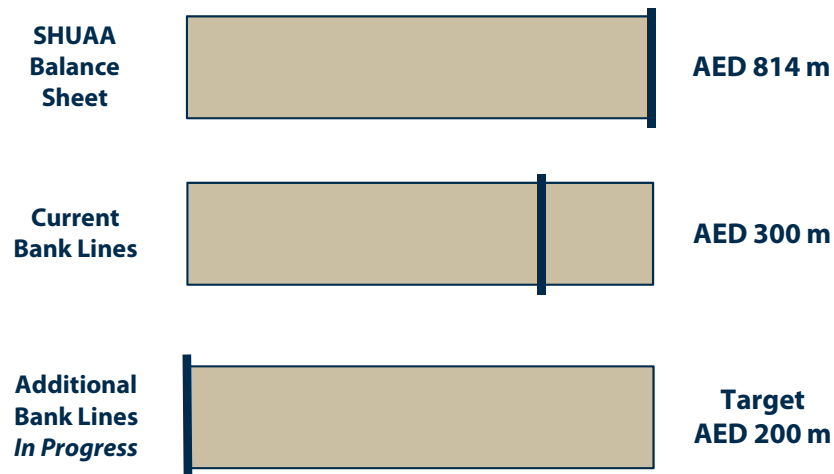
Projected Loan Growth Estimate (GFC/GIC)

In AED million



Funding Sources – Level of Utilization

In AED million

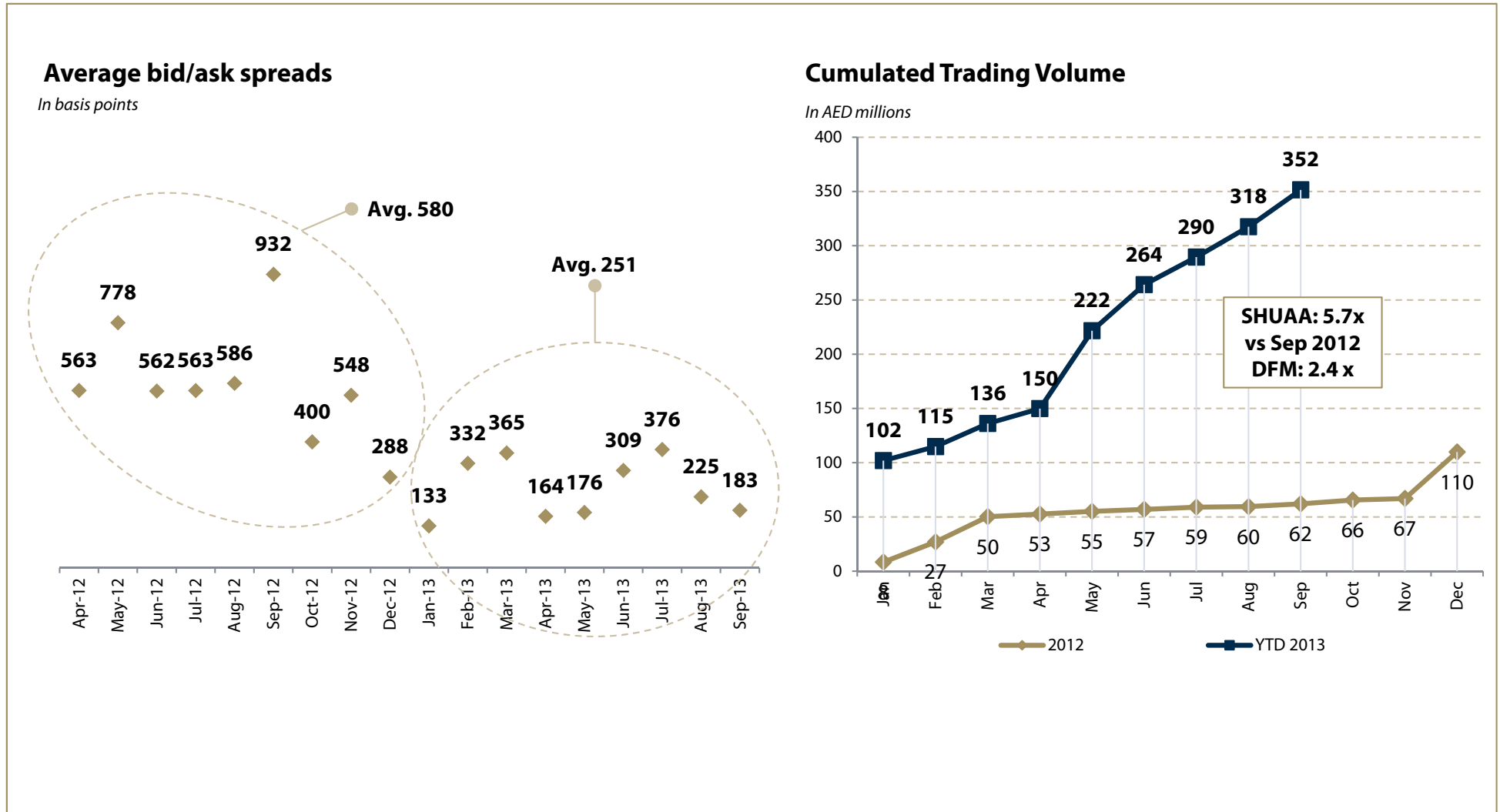


Investor Relations Snapshot

30 September 2013

SHUAA Stock

Trading Volume continues to increase due to narrowing spreads



Source: Bloomberg (data only available since Apr 2012)

SHUAA Stock

Performance Snapshot

30 September 2013

 **AED 0.847**

YTD Change %: +54%

52 week High: AED 0.88

52 week Low: AED 0.50

YTD Traded Volume: 491 million

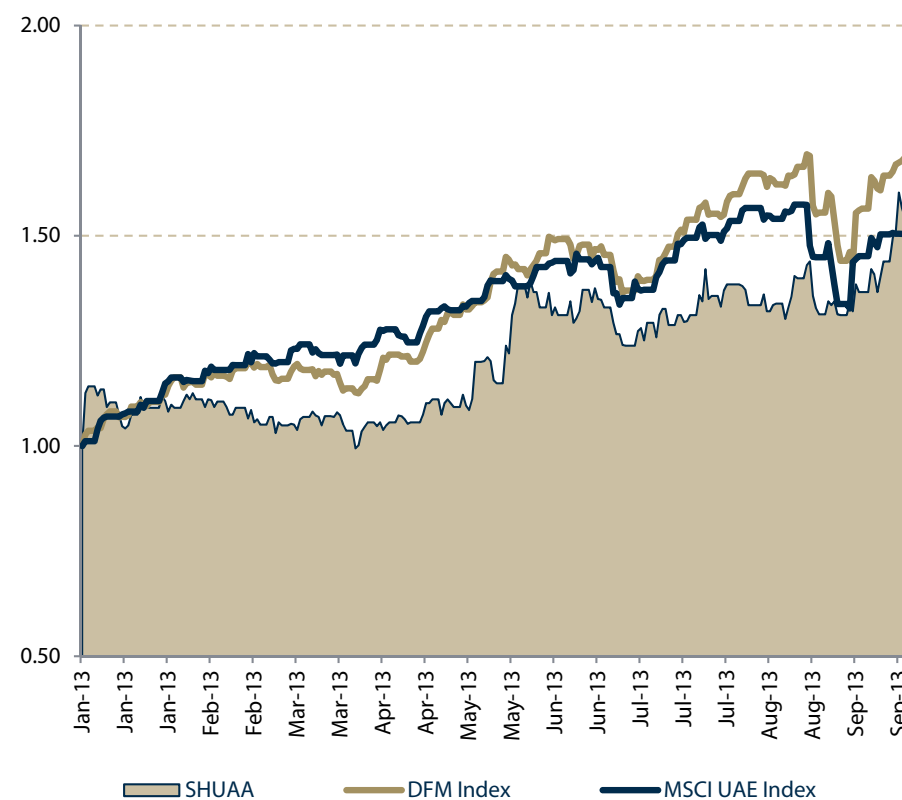
YTD Traded Value: AED 236m

Share Turnover Ratio: 46%

Market Cap: AED 902 million

SHUAA share price performance vs benchmarks

Rebased to 1 Jan 2013



Source: Bloomberg

For more information:

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