Earnings Release
16 November 2014

**SHUAA reports AED 188.0 m revenues and AED 40.7 m net profit in first nine months of 2014**

**Third quarter 2014 highlights:**
- Total revenues were up 31.1% to AED 71.8m
- Net profit attributable to shareholders increased to AED 26.2 m
- All business divisions were profitable, including the corporate division
- 9.3% growth in interest income to AED 32.0 m
- 63.2% growth in net fees & commissions to AED 19.4 m

**Nine months 2014 highlights:**
- Total revenues up 40.0% to AED 188.0 m
- Net profit increased to AED 40.7 m from net loss last year
- 23.2% growth in interest income to AED 94.7 m
- 91.6% growth in net fees and commissions to AED 54.2 m

**Balance Sheet highlights:**
- Stable asset base of AED 1.499 bn in total assets
- 17.1% increase in cash and deposits with banks to AED 221.8 m
- 10.0% reduction of total liabilities to AED 338.2 m

Further to the publication of its preliminary results on 13 October 2014, SHUAA Capital today presented its auditor-reviewed interim condensed consolidated financial information for the third quarter and nine month period ended 30 September 2014.

As previously reported, for the third quarter, revenues were up 31.1% to AED 71.8 million as compared to AED 54.8 million reported in Q3 2013. Net profit was AED 26.2 million, representing a six-fold increase on the same period last year of AED 3.6 million.

Net fees and commissions were AED 19.4 million, up AED 7.5 million on the AED 11.9 million reported in Q3 2013. Investments in SHUAA managed funds reported a profit of AED 20.3 million, a year-on-year increase of AED 8.2 million. Total expenses were reduced by AED 4.9 million to AED 45.9 million in the third quarter, as the business continues to manage costs while growing revenue.

For the nine month period, revenues were AED 188.0 million, a 40.0% increase from AED 134.3 million during the same period last year. Net profit attributable to shareholders was AED 40.7 million, compared to a loss of AED 0.96 million during the same period last year.

SHUAA maintains a very strong balance sheet and healthy liquidity position. As of 30 September 2014, SHUAA had cash and deposits with banks of AED 221.8 million, a 17.1% increase from year-end 2013. Total assets were AED 1.499 billion, up fractionally from AED...
1.489 billion in Dec 2013. Total liabilities were AED 338.2 million, down 10.0% compared to year-end 2013.

HH Sheikh Maktoum Hasher Al Maktoum, Executive Chairman of SHUAA Capital, commented on the financial results:

“These results represent the strongest performance of the company since 2009, both on a quarterly and nine month period basis. We have seen substantial gains across the business year on year and all divisions are performing well, benefitting from growing client activity. Fees and commissions, which represent higher quality earnings, have grown substantially thanks to the performance of both Asset Management and Investment Banking.”

Segmental Information

Asset Management

- 92.0% jump in net profit to AED 9.0 million

In the third quarter the Asset Management division reported a 65.9% rise in quarterly revenues to AED 10.4 million (Q3 2013: AED 6.3 million) and a 92.0% jump in net profit to AED 9.0 million (Q3 2013: AED 4.7 million). The division’s strong financial results were supported by the generation of performance fees and lower G&A expenses. Net fees and commissions nearly doubled quarter-on-quarter compared to AED 5.4 million in Q2 2014.

SHUAA’s two flagship funds, the Emirates Gateway Fund and Arab Gateway Fund, have generated a year-to-date return of 37.2% and 21.5%, respectively, as compared to their benchmark returns of 28.9% and 21.9%.

For the nine month period, revenues were AED 20.7 million (Sep 2013: AED 15.3 million) and net profit was up 78.7% to AED 16.3 million (Sep 2013: AED 9.1 million).

Investment Banking

- Profits more than double

In the third quarter, the Investment Banking division posted quarterly revenues of AED 4.1 million (Q3 2013: AED 2.9 million) and doubled its net profit to AED 1.3 million (Q3 2013: AED 0.6 million). The division continues to work on numerous transactions and has been successful in being appointed as advisors to a number of IPOs.

For the nine month period, revenues more than tripled to AED 17.4 million (Sep 2013: AED 5.1 million) and net profit was AED 13.9 million (Sep 2013: AED 0.02 million).
Capital Markets

- **Net profit doubles to AED 2.6 million**

In the third quarter, the Capital Markets division saw revenues decrease slightly to AED 2.7 million (Q3 2013: AED 3.0 million) although net profit doubled to AED 2.6 million (Q3 2013: AED 1.3 million). The third quarter is traditionally a slower quarter due to the decrease of trading activity in the summer months.

For the nine month period, revenues were AED 10.1 million (Sep 2013: AED 6.8 million) and net profit was up 21.0% to AED 5.9 million (Sep 2013: AED 4.9 million).

Lending

- **Increase demand in SME financing sees 150.5% rise in profits**

The Lending division posted third quarter revenues of AED 33.1 million (Q3 2013: AED 28.4 million) and a 150.5% increase in net profit to AED 9.7 million (Q3 2013: AED 3.9 million) driven by the increasing demand for funding from SME businesses in the UAE and KSA. Net provisions fell by 25.7% to AED 6.9 million as GFC repositioned its loan book to focus on smaller SMEs.

Early October also saw GFC establish a presence in Abu Dhabi's Mussaffah area, its second office in the city, having had a presence in the capital since 2006. The office was opened due to high demand from well-established companies and start-ups in the area. Mussaffah is home to over 65% of Abu Dhabi’s SME market.

For the nine month period, revenues were AED 97.3 million (Sep 2013: AED 73.9 million) and net profit was AED 24.1 million (Sep 2013: AED 7.5 million).

Corporate

- **Profit of AED 3.6 million from investments in managed funds**

In the third quarter, the Corporate division reported revenues of AED 21.5 million (Q3 2013: AED 14.2 million) and a net profit of AED 3.6 million (Q3 2013: loss of AED 6.9 million). The significant turnaround was due to substantial gains made from investments in SHUAA managed funds. On a comparative basis, G&A remained in line, interest income fell and a reversal in provisions allowed for a net addition of AED 3.3 million to the bottom line.

For the nine month period, revenues were AED 42.7 million (Sep 2013: AED 33.3 million) and net losses were AED 19.5 million (Sep 2013: AED 22.5 million).
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.

-Ends-

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.shuua.com

For further information please contact:

Oliver Schutzmann
Head of Investor Relations & Corporate Communications
Tel: +971 4 319 9872
Mobile: +971 50 640 5722
oschutzmann@shuua.com
Report on Review of Interim Condensed Consolidated Financial Information

The Board of Directors
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 30 September 2014 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the nine month period then ended. The Directors of the Group are responsible for the preparation and presentation 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 the 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 prepared, in all material respects in accordance with IAS 34.

13 November 2014

Deloitte & Touche (M.E.)

Anis Sadek
Partner
Registration No. 521
**SHUAA Capital PSC**  
Interim Consolidated Statement of Financial Position  
As at 30 September 2014

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

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014</th>
<th>31 December 2013</th>
<th>30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits with banks</td>
<td>221,795</td>
<td>189,471</td>
<td>201,572</td>
</tr>
<tr>
<td>Receivables and other debit balances</td>
<td>25,226</td>
<td>24,064</td>
<td>45,386</td>
</tr>
<tr>
<td>Loans, advances and finance leases</td>
<td>839,856</td>
<td>856,756</td>
<td>845,394</td>
</tr>
<tr>
<td>Investments in SHUAA managed funds</td>
<td>233,225</td>
<td>211,908</td>
<td>194,831</td>
</tr>
<tr>
<td>Investments in third party associates</td>
<td>66,503</td>
<td>89,100</td>
<td>85,069</td>
</tr>
<tr>
<td>Other investments</td>
<td>28,128</td>
<td>36,472</td>
<td>40,209</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>49,838</td>
<td>47,422</td>
<td>33,328</td>
</tr>
<tr>
<td>Goodwill</td>
<td>34,111</td>
<td>34,111</td>
<td>34,111</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,498,682</td>
<td>1,489,304</td>
<td>1,479,900</td>
</tr>
</tbody>
</table>

| **Liabilities**       |                  |                  |                  |
| Due to banks          | 219,826          | 258,181          | 231,994          |
| Payables and other credit balances | 118,387          | 117,671          | 139,508          |
| **Total Liabilities** | 338,213          | 375,852          | 371,502          |

| **Equity**            |                  |                  |                  |
| Share capital         | 1,065,000        | 1,065,000        | 1,065,000        |
| Treasury shares       |                  | (14,458)         | (14,458)         |
| Employee long term incentive plan shares | (36,896)         | (95,772)         | (90,025)         |
| Statutory reserve     | 198,277          | 198,277          | 197,994          |
| Accumulated losses    | (66,219)         | (41,965)         | (52,520)         |
| Investment revaluation reserve | 311               | 2,140            | 2,187            |
| Translation reserve   | (228)            | (309)            | (306)            |
| Equity attributable to the shareholders of the Parent | 1,160,245        | 1,112,913        | 1,107,872        |
| Non controlling interests | 224               | 539              | 526              |
| **Total Equity**      | 1,160,469        | 1,113,452        | 1,108,398        |
| **Total Liabilities and Equity** | 1,498,682        | 1,489,304        | 1,479,900        |

The interim condensed consolidated financial information was approved by the Board of Directors on 13 November 2014.

[Signatures]

Malcolm H. Al-Maktoum  
Executive Chairman

Houssem Ben Haj Amor  
General Manager & CFO

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

Interim Consolidated Statement of Income
For the period ended 30 September 2014

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

The attached notes 1 to 22 form an integral part of this interim condensed consolidated financial information.
SHUAA Capital PSC
Interim Consolidated Statement of Comprehensive Income
For the period ended 30 September 2014
(In Thousands of U.A.E. Dirhams)

<table>
<thead>
<tr>
<th></th>
<th>1 July to 30 September 2014</th>
<th>1 January to 30 September 2014</th>
<th>1 July to 30 September 2013</th>
<th>1 January to 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3 months)</td>
<td>(9 months)</td>
<td>(3 months)</td>
<td>(9 months)</td>
</tr>
<tr>
<td>Profit/(loss) for the period</td>
<td>26,240</td>
<td>40,676</td>
<td>3,623</td>
<td>(951)</td>
</tr>
</tbody>
</table>

Other comprehensive income

*Items that will be reclassified subsequently to profit or loss:*

Net revaluation reserve movement on:
- Other investments                   | (1,885)                      | (1,829)                        | 212                         | 1,643                          |
Share of other comprehensive loss of associates | -                            | -                              | -                           | (536)                          |
Exchange differences on translation of foreign operations | 1                            | 81                             | 12                          | (4)                            |

Other comprehensive (loss)/income for the period | (1,884)                      | (1,748)                        | 224                         | 1,103                          |

Total comprehensive income for the period | 24,356                       | 38,928                         | 3,847                       | 152                            |

Attributable to:

Equity holders of the Parent | 24,358                       | 38,926                         | 3,842                       | 144                            |
Non controlling interests    | (2)                          | 2                              | 5                           | 8                              |

24,356                       | 38,928                       | 3,847                         | 152                          |

The attached notes 1 to 22 form an integral part of this interim condensed consolidated financial information.
Interim Consolidated Statement of Cash Flows
For the period ended 30 September 2014
(In Thousands of U.A.E. Dirhams)

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>1 January to 30 September 2014</th>
<th>1 January to 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(loss) for the period</td>
<td>40,676</td>
<td>(951)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,397</td>
<td>4,401</td>
</tr>
<tr>
<td>Gains on investments in SHUAA managed funds</td>
<td>(39,114)</td>
<td>(27,665)</td>
</tr>
<tr>
<td>Losses from other investments, including third party associates</td>
<td>6,448</td>
<td>4,025</td>
</tr>
<tr>
<td>Share based payments charge</td>
<td>4,816</td>
<td>6,026</td>
</tr>
<tr>
<td>Provisions - net</td>
<td>12,180</td>
<td>7,724</td>
</tr>
<tr>
<td><strong>Operating cash flows before changes in operating assets and liabilities</strong></td>
<td><strong>30,403</strong></td>
<td><strong>(6,440)</strong></td>
</tr>
</tbody>
</table>

Changes in operating assets and liabilities:
- Decrease/(increase) in receivables and other debit balances 4,966 (18,683)
- Increase in loans, advances and finance leases (2,884) (291,800)
- Increase/(decrease) in payables and other credit balances 6,236 (1,253)
- Net redemption/(acquisition) of SHUAA managed funds 17,797 (2,350)

**Net cash generated from/ (used in) operating activities** 56,518 (320,526)

Cash flows from investing activities
- Net (purchase of) / proceeds from other investments (1,715) 12,608
- Capital and dividend distributions from associates 20,726 5,720
- Acquisition of non controlling interests (211) -
- Net purchase of property and equipment (8,222) (11,813)

**Net cash generated from investing activities** 10,578 6,515

Cash flows from financing activities
- (Decrease)/increase in due to banks (38,355) 95,675
- Proceeds from sale of treasury shares 3,590 -
- Movement in employee long term incentive plan shares - (3,422)

**Net cash (used in)/ generated from financing activities** (34,765) 92,253

Net increase/(decrease) in cash and cash equivalents 32,331 (221,758)

Foreign currency translation (7) 13

Cash and cash equivalents at beginning of the period 189,471 423,317

**Cash and cash equivalents at end of the period** 221,795 201,572

The attached notes 1 to 22 form an integral part of this interim condensed consolidated financial information.
### Interim Consolidated Statement of Changes In Equity

For the period ended 30 September 2014

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

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

<table>
<thead>
<tr>
<th>Share capital</th>
<th>Treasury shares</th>
<th>Employee long term incentive plan shares</th>
<th>Statutory reserve</th>
<th>Accumulated losses</th>
<th>Investment revaluation reserve</th>
<th>Translation reserve</th>
<th>Total</th>
<th>Non controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 1 January 2013 (Audited)</td>
<td>1,065,000</td>
<td>(14,458)</td>
<td>(86,603)</td>
<td>197,994</td>
<td>(57,587)</td>
<td>1,080</td>
<td>(302)</td>
<td>1,105,124</td>
<td>518</td>
</tr>
<tr>
<td>Total comprehensive income/(loss) for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(959)</td>
<td>1,107</td>
</tr>
<tr>
<td>Net movement in employee long term incentive plan shares</td>
<td>-</td>
<td>-</td>
<td>(3,422)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,422)</td>
<td>-</td>
</tr>
<tr>
<td>Share based payments charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,026</td>
<td>-</td>
<td>-</td>
<td>6,026</td>
<td>-</td>
<td>6,026</td>
</tr>
<tr>
<td>Balance as of 30 September 2013 (Unaudited)</td>
<td>1,065,000</td>
<td>(14,458)</td>
<td>(90,025)</td>
<td>197,994</td>
<td>(52,520)</td>
<td>2,187</td>
<td>(306)</td>
<td>1,107,872</td>
<td>526</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share capital</th>
<th>Treasury shares</th>
<th>Employee long term incentive plan shares</th>
<th>Statutory reserve</th>
<th>Accumulated losses</th>
<th>Investment revaluation reserve</th>
<th>Translation reserve</th>
<th>Total</th>
<th>Non controlling interests</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 1 January 2014 (Audited)</td>
<td>1,065,000</td>
<td>(14,458)</td>
<td>(95,772)</td>
<td>198,277</td>
<td>(41,965)</td>
<td>2,140</td>
<td>(309)</td>
<td>1,112,913</td>
<td>539</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,674</td>
<td>(1,829)</td>
<td>81</td>
<td>38,926</td>
<td>2</td>
<td>38,928</td>
</tr>
<tr>
<td>Share based payments charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,816</td>
<td>-</td>
<td>-</td>
<td>4,816</td>
<td>-</td>
<td>4,816</td>
</tr>
<tr>
<td>Acquisition of non controlling interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(317)</td>
<td>(317)</td>
</tr>
<tr>
<td>Net movement in employee long term incentive plan shares</td>
<td>-</td>
<td>-</td>
<td>58,876</td>
<td>-</td>
<td>(58,876)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sale of treasury shares</td>
<td>-</td>
<td>14,458</td>
<td>-</td>
<td>(10,868)</td>
<td>-</td>
<td>-</td>
<td>3,590</td>
<td>-</td>
<td>3,590</td>
</tr>
<tr>
<td>Balance as of 30 September 2014 (Unaudited)</td>
<td>1,065,000</td>
<td>-</td>
<td>(36,896)</td>
<td>198,277</td>
<td>(66,219)</td>
<td>311</td>
<td>(228)</td>
<td>1,160,245</td>
<td>224</td>
</tr>
</tbody>
</table>
Notes to the Interim Condensed Consolidated Financial Information
For the period ended 30 September 2014
(In Thousands of U.A.E. Dirhams)

1. LEGAL STATUS AND ACTIVITIES

SHUAA Capital psc (the “Company” or the “Parent”) 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 the Central Bank Board of Directors Resolution 164/8/94 and as a financial and monetary intermediary pursuant to the 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 the 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 30 September 2014 are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of incorporation</th>
<th>Principal activities</th>
<th>Holding 30 September 2014</th>
<th>Holding 31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulf Finance Corporation PJSC</td>
<td>United Arab Emirates</td>
<td>Financing</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Gulf Installments Company LLC</td>
<td>Saudi Arabia</td>
<td>Financing</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>SHUAA Capital International Limited</td>
<td>United Arab Emirates</td>
<td>Brokerage</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>SHUAA Asset Management Limited</td>
<td>United Arab Emirates</td>
<td>Private Equity/Asset Management</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>SHUAA Securities LLC</td>
<td>United Arab Emirates</td>
<td>Brokerage</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>SHUAA Capital Saudi Arabia CJSC*</td>
<td>Saudi Arabia</td>
<td>Financial services</td>
<td>100.0%</td>
<td>99.6%</td>
</tr>
<tr>
<td>SHUAA Securities Egypt SAE</td>
<td>Egypt</td>
<td>Brokerage</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Asia for Economic Consultancy LLC</td>
<td>Jordan</td>
<td>Consultancy</td>
<td>94.3%</td>
<td>94.3%</td>
</tr>
</tbody>
</table>

*During the period, the Company acquired additional 0.4% stake in SHUAA Capital Saudi Arabia for 211. With this acquisition, the Group now owns 100% stake in this subsidiary.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 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 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 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014, which are detailed below. The application of these new standards and interpretations did not have any material impact on the amounts reported for the current and prior periods.

- IAS 32: Amendments to IAS 32 Financial Instruments: Presentation
- IAS 36: Amendments to IAS 36 Impairment of Assets: Recoverable amount disclosures
- IFRS 10, IFRS 12 & IAS 27: Guidance on Investment Entities

The Group has not applied any of the new and revised IFRS 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 financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.
2. SIGNIFICANT ACCOUNTING POLICIES - continued

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 2013. In addition, results for the nine month period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

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 2013.

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 nine month periods ended 30 September 2014 and 30 September 2013.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial assets recorded at fair value by level of the fair value hierarchy:

<table>
<thead>
<tr>
<th>Financial assets recorded at fair value</th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Investments in SHUAA managed funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held at fair value through profit or loss</td>
<td>-</td>
<td>165,647</td>
</tr>
<tr>
<td>Other investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held at fair value through profit or loss</td>
<td>3,176</td>
<td>1,879</td>
</tr>
<tr>
<td>Available for sale</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>3,176</td>
<td>167,567</td>
</tr>
</tbody>
</table>

Financial assets recorded at fair value
The following is a description of the determination of fair value for financial instruments which are recorded at fair value using valuation techniques. These incorporate the Group’s estimate of assumptions that a market participant would make when valuing the instruments.
SHUAA Capital PSC

Notes to the Interim Condensed Consolidated Financial Information
For the period ended 30 September 2014
(In Thousands of U.A.E. Dirhams)

3. FAIR VALUE OF FINANCIAL INSTRUMENTS - continued

Held at fair value through profit or loss
Held at fair value through profit or loss investments are valued using market prices in active markets or valuation techniques which incorporate data which is both observable and non-observable. This category includes quoted and unquoted securities and funds which invest in underlying assets which are in turn valued based on both observable and non-observable data. Observable inputs include market prices (from active markets), foreign exchange rates and movements in stock market indices. Unobservable inputs include assumptions regarding expected future financial performance, discount rates and market liquidity discounts.

Available for sale
Available for sale financial assets are valued using quoted prices in active markets, valuation techniques or pricing models and consist of quoted equities, unquoted equities and unquoted funds. These assets are valued using quoted prices or models which incorporate data which is both observable and non-observable. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Movements in level 3 financial assets measured at fair value
During the period, there were no transfers between levels 1 through level 3.

The following table shows a reconciliation of the opening and closing balance of level 3 financial assets which are recorded at fair value:

<table>
<thead>
<tr>
<th>Other investments</th>
<th>1 January to 30 September 2014 (9 months) Unaudited</th>
<th>1 January to 30 September 2013 (9 months) Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held at FVTPL</td>
<td>Balance at 1 January 2014: 12,233 Gains/(loss) through P&amp;L: (5,171)</td>
<td>Balance at 1 January 2013: 13,472 Gains: 3</td>
</tr>
<tr>
<td></td>
<td>Gain/(loss) through OCI: - Sales: - Transfers from/(to) levels 1 &amp; 2: -</td>
<td>Gain/(loss) through OCI: 1,714 Sales: (1,307) Transfers from/(to) levels 1 &amp; 2: 2,869</td>
</tr>
<tr>
<td></td>
<td>Balance at 30 September 2014: 6,931</td>
<td>Balance at 30 September 2013: 15,315</td>
</tr>
<tr>
<td>Available for sale</td>
<td>Balance at 1 January 2014: 15,268 Gains/(loss) through P&amp;L: (576)</td>
<td>Balance at 1 January 2013: 11,603 Gains: 436</td>
</tr>
<tr>
<td></td>
<td>Gain/(loss) through OCI: 1,868 Sales: (396) Transfers from/(to) levels 1 &amp; 2: -</td>
<td>Gain/(loss) through OCI: - Sales: (1,714) Transfers from/(to) levels 1 &amp; 2: 2,869</td>
</tr>
<tr>
<td></td>
<td>Balance at 30 September 2014: 12,428</td>
<td>Balance at 30 September 2013: 28,790</td>
</tr>
</tbody>
</table>

Gains and losses on level 3 financial assets included in the consolidated statement of income for the period are detailed as follows:

<table>
<thead>
<tr>
<th>Other investments</th>
<th>1 January to 30 September 2014 (9 months) Unaudited</th>
<th>1 January to 30 September 2013 (9 months) Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Realised gains: - Unrealised (losses)/gains: (5,747)</td>
<td>Realised gains: 3 Unrealised (losses)/gains: (5,747)</td>
</tr>
</tbody>
</table>

9
Impact on fair value of level 3 financial assets measured at fair value of changes to key assumptions

The following table shows the impact on the fair value of level 3 instruments of using reasonably possible alternative assumptions by class of instrument:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>30 September 2013 Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Effect of reasonably possible alternative assumptions</td>
</tr>
<tr>
<td>Other investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held at fair value through profit or loss</td>
<td>6,931</td>
<td>1,733</td>
</tr>
<tr>
<td>Available for sale</td>
<td>12,428</td>
<td>2,485</td>
</tr>
<tr>
<td></td>
<td>19,359</td>
<td>4,218</td>
</tr>
</tbody>
</table>

In order to determine reasonably possible alternative assumptions, the Group adjusted key unobservable models inputs as follows:

- For debt securities, the Group adjusted the probability of default and loss given default assumptions by increasing and decreasing the fair value of the instrument by 25%.
- For fund and equity investments, the Group adjusted the liquidity discount rate assumptions used in the valuation model within a range of reasonably possible alternatives. The extent of the adjustment varied according to the characteristics of each investment.

The fair values of the Group’s financial instruments are not materially different from their carrying values.

4. CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include a fixed deposit of 21,500 (31 December 2013 – 21,500) with a local bank, which is held as collateral for the Central Bank of the U.A.E guarantee.

5. LOANS, ADVANCES AND FINANCE LEASES

Loans, advances and finance leases comprise the following:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2014 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances</td>
<td>680,262</td>
<td>724,757</td>
</tr>
<tr>
<td>Finance leases</td>
<td>116,087</td>
<td>102,984</td>
</tr>
<tr>
<td>Margin lending</td>
<td>43,507</td>
<td>29,015</td>
</tr>
<tr>
<td></td>
<td>839,856</td>
<td>856,756</td>
</tr>
</tbody>
</table>

(a) Loans and advances

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2014 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loans and advances</td>
<td>712,950</td>
<td>789,412</td>
</tr>
<tr>
<td>Less: Cumulative allowance for impairment</td>
<td>(27,276)</td>
<td>(51,603)</td>
</tr>
<tr>
<td>Less: Interest in suspense</td>
<td>(5,412)</td>
<td>(13,052)</td>
</tr>
<tr>
<td></td>
<td>680,262</td>
<td>724,757</td>
</tr>
</tbody>
</table>
5. LOANS, ADVANCES AND FINANCE LEASES - continued

(b) Finance Leases

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014</th>
<th>31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unaudited</td>
<td>Audited</td>
</tr>
<tr>
<td>Current finance lease receivables</td>
<td>65,177</td>
<td>43,083</td>
</tr>
<tr>
<td>Non-current finance lease receivables</td>
<td>52,793</td>
<td>60,106</td>
</tr>
<tr>
<td>Less: Allowances for uncollectible lease payments</td>
<td>(1,883)</td>
<td>(205)</td>
</tr>
<tr>
<td></td>
<td>116,087</td>
<td>102,984</td>
</tr>
</tbody>
</table>

(c) Margin lending

The Group extends margins to clients for the purpose of trading in quoted securities. These advances are short term in nature and are secured by the underlying securities held in custody by the Group. As at 30 September 2014, these underlying securities were valued at 310,008 (31 December 2013 – 157,965). Provisions are made for the uncovered portion of margins. As at the end of the period, the cumulative provision is 52,457 (31 December 2013 – 57,575).

6. INVESTMENTS IN SHUAA MANAGED FUNDS

Investments in SHUAA managed funds consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014</th>
<th>31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unaudited</td>
<td>Audited</td>
</tr>
<tr>
<td>Held at fair value through profit or loss</td>
<td>165,647</td>
<td>145,807</td>
</tr>
<tr>
<td>Associates</td>
<td>67,578</td>
<td>66,101</td>
</tr>
<tr>
<td></td>
<td>233,225</td>
<td>211,908</td>
</tr>
</tbody>
</table>

Held at fair value through profit or loss

During the period, the Group redeemed 20,000 from one of its investments in the SHUAA managed funds.

Associates

The Group owns 28.8% (31 December 2013: 28.8%) 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 27.5% (31 December 2013: 27.5%) of SHUAA Saudi Hospitality Fund I, a closed ended investment fund regulated by the Capital Markets Authority in Kingdom of 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 37.3% (31 December 2013: 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 the Levant region. The recoverable amount of this asset has been determined based on equity accounting net of an impairment provision.
7. INVESTMENTS IN THIRD PARTY ASSOCIATES

The Group has the following investments in third party associates:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.A.E.</td>
<td>66,503</td>
<td>69,303</td>
</tr>
<tr>
<td>Other G.C.C.</td>
<td>-</td>
<td>19,797</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66,503</strong></td>
<td><strong>89,100</strong></td>
</tr>
</tbody>
</table>

City Engineering LLC
The Group owns 40.0% (31 December 2013: 40.0%) 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. During the period, the Group received 2,800 as dividend distribution.

Septech Holding Limited
Septech 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 2013: 49.0%) of Septech Holding Limited. The recoverable amount of this asset has been determined based on equity accounting.

Amwal QCSC
During the period, the Group received 21,558 as final distribution from the liquidation of this entity.

8. OTHER INVESTMENTS

Other investments comprise of the following:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments held at fair value through profit or loss</td>
<td>11,986</td>
<td>14,551</td>
</tr>
<tr>
<td>Investments available for sale</td>
<td>12,469</td>
<td>15,310</td>
</tr>
<tr>
<td>Investments held to maturity</td>
<td>3,673</td>
<td>6,611</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,128</strong></td>
<td><strong>36,472</strong></td>
</tr>
</tbody>
</table>

a) Investments held at fair value through profit or loss

Investments held at fair value through profit or loss comprises of the following:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund investments</td>
<td>1,854</td>
<td>2,259</td>
</tr>
<tr>
<td>Equity securities</td>
<td>948</td>
<td>34</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>9,184</td>
<td>12,258</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,986</strong></td>
<td><strong>14,551</strong></td>
</tr>
</tbody>
</table>
8. OTHER INVESTMENTS - continued

b) Investments available for sale

Investments available for sale comprise of the following:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity investments</td>
<td>2,910</td>
<td>2,911</td>
</tr>
<tr>
<td>Unquoted fund investments</td>
<td>9,559</td>
<td>12,399</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,469</strong></td>
<td><strong>15,310</strong></td>
</tr>
</tbody>
</table>

c) Investments held to maturity

Investments held to maturity comprise of the following:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income securities</td>
<td>3,673</td>
<td>6,611</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,673</strong></td>
<td><strong>6,611</strong></td>
</tr>
</tbody>
</table>

9. DUE TO BANKS

Due to banks comprise of borrowings obtained from commercial banks in the ordinary course of business against the Group’s established credit lines with those banks.

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayable within twelve months</td>
<td>161,424</td>
<td>176,598</td>
</tr>
<tr>
<td>Repayable after twelve months</td>
<td>58,402</td>
<td>81,583</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>219,826</strong></td>
<td><strong>258,181</strong></td>
</tr>
</tbody>
</table>

The Group’s banking facilities carry EIBOR/SIBOR based floating interest/profit rates plus a spread ranging between 3.0% and 4.8%. Above include 99 million utilised balances of facilities which are rolled over annually.

At 30 September 2014, letters of guarantee on behalf of the Group amounting to 63,782 (31 December 2013: 63,782) 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.

10. TREASURY SHARES

The Group held nil treasury shares at 30 September 2014:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of treasury shares</td>
<td>-</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Treasury share as percentage of total shares in issue</td>
<td>-</td>
<td>0.3%</td>
</tr>
<tr>
<td>Cost of treasury shares</td>
<td>-</td>
<td>14,458</td>
</tr>
<tr>
<td>Market value of treasury shares</td>
<td>-</td>
<td>3,605</td>
</tr>
</tbody>
</table>

During the period, all treasury shares were sold for AED 3,590. The difference between the cost and sale proceeds was adjusted against the accumulated losses.
11. EMPLOYEE LONG TERM INCENTIVE PLAN SHARES

The following employee long term incentive plan shares were held in trust at 30 September 2014:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014</th>
<th>31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unaudited</td>
<td>Audited</td>
</tr>
<tr>
<td>Number of shares</td>
<td>16,218,004</td>
<td>42,098,004</td>
</tr>
<tr>
<td>Shares as percentage of total shares in issue</td>
<td>1.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Cost of shares</td>
<td>36,896</td>
<td>95,772</td>
</tr>
<tr>
<td>Market value of shares</td>
<td>18,975</td>
<td>45,361</td>
</tr>
</tbody>
</table>

During the period, 25,880,000 shares vested. Consequently, the weighted average cost of these shares amounting to 58,876 was transferred to accumulated losses.

12. INVESTMENT REVALUATION RESERVE

<table>
<thead>
<tr>
<th></th>
<th>1 January to 30 September 2014 (9 months) Unaudited</th>
<th>1 January to 30 September 2013 (9 months) Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available for sale investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the period</td>
<td>2,140</td>
<td>544</td>
</tr>
<tr>
<td>Net movement in fair values during the period</td>
<td>(1,829)</td>
<td>1,643</td>
</tr>
<tr>
<td>Balance at end of the period</td>
<td>311</td>
<td>2,187</td>
</tr>
</tbody>
</table>

**Group’s share of investment revaluation reserves in associates**

Balance at beginning of the period | - | 536 |
Net movement in fair values during the period | - | (536) |
Balance at end of the period | - | - |

**Total investment revaluation reserve**

311 | 2,187

13. GAINS FROM INVESTMENTS IN SHUAA MANAGED FUNDS - NET

Gains and losses from SHUAA managed funds comprise of the following:

<table>
<thead>
<tr>
<th></th>
<th>1 January to 30 September 2014 (9 months) Unaudited</th>
<th>1 January to 30 September 2013 (9 months) Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds held at fair value through profit or loss Associates</td>
<td>39,840</td>
<td>35,375</td>
</tr>
<tr>
<td>(726)</td>
<td>(7,710)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>39,114</td>
<td>27,665</td>
</tr>
</tbody>
</table>
14. GAINS/(LOSSES) FROM OTHER INVESTMENTS, INCLUDING THIRD PARTY ASSOCIATES

Losses and gains from other investments, including third party associates are detailed as follows:

<table>
<thead>
<tr>
<th></th>
<th>1 January to 30 September 2014 (9 months) Unaudited</th>
<th>1 January to 30 September 2013 (9 months) Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third party associates</td>
<td>1,674</td>
<td>(4,335)</td>
</tr>
<tr>
<td>Other investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held at fair value through profit or loss</td>
<td>(4,608)</td>
<td>(126)</td>
</tr>
<tr>
<td>Available for sale</td>
<td>(576)</td>
<td>436</td>
</tr>
<tr>
<td>Held to maturity</td>
<td>(2,938)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6,448)</td>
</tr>
</tbody>
</table>

15. EARNINGS/(LOSSES) PER SHARE

Basic earnings/ (losses) per share have been computed using the net profit/ (loss) attributable to the equity holders of the Parent 40,674 (30 September 2013: (959)) divided by the weighted average number of ordinary shares outstanding 1,065,000,000 (30 September 2013: 1,061,500,000).

Diluted earnings per share as of 30 September 2014 and 30 September 2013 are equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

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:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables and other debit balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associates</td>
<td>354</td>
<td>107</td>
</tr>
<tr>
<td>Other related parties</td>
<td>220</td>
<td>169</td>
</tr>
<tr>
<td>Key management personnel</td>
<td>106</td>
<td>238</td>
</tr>
<tr>
<td>Loans and advances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associates</td>
<td>12,546</td>
<td>13,646</td>
</tr>
<tr>
<td>Investments in SHUAA managed funds</td>
<td>233,225</td>
<td>211,908</td>
</tr>
<tr>
<td></td>
<td>246,451</td>
<td>226,068</td>
</tr>
</tbody>
</table>

Advances to key management personnel reflect sums advanced under the staff assistance program available to all employees for which no interest is charged.

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables and other credit balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other related parties</td>
<td>-</td>
<td>3,632</td>
</tr>
</tbody>
</table>
16. RELATED PARTY TRANSACTIONS - continued

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

<table>
<thead>
<tr>
<th></th>
<th>1 January to 30 September 2014</th>
<th>1 January to 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(9 months) Unaudited</td>
<td>(9 months) Unaudited</td>
</tr>
<tr>
<td>Gains/(losses) from investments in SHUAA managed funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associates</td>
<td>(726)</td>
<td>(7,710)</td>
</tr>
<tr>
<td>Other related parties</td>
<td>39,840</td>
<td>35,375</td>
</tr>
<tr>
<td>Fees and commission income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other related parties</td>
<td>2,988</td>
<td>1,650</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>42,102</td>
<td>29,315</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Compensation of the key management personnel is as follows:

<table>
<thead>
<tr>
<th></th>
<th>1 January to 30 September 2014</th>
<th>1 January to 30 September 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(9 months) Unaudited</td>
<td>(9 months) Unaudited</td>
</tr>
<tr>
<td>Short term employee benefits</td>
<td>(15,568)</td>
<td>(16,849)</td>
</tr>
<tr>
<td>Share based payments charge</td>
<td>(4,816)</td>
<td>(7,052)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(20,384)</td>
<td>(23,901)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 investment portfolios and funds in regional equities, fixed income and credit markets. Equities products span 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 Shariah compliant portfolios and investment funds using both active and passive management styles. It also manages private equity funds. SHUAA Credit is developing asset management products that provide access to attractive regional credit investment and lending opportunities for sophisticated institutional investors, private families and high net worth investors.

Investment Banking provides corporate finance advisory, private placements, public offerings of equity and debt securities, mergers, acquisitions, divestitures, spinoffs, syndications and structured products. SHUAA Credit provides debt advisory services including structuring and execution of innovative liquidity and financing solutions for regional corporate clients and family businesses.

Capital Markets provides sales and trading access to global markets for SHUAA’s institutional and high net worth client base. Through Capital Markets, clients gain access to global equities and fixed income, primary issues as well as OTC derivatives, and liquidity through an extensive network of local and international counterparties. The Capital Markets Division is complemented by Investment Research which produces sectoral research coverage on listed companies across the GCC with emphasis on the UAE and Saudi equities.

Lending activities are conducted by Gulf Finance Corporation PJSC and Gulf Installments Company LLC, which are primarily engaged in asset-based 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.
17. SEGMENTAL INFORMATION - continued

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.

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

<table>
<thead>
<tr>
<th>1 January 2014 to 30 September 2014</th>
<th>(9 months) Unaudited</th>
<th>Asset Management</th>
<th>Investment Banking</th>
<th>Capital Markets</th>
<th>Lending</th>
<th>Corporate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td></td>
<td>219</td>
<td>-</td>
<td>1,538</td>
<td>89,969</td>
<td>3,003</td>
<td>94,729</td>
</tr>
<tr>
<td>Net fees and commissions</td>
<td></td>
<td>20,433</td>
<td>17,384</td>
<td>8,569</td>
<td>7,286</td>
<td>532</td>
<td>54,204</td>
</tr>
<tr>
<td>Trading income/(loss)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21</td>
<td>-3</td>
</tr>
<tr>
<td>Gains from investments in SHUAA managed funds - net</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>39,114</td>
<td>39,114</td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td>20,652</td>
<td>17,384</td>
<td>10,083</td>
<td>97,255</td>
<td>42,670</td>
<td>188,044</td>
</tr>
<tr>
<td>General &amp; administrative expenses</td>
<td></td>
<td>(4,324)</td>
<td>(8,570)</td>
<td>(6,623)</td>
<td>(33,906)</td>
<td>(59,227)</td>
<td>(112,650)</td>
</tr>
<tr>
<td>Interest expenses</td>
<td></td>
<td>-</td>
<td>(518)</td>
<td>-</td>
<td>(10,175)</td>
<td>-</td>
<td>(10,693)</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(9)</td>
<td>(3,891)</td>
<td>(1,497)</td>
<td>(5,397)</td>
</tr>
<tr>
<td>Provisions - net</td>
<td></td>
<td>-</td>
<td>5,560</td>
<td>2,426</td>
<td>(25,218)</td>
<td>5,052</td>
<td>(12,180)</td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
<td>(4,324)</td>
<td>(3,528)</td>
<td>(4,206)</td>
<td>(73,190)</td>
<td>(55,672)</td>
<td>(149,920)</td>
</tr>
<tr>
<td>Net profit/(loss) before losses from other investments</td>
<td></td>
<td>16,328</td>
<td>13,856</td>
<td>5,877</td>
<td>24,065</td>
<td>(13,002)</td>
<td>47,124</td>
</tr>
<tr>
<td>Losses from other investments</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(6,448)</td>
<td>(6,448)</td>
</tr>
<tr>
<td>Profit/(loss) for the period</td>
<td></td>
<td>16,328</td>
<td>13,856</td>
<td>5,877</td>
<td>24,065</td>
<td>(19,450)</td>
<td>40,676</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the Parent</td>
<td></td>
<td>16,328</td>
<td>13,856</td>
<td>5,886</td>
<td>24,065</td>
<td>(19,461)</td>
<td>40,674</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(9)</td>
<td>-</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16,328</td>
<td>13,856</td>
<td>5,877</td>
<td>24,065</td>
<td>(19,450)</td>
<td>40,676</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>30 September 2014 Unaudited</th>
<th>Asset Management</th>
<th>Investment Banking</th>
<th>Capital Markets</th>
<th>Lending</th>
<th>Corporate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>13,881</td>
<td>790</td>
<td>22,471</td>
<td>918,032</td>
<td>543,508</td>
<td>1,498,682</td>
</tr>
<tr>
<td>Liabilities</td>
<td>492</td>
<td>-</td>
<td>1,427</td>
<td>244,830</td>
<td>91,464</td>
<td>338,213</td>
</tr>
</tbody>
</table>
17. SEGMENTAL INFORMATION - continued

<table>
<thead>
<tr>
<th></th>
<th>Asset Management</th>
<th>Investment</th>
<th>Capital Markets</th>
<th>Lending</th>
<th>Corporate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>164</td>
<td>296</td>
<td>761</td>
<td>4,768</td>
<td>76,916</td>
<td></td>
</tr>
<tr>
<td>Net fees and commissions</td>
<td>15,108</td>
<td>4,763</td>
<td>5,155</td>
<td>2,934</td>
<td>28,294</td>
<td></td>
</tr>
<tr>
<td>Trading income/(loss)</td>
<td>-</td>
<td>915</td>
<td>-</td>
<td>502</td>
<td>1,417</td>
<td></td>
</tr>
<tr>
<td>Gains from investments in SHUAA managed funds - net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,665</td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td>15,272</td>
<td>5,059</td>
<td>6,831</td>
<td>33,269</td>
<td>134,292</td>
<td></td>
</tr>
<tr>
<td>General &amp; administrative expenses</td>
<td>(6,133)</td>
<td>(5,390)</td>
<td>(7,741)</td>
<td>(113,062)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>-</td>
<td>-</td>
<td>(5,913)</td>
<td>-</td>
<td>(6,031)</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>(36)</td>
<td>(2,845)</td>
<td>-</td>
<td>(4,401)</td>
<td></td>
</tr>
<tr>
<td>Provisions - net</td>
<td>-</td>
<td>352</td>
<td>5,809</td>
<td>-</td>
<td>(7,24)</td>
<td></td>
</tr>
<tr>
<td>Total expenses</td>
<td>(6,133)</td>
<td>(5,038)</td>
<td>(1,968)</td>
<td>(51,761)</td>
<td>(131,218)</td>
<td></td>
</tr>
<tr>
<td>Net profit/(loss) before losses from other investments</td>
<td>9,139</td>
<td>21</td>
<td>4,863</td>
<td>7,543</td>
<td>(22,517)</td>
<td></td>
</tr>
<tr>
<td>Losses from other investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4,025)</td>
<td></td>
</tr>
<tr>
<td>Profit/(loss) for the period</td>
<td>9,139</td>
<td>21</td>
<td>4,863</td>
<td>7,543</td>
<td>(953)</td>
<td></td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the Parent</td>
<td>9,139</td>
<td>21</td>
<td>4,866</td>
<td>7,543</td>
<td>(959)</td>
<td></td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>-</td>
<td>(3)</td>
<td>-</td>
<td>11</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,139</td>
<td>21</td>
<td>4,863</td>
<td>7,543</td>
<td>(22,517)</td>
<td></td>
</tr>
</tbody>
</table>

31 December 2013 Audited

<table>
<thead>
<tr>
<th></th>
<th>Asset Management</th>
<th>Investment</th>
<th>Capital Markets</th>
<th>Lending</th>
<th>Corporate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>7,456</td>
<td>4,157</td>
<td>15,860</td>
<td>941,843</td>
<td>519,988</td>
<td>1,489,304</td>
</tr>
<tr>
<td>Liabilities</td>
<td>20</td>
<td>-</td>
<td>832</td>
<td>285,556</td>
<td>89,444</td>
<td>375,852</td>
</tr>
</tbody>
</table>

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 30 September 2013 and 31 December 2013 have been reclassified between segments in order to correspond to the changes in the internal reporting to management.
18. GEOGRAPHICAL SEGMENTATION

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>UAE</th>
<th>GCC Other</th>
<th>MENA Other</th>
<th>North America</th>
<th>Europe</th>
<th>Asia Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits with banks</td>
<td>156,379</td>
<td>61,214</td>
<td>3,897</td>
<td>46</td>
<td>259</td>
<td>-</td>
<td>221,795</td>
</tr>
<tr>
<td>Receivables and other debit balances</td>
<td>15,137</td>
<td>5,169</td>
<td>858</td>
<td>-</td>
<td>-</td>
<td>4,062</td>
<td>25,226</td>
</tr>
<tr>
<td>Loans, advances and finance leases</td>
<td>689,165</td>
<td>138,072</td>
<td>12,584</td>
<td>8</td>
<td>-</td>
<td>27</td>
<td>839,856</td>
</tr>
<tr>
<td>Investments in SHUAA managed funds</td>
<td>62,399</td>
<td>170,826</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>233,225</td>
</tr>
<tr>
<td>Investments in third party associates</td>
<td>66,503</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>66,503</td>
</tr>
<tr>
<td>Other investments</td>
<td>3,543</td>
<td>21,654</td>
<td>1,077</td>
<td>1,854</td>
<td>-</td>
<td>-</td>
<td>28,128</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>49,227</td>
<td>530</td>
<td>81</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49,838</td>
</tr>
<tr>
<td>Goodwill</td>
<td>34,111</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,111</td>
</tr>
<tr>
<td><strong>Total Assets – 30 September 2014</strong></td>
<td>1,076,464</td>
<td>397,465</td>
<td>18,497</td>
<td>1,908</td>
<td>4,321</td>
<td>27</td>
<td>1,498,682</td>
</tr>
<tr>
<td>Total Assets – 31 December 2013</td>
<td>1,100,834</td>
<td>353,731</td>
<td>28,002</td>
<td>5,775</td>
<td>407</td>
<td>555</td>
<td>1,489,304</td>
</tr>
<tr>
<td>Total Assets – 30 September 2013</td>
<td>1,092,115</td>
<td>355,127</td>
<td>19,612</td>
<td>8,053</td>
<td>4,445</td>
<td>548</td>
<td>1,479,900</td>
</tr>
</tbody>
</table>

19. MATURITY PROFILE

The maturity profile of assets and liabilities as of 30 September 2014, 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.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Less than 3 Months</th>
<th>3-12 Months</th>
<th>Sub total</th>
<th>Less than a year</th>
<th>1-5 Years</th>
<th>Over 5 years</th>
<th>Grand total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits with banks</td>
<td>197,315</td>
<td>21,500</td>
<td>218,815</td>
<td>2,980</td>
<td>-</td>
<td>-</td>
<td>221,795</td>
</tr>
<tr>
<td>Receivables and other debit balances</td>
<td>16,219</td>
<td>6,312</td>
<td>22,531</td>
<td>2,695</td>
<td>-</td>
<td>-</td>
<td>25,226</td>
</tr>
<tr>
<td>Loans, advances and finance leases</td>
<td>136,549</td>
<td>226,442</td>
<td>362,991</td>
<td>476,865</td>
<td>-</td>
<td>-</td>
<td>839,856</td>
</tr>
<tr>
<td>Investments in SHUAA managed funds*</td>
<td>-</td>
<td>62,399</td>
<td>62,399</td>
<td>170,826</td>
<td>-</td>
<td>-</td>
<td>233,225</td>
</tr>
<tr>
<td>Investments in third party associates*</td>
<td>-</td>
<td>10,010</td>
<td>10,010</td>
<td>56,493</td>
<td>-</td>
<td>-</td>
<td>66,503</td>
</tr>
<tr>
<td>Other investments*</td>
<td>3,176</td>
<td>21,720</td>
<td>24,896</td>
<td>3,232</td>
<td>-</td>
<td>-</td>
<td>28,128</td>
</tr>
<tr>
<td>Property and equipment*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49,838</td>
<td>-</td>
<td>-</td>
<td>49,838</td>
</tr>
<tr>
<td>Goodwill*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,111</td>
<td>34,111</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>353,259</td>
<td>348,383</td>
<td>701,642</td>
<td>762,929</td>
<td>34,111</td>
<td>-</td>
<td>1,498,682</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Due to banks</th>
<th>Payables and other credit balances</th>
<th>Equity</th>
<th>Total Liabilities and Equity</th>
<th>Net liquidity gap</th>
<th>Cumulative liquidity gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 Months</td>
<td>81,344</td>
<td>71,258</td>
<td>-</td>
<td>152,602</td>
<td>200,657</td>
<td>200,657</td>
</tr>
<tr>
<td>3-12 Months</td>
<td>80,081</td>
<td>41,167</td>
<td>-</td>
<td>121,248</td>
<td>227,135</td>
<td>427,792</td>
</tr>
<tr>
<td>Sub total</td>
<td>161,425</td>
<td>112,425</td>
<td>-</td>
<td>273,850</td>
<td>427,792</td>
<td>427,792</td>
</tr>
<tr>
<td>Less than a year</td>
<td>58,401</td>
<td>5,962</td>
<td>-</td>
<td>64,363</td>
<td>698,566</td>
<td>(1,126,358)</td>
</tr>
<tr>
<td>1-5 Years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,160,469</td>
<td>(1,126,358)</td>
<td>1,126,358</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,160,469</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
20. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent liabilities</td>
<td>2,051</td>
<td>9,920</td>
</tr>
</tbody>
</table>

Contingent liabilities mainly comprise of letter of credits and include guarantees issued which are regarded as unlikely to crystallise as a liability.

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments SHUAA managed funds</td>
<td>67,199</td>
<td>69,403</td>
</tr>
<tr>
<td>Others</td>
<td>10,835</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>78,034</td>
<td>69,403</td>
</tr>
</tbody>
</table>

21. DERIVATIVES

<table>
<thead>
<tr>
<th></th>
<th>30 September 2014 Unaudited</th>
<th>31 December 2013 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held at fair value through profit or loss</td>
<td>722</td>
<td>112</td>
</tr>
<tr>
<td></td>
<td>(722)</td>
<td>(112)</td>
</tr>
<tr>
<td></td>
<td>27,630</td>
<td>64,690</td>
</tr>
</tbody>
</table>

Derivatives with positive fair value and negative fair value are included in 'receivables and other debit balances' and 'payables and other credit balances' respectively. These instruments are executed at the request of clients of the Group and are back to back arrangements.

22. CLIENTS’ FUNDS UNDER MANAGEMENT

The Group is licensed as a financial services company regulated by the Central Bank of the United Arab Emirates. At 30 September 2014, clients’ assets amounting to 3.8 billion (31 December 2013: 3.2 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.