SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION AND REVIEW REPORT
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2015

Deloitte.

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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 2015 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.

Deloitte & Touche (M.E.)

Anis Sadek
Partner
Registration No. 521

12 November 2015

SHUAA Capital PSC

Interim Consolidated Statement of Financial Position

As at 30 September 2015

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

	Notes	***30 September 2015 Unaudited***	*31 December 2014 Audited*	*30 September 2014 Unaudited*
Assets				
Cash and deposits with banks	4	**244,953**	365,443	221,795
Receivables and other debit balances	5	**62,098**	21,615	25,226
Loans, advances and finance leases	6	**1,054,101**	846,956	839,856
Investments in SHUAA managed funds	7	**199,853**	204,058	233,225
Investments in third party associates	8	**57,951**	68,500	66,503
Other investments	9	**54,262**	19,310	28,128
Property and equipment		**39,094**	46,319	49,838
Goodwill		**34,111**	34,111	34,111
Total Assets		**1,746,423**	1,606,312	1,498,682
Liabilities				
Due to banks	10	**467,384**	335,232	219,826
Payables and other credit balances		**158,892**	123,591	118,387
Total Liabilities		**626,276**	458,823	338,213
Equity				
Share capital		**1,065,000**	1,065,000	1,065,000
Employee long term incentive plan shares	11	**(10,790)**	(36,896)	(36,896)
Statutory reserve		**200,861**	200,861	198,277
Accumulated losses		**(134,868)**	(81,676)	(66,219)
Investment revaluation reserve	12	**97**	196	311
Translation reserve		**(228)**	(221)	(228)
Equity attributable to the shareholders of the Parent		**1,120,072**	1,147,264	1,160,245
Non controlling interests		**75**	225	224
Total Equity		**1,120,147**	1,147,489	1,160,469
Total Liabilities and Equity		**1,746,423**	1,606,312	1,498,682

The interim condensed consolidated financial information was approved by the Board of Directors on 12 November 2015.

Abdulrahman Al Hareb
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.

Interim Consolidated Statement of Income

For the period ended 30 September 2015

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

	Notes	***1 July to 30 September 2015 (3 months) Unaudited***	***1 January to 30 September 2015 (9 months) Unaudited***	*1 July to 30 September 2014 (3 months) Unaudited*	*1 January to 30 September 2014 (9 months) Unaudited*
Interest income		**42,134**	**113,149**	32,046	94,729
Net fees and commissions		**9,162**	**28,213**	19,399	54,204
Trading (loss)/income		**(368)**	**908**	38	(3)
(Losses)/gains from investments in SHUAA managed funds - net	13	**(16,587)**	**(4,205)**	20,348	39,114
Total revenues		**34,341**	**138,065**	71,831	188,044
General and administrative expenses		**(31,987)**	**(99,814)**	(39,245)	(112,650)
Interest expense		**(9,297)**	**(18,030)**	(3,080)	(10,693)
Depreciation		**(1,888)**	**(6,509)**	(2,111)	(5,397)
Provisions - net		**(18,327)**	**(37,867)**	(1,450)	(12,180)
Total expenses		**(61,499)**	**(162,220)**	(45,886)	(140,920)
Net (loss)/profit before (losses)/gains from other investments		**(27,158)**	**(24,155)**	25,945	47,124
(Losses)/gains from other investments, including third party associates	14	**(1,422)**	**(4,305)**	295	(6,448)
(Loss)/profit for the period		**(28,580)**	**(28,460)**	26,240	40,676
Attributable to:					
Equity holders of the Parent		**(28,579)**	**(28,456)**	26,242	40,674
Non controlling interests		**(1)**	**(4)**	(2)	2
		(28,580)	**(28,460)**	26,240	40,676
(Losses)/earnings per share (in AED)	15	**(0.027)**	**(0.027)**	0.025	0.038

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

Interim Consolidated Statement of Comprehensive Income

For the period ended 30 September 2015

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

	1 July to 30 September 2015 (3 months) Unaudited	***1 January to 30 September 2015 (9 months) Unaudited***	*1 July to 30 September 2014 (3 months) Unaudited*	*1 January to 30 September 2014 (9 months) Unaudited*
(Loss)/profit for the period	**(28,580)**	**(28,460)**	26,240	40,676
Other comprehensive income/(loss)				
Items that will be reclassified subsequently to profit or loss:				
Net revaluation reserve movement on other investments	**(35)**	**(99)**	(1,885)	(1,829)
Exchange differences on translation of foreign operations	**-**	**(8)**	1	81
Other comprehensive loss for the period	**(35)**	**(107)**	(1,884)	(1,748)
Total comprehensive (loss)/income for the period	**(28,615)**	**(28,567)**	24,356	38,928
Attributable to:				
Equity holders of the Parent	**(28,614)**	**(28,562)**	24,358	38,926
Non controlling interests	**(1)**	**(5)**	(2)	2
	(28,615)	**(28,567)**	24,356	38,928

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 2015

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

	Notes	***1 January to 30 September 2015 (9 months) Unaudited***	*1 January to 30 September 2014 (9 months) Unaudited*
Cash flows from operating activities			
(Loss)/profit for the period		**(28,460)**	40,676
Adjustments for:			
Depreciation		**6,509**	5,397
Losses/(gains) on investments in SHUAA managed funds		**4,205**	(39,114)
Losses from other investments, including third party associates		**4,305**	6,448
Share based payments charge		**1,370**	4,816
Provisions - net		**37,867**	12,180
Operating cash flows before changes in operating assets and liabilities		**25,796**	30,403
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables and other debit balances		**(17,971)**	4,966
Increase in loans, advances and finance leases		**(242,430)**	(2,884)
Increase in payables and other credit balances		**15,535**	6,236
Net redemption of SHUAA managed funds		**-**	17,797
Net cash (used in) / generated from operating activities		**(219,070)**	56,518
Cash flows from investing activities			
Net purchase of other investments		**(33,437)**	(4,757)
Capital and dividend distributions from associates		**4,800**	20,726
Acquisition of non controlling interests		**-**	(211)
Net purchase of property and equipment		**(4,659)**	(8,222)
Net cash (used in) / generated from investing activities		**(33,296)**	7,536
Cash flows from financing activities			
Increase/(decrease) in due to banks		**132,152**	(38,355)
Distribution to non controlling interest		**(145)**	-
Proceeds from sale of treasury shares		**-**	3,590
Net cash generated from / (used in) financing activities		**132,007**	(34,765)
Net (decrease) / increase in cash and cash equivalents		**(120,359)**	29,289
Foreign currency translation		**(8)**	(7)
Cash and cash equivalents at beginning of the period		**340,841**	167,971
Cash and cash equivalents at end of the period	4	**220,474**	197,253

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 30 September 2015

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

	Equity attributable to shareholders of the Parent									
	Share capital	*Treasury shares*	*Employee long term incentive plan shares*	*Statutory reserve*	*Accumulated losses*	*Investment revaluation reserve*	*Translation reserve*	*Total*	*Non controlling interests*	*Total*
Balance as of 1 January 2014 ***(Audited)***	**1,065,000**	**(14,458)**	**(95,772)**	**198,277**	**(41,965)**	**2,140**	**(309)**	**1,112,913**	**539**	**1,113,452**
Total comprehensive income for the period	-	-	-	-	40,674	(1,829)	81	38,926	2	38,928
Share based payments charge	-	-	-	-	4,816	-	-	4,816	-	4,816
Acquisiton of non controlling interests	-	-	-	-	-	-	-	-	(317)	(317)
Net movement in employee long term incentive plan shares	-	-	58,876	-	(58,876)	-	-	-	-	-
Sale of treasury shares	-	14,458	-	-	(10,868)	-	-	3,590	-	3,590
Balance as of 30 September 2014 ***(Unaudited)***	**1,065,000**	**-**	**(36,896)**	**198,277**	**(66,219)**	**311**	**(228)**	**1,160,245**	**224**	**1,160,469**

	Equity attributable to shareholders of the Parent									
	Share capital	*Treasury shares*	*Employee long term incentive plan shares*	*Statutory reserve*	*Accumulated losses*	*Investment revaluation reserve*	*Translation reserve*	*Total*	*Non controlling interests*	*Total*
Balance as of 1 January 2015 ***(Audited)***	**1,065,000**	**-**	**(36,896)**	**200,861**	**(81,676)**	**196**	**(221)**	**1,147,264**	**225**	**1,147,489**
Total comprehensive loss for the period	-	-	-	-	(28,456)	(99)	(7)	(28,562)	(5)	(28,567)
Share based payments charge	-	-	-	-	1,370	-	-	1,370	-	1,370
Net movement in employee long term incentive plan shares (Note 11)	-	-	26,106	-	(26,106)	-	-	-	-	-
Distribution to non controlling interests	-	-	-	-	-	-	-	-	(145)	(145)
Balance as of 30 September 2015 ***(Unaudited)***	**1,065,000**	**-**	**(10,790)**	**200,861**	**(134,868)**	**97**	**(228)**	**1,120,072**	**75**	**1,120,147**

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

(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 (together 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 2015 are as follows:

Name	**Country of incorporation**	**Principal activities**	**Holding *30 September 2015***	Holding *31 December 2014*
Gulf Finance Corporation PJSC	United Arab Emirates	Financing	**100.0%**	100.0%
Gulf Finance Corporation CJSC	Saudi Arabia	Financing	**100.0%**	100.0%
SHUAA Capital International Limited	United Arab Emirates	Brokerage	**100.0%**	100.0%
SHUAA Asset Management Limited	United Arab Emirates	Private Equity/ Asset Management	**100.0%**	100.0%
SHUAA Securities LLC	United Arab Emirates	Brokerage	**100.0%**	100.0%
SHUAA Capital Saudi Arabia CJSC	Saudi Arabia	Financial services	**100.0%**	100.0%
SHUAA Securities Egypt SAE	Egypt	Brokerage	**100.0%**	100.0%
Asia for Economic Consultancy LLC	Jordan	Consultancy	**94.3%**	94.3%

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 convention as modified for the measurement at fair value of certain financial instruments.

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 2014, except for the adoption of new standard effective as of 1 January 2015, which is detailed below. The application of the new standard did not have any material impact on the amounts reported for the current and prior periods.

	Effective for annual periods beginning on or after
Amendments to IAS 19 Employee Benefits *clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.*	*1 July 2014*

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.

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

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 2014. In addition, results for the nine month period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

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 2014.

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 2015 and 30 September 2014.

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 and liabilities recorded at fair value by level of the fair value hierarchy:

	30 September 2015 Unaudited			
	Level 1	***Level 2***	***Level 3***	***Total***
Financial assets				
Investments in SHUAA managed funds				
Held at fair value through profit or loss	**-**	**128,535**	**-**	**128,535**
Other investments				
Held at fair value through profit or loss	**39,805**	**1,301**	**946**	**42,052**
Available for sale	**-**	**39**	**12,171**	**12,210**
	39,805	**129,875**	**13,117**	**182,797**
Financial liabilities				
Held at fair value through profit or loss	**(19,588)**	**-**	**-**	**(19,588)**

	31 December 2014 Audited			
	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets				
Investments in SHUAA managed funds				
Held at fair value through profit or loss	-	131,408	-	131,408
Other investments				
Held at fair value through profit or loss	4,122	1,796	1,038	6,956
Available for sale	-	41	12,313	12,354
	4,122	133,245	13,351	150,718

Financial assets and liabilities 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.

(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 assets and liabilities 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:

	1 January to 30 September 2015 (9 months) Unaudited						
	Balance at 1 January 2015	***Gain/(loss) through P&L***	***Loss through OCI***	***Purchases***	***Sales***	***Transfers from/(to) levels 1 &2***	***Balance at 30 September 2015***
Other investments							
Held at FVTPL	**1,038**	**89**	**-**	**-**	**(181)**	**-**	**946**
Available for sale	**12,313**	**(43)**	**(99)**	**-**	**-**	**-**	**12,171**
	13,351	**46**	**(99)**	**-**	**(181)**	**-**	**13,117**

	1 January to 30 September 2014 (9 months) Unaudited						
	Balance at 1 January 2014	*Gain/(loss) through P&L*	*Loss through OCI*	*Purchases*	*Sales*	*Transfers from/(to) levels 1 &2*	*Balance at 30 September 2014*
Other investments							
Held at FVTPL	12,233	(5,171)	-	-	(131)	-	6,931
Available for sale	15,268	(576)	(1,868)	-	(396)	-	12,428
	27,501	(5,747)	(1,868)	-	(527)	-	19,359

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

	1 January to 30 September 2015 (9 months) Unaudited	*1 January to 30 September 2014 (9 months) Unaudited*
Other investments		
Realised gains	**89**	-
Unrealised losses	**(43)**	(5,747)
	46	(5,747)

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

3. FAIR VALUE OF FINANCIAL INSTRUMENTS - continued

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:

	30 September 2015 Unaudited		*30 September 2014 Unaudited*	
	Carrying amount	***Effect of reasonably possible alternative assumptions***	*Carrying amount*	*Effect of reasonably possible alternative assumptions*
Other investments				
Held at fair value through profit or loss	**946**	**236**	6,931	1,733
Available for sale	**12,171**	**2,434**	12,428	2,485
	13,117	**2,670**	19,359	4,218

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 deposits of 24,479 (31 December 2014 – 24,602) with banks, which are held as collateral against Group's banking facilities including the Central Bank of the U.A.E guarantee. For the purposes of statement of cash flows, cash and cash equivalents are stated net of these deposits.

5. RECEIVABLES AND OTHER DEBIT BALANCES

Receivables and other debit balances include 19,540 as receivable from a counterparty towards a sale trade of certain fixed income securities that remained unsettled at period end. The corresponding liability is included in 'payables and other credit balances'.

6. LOANS, ADVANCES AND FINANCE LEASES

Loans, advances and finance leases comprise the following:

	30 September 2015 Unaudited	*31 December 2014 Audited*
Loans and advances	**854,099**	699,003
Finance leases	**191,155**	128,331
Margin lending	**8,847**	19,622
	1,054,101	846,956

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

6. LOANS, ADVANCES AND FINANCE LEASES - continued

(a) Loans and advances

	30 September 2015 Unaudited	*31 December 2014 Audited*
Total loans and advances	**913,947**	738,074
Less: Cumulative allowance for impairment	**(49,767)**	(33,151)
Less: Interest in suspense	**(10,081)**	(5,920)
	854,099	699,003

(b) Finance Leases

	30 September 2015 Unaudited	*31 December 2014 Audited*
Current finance lease receivables	**106,262**	74,530
Non-current finance lease receivables	**87,889**	55,913
Less: Allowances for uncollectible lease payments	**(2,996)**	(2,112)
	191,155	128,331

(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 2015, these underlying securities were valued at 50,719 (31 December 2014 – 190,164). Provisions are made for the uncovered portion of margins. As at the end of the period, the cumulative provision is 55,507 (31 December 2014 – 53,072).

7. INVESTMENTS IN SHUAA MANAGED FUNDS

Investments in SHUAA managed funds consist of the following:

	30 September 2015 Unaudited	*31 December 2014 Audited*
Held at fair value through profit or loss	**128,535**	131,408
Associates	**71,318**	72,650
	199,853	204,058

Associates

The Group owns 27.0% (31 December 2014: 27.0%) 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 26.3% (31 December 2014: 26.3%) 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 2014: 37.3%) 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 and full impairment provision has been taken against this asset.

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

8. INVESTMENTS IN THIRD PARTY ASSOCIATES

The Group has the following investments in third party associates:

	30 September 2015 Unaudited	*31 December 2014 Audited*
U.A.E.	**57,951**	68,500

City Engineering LLC
The Group owns 40.0% (31 December 2014: 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 4,800 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 2014: 49.0%) of Septech Holding Limited. The recoverable amount of this asset has been determined based on equity accounting.

9. OTHER INVESTMENTS

Other investments comprise of the following:

	30 September 2015 Unaudited	*31 December 2014 Audited*
Investments held at fair value through profit or loss	**42,052**	6,956
Investments available for sale	**12,210**	12,354
	54,262	19,310

a) Investments held at fair value through profit or loss

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

	30 September 2015 Unaudited	*31 December 2014 Audited*
Fund investments	**1,276**	1,771
Equity securities	**652**	395
Fixed income securities	**40,124**	4,790
	42,052	6,956

Fixed income securities
During the period, the Group acquired certain investments in fixed income securities.

b) Investments available for sale

Investments available for sale comprise of the following:

	30 September 2015 Unaudited	*31 December 2014 Audited*
Equity investments	**2,745**	2,833
Unquoted fund investments	**9,465**	9,521
	12,210	12,354

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

10. 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.

	30 September 2015 Unaudited	*31 December 2014 Audited*
Repayable within twelve months	**189,510**	104,487
Repayable after twelve months	**277,874**	230,745
	467,384	335,232

The Group's banking facilities carry EIBOR/SIBOR based floating interest/profit rates plus a spread ranging between 3% and 4%. Included within due to banks is the balance of 412,500 from a 500,000 syndicated loan facility which is repayable over the next 3 years and is secured by a charge over certain of the Group's assets.

At 30 September 2015, letters of guarantee on behalf of the Group amounting to 63,415 (31 December 2014: 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.

11. EMPLOYEE LONG TERM INCENTIVE PLAN SHARES

The following employee long term incentive plan shares were held in trust at 30 September 2015:

	30 September 2015 Unaudited	*31 December 2014 Audited*
Number of shares	**4,743,004**	16,218,004
Shares as percentage of total shares in issue	**0.4%**	1.5%
Cost of shares	**10,790**	36,896
Market value of shares	**2,704**	10,704

During the period, 11,475,000 shares vested. Consequently, the weighted average cost of these shares amounting to 26,106 was transferred to accumulated losses.

12. INVESTMENT REVALUATION RESERVE

	1 January to 30 September 2015 (9 months) Unaudited	*1 January to 30 September 2014 (9 months) Unaudited*
Available for sale investments		
Balance at beginning of the period	**196**	2,140
Net movement in fair values during the period	**(99)**	(1,829)
Balance at end of the period	**97**	311

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

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

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

	1 January to 30 September 2015 (9 months) Unaudited	*1 January to 30 September 2014 (9 months) Unaudited*
Funds held at fair value through profit or loss	**(2,873)**	39,840
Associates	**(1,332)**	(726)
	(4,205)	39,114

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

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

	1 January to 30 September 2015 (9 months) Unaudited	*1 January to 30 September 2014 (9 months) Unaudited*
Third party associates	**(5,749)**	1,674
Other investments		
Held at fair value through profit or loss	**1,198**	(4,608)
Available for sale	**(43)**	(576)
Held to maturity	**289**	(2,938)
	(4,305)	(6,448)

15. EARNINGS PER SHARE

Basic earnings per share have been computed using the net (loss)/ profit attributable to the equity holders of the Parent (28,456) (30 September 2014: 40,674) divided by the weighted average number of ordinary shares outstanding 1,065,000,000 (30 September 2014: 1,065,000,000).

Diluted earnings per share as of 30 September 2015 and 30 September 2014 are equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

(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:

	30 September 2015 Unaudited	*31 December 2014 Audited*
Receivables and other debit balances		
Associates	**234**	589
Other related parties	**163**	322
Key management personnel	**85**	200
Loans and advances		
Associates	**9,942**	10,759
Investments in SHUAA managed funds	**199,853**	204,058
	210,277	215,928

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

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

	1 January to 30 September 2015 (9 months) Unaudited	*1 January to 30 September 2014 (9 months) Unaudited*
Gains/(losses) from investments in SHUAA managed funds		
Associates	**(1,332)**	(726)
Other related parties	**(2,873)**	39,840
Fees and commission income		
Other related parties	**2,585**	2,988
	(1,620)	42,102

Compensation of the key management personnel is as follows:

	1 January to 30 September 2015 (9 months) Unaudited	*1 January to 30 September 2014 (9 months) Unaudited*
Short term employee benefits	**(15,603)**	(15,568)
Share based payments charge	**(1,370)**	(4,816)
	(16,973)	(20,384)

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

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..

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

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 Finance Corporation CJSC, 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.

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.

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

17. SEGMENTAL INFORMATION - continued

	1 January 2015 to 30 September 2015 (9 months) Unaudited					
	Asset Management	Investment Banking	Capital Markets	Lending	Corporate	Total
Interest income	240	-	568	111,483	858	113,149
Net fees and commissions	12,400	6,519	4,529	4,730	35	28,213
Trading income	-	-	908	-	-	908
Losses from investments in SHUAA managed funds - net	-	-	-	-	(4,205)	(4,205)
Total revenues	12,640	6,519	6,005	116,213	(3,312)	138,065
General and administrative expenses	(4,934)	(9,956)	(8,058)	(44,397)	(32,469)	(99,814)
Interest expenses	-	-	-	(18,030)	-	(18,030)
Depreciation	-	-	(1,454)	(3,774)	(1,281)	(6,509)
Provisions (charge)/reversal - net	-	-	249	(36,854)	(1,262)	(37,867)
Total expenses	(4,934)	(9,956)	(9,263)	(103,055)	(35,012)	(162,220)
Net profit/(loss) before losses from other investments	7,706	(3,437)	(3,258)	13,158	(38,324)	(24,155)
Losses from other investments	-	-	-	-	(4,305)	(4,305)
Profit/(loss) for the period	7,706	(3,437)	(3,258)	13,158	(42,629)	(28,460)
Attributable to:						
Equity holders of the Parent	7,706	(3,437)	(3,254)	13,158	(42,629)	(28,456)
Non controlling interests	-	-	(4)	-	-	(4)
	7,706	(3,437)	(3,258)	13,158	(42,629)	(28,460)

	30 September 2015 Unaudited					
	Asset Management	Investment Banking	Capital Markets	Lending	Corporate	Total
Assets	14,586	3,813	99,261	1,172,251	456,512	1,746,423
Liabilities	759	-	29,641	524,607	71,269	626,276

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

17. SEGMENTAL INFORMATION - continued

	1 January 2014 to 30 September 2014 (9 months) Unaudited					
	Asset Management	Investment Banking	Capital Markets	Lending	Corporate	Total
Interest income	219	-	1,538	89,969	3,003	94,729
Net fees and commissions	20,433	17,384	8,569	7,286	532	54,204
Trading (loss)/income	-	-	(24)	-	21	(3)
Gains from investments in SHUAA managed funds - net	-	-	-	-	39,114	39,114
Total revenues	20,652	17,384	10,083	97,255	42,670	188,044
General and administrative expenses	(4,324)	(8,570)	(6,623)	(33,906)	(59,227)	(112,650)
Interest expenses	-	(518)	-	(10,175)	-	(10,693)
Depreciation	-	-	(9)	(3,891)	(1,497)	(5,397)
Provisions (charge)/reversal - net	-	5,560	2,426	(25,218)	5,052	(12,180)
Total expenses	(4,324)	(3,528)	(4,206)	(73,190)	(55,672)	(140,920)
Net profit/(loss) before losses from other investments	16,328	13,856	5,877	24,065	(13,002)	47,124
Losses from other investments	-	-	-	-	(6,448)	(6,448)
Profit/(loss) for the period	16,328	13,856	5,877	24,065	(19,450)	40,676
Attributable to:						
Equity holders of the Parent	16,328	13,856	5,886	24,065	(19,461)	40,674
Non controlling interests	-	-	(9)	-	11	2
	16,328	13,856	5,877	24,065	(19,450)	40,676

	31 December 2014 Audited					
	Asset Management	Investment Banking	Capital Markets	Lending	Corporate	Total
Assets	14,402	582	55,228	1,001,460	534,640	1,606,312
Liabilities	563	-	2,255	364,127	91,878	458,823

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.

(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	**188,690**	**45,654**	**1,771**	**-**	**8,838**	**-**	**244,953**
Receivables and other debit balances	**31,364**	**8,974**	**761**	**-**	**20,999**	**-**	**62,098**
Loans, advances and finance leases	**864,488**	**179,648**	**9,965**	**-**	**-**	**-**	**1,054,101**
Investments in SHUAA managed funds	**44,503**	**155,350**	**-**	**-**	**-**	**-**	**199,853**
Investments in third party associates	**57,951**	**-**	**-**	**-**	**-**	**-**	**57,951**
Other investments	**25,088**	**26,913**	**985**	**1,276**	**-**	**-**	**54,262**
Property and equipment	**35,969**	**3,064**	**61**	**-**	**-**	**-**	**39,094**
Goodwill	**34,111**	**-**	**-**	**-**	**-**	**-**	**34,111**
Total Assets – 30 September 2015	**1,282,164**	**419,603**	**13,543**	**1,276**	**29,837**	**-**	**1,746,423**
Total Assets – 31 December 2014	1,230,103	351,013	17,028	3,823	4,342	3	1,606,312
Total Assets – 30 September 2014	1,076,464	397,465	18,497	1,908	4,321	27	1,498,682

19. MATURITY PROFILE

The maturity profile of assets and liabilities as of 30 September 2015, 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	220,474	21,500	**241,974**	**2,979**	**-**	**244,953**
Receivables and other debit balances	46,896	10,112	**57,008**	**5,090**	**-**	**62,098**
Loans, advances and finance leases	132,361	291,544	**423,905**	**630,196**	**-**	**1,054,101**
Investments in SHUAA managed funds*	-	44,504	**44,504**	**155,349**	**-**	**199,853**
Investments in third party associates*	-	7,448	**7,448**	**50,503**	**-**	**57,951**
Other investments*	39,805	11,936	**51,741**	**2,521**	**-**	**54,262**
Property and equipment*	-	-	**-**	**39,094**	**-**	**39,094**
Goodwill*	-	-	**-**	**-**	**34,111**	**34,111**
Total Assets	**439,536**	**387,044**	**826,580**	**885,732**	**34,111**	**1,746,423**
Due to banks	43,391	146,119	**189,510**	**277,874**	**-**	**467,384**
Payables and other credit balances	114,944	39,324	**154,268**	**4,624**	**-**	**158,892**
Equity	-	-	**-**	**-**	**1,120,147**	**1,120,147**
Total Liabilities and Equity	**158,335**	**185,443**	**343,778**	**282,498**	**1,120,147**	**1,746,423**
Net liquidity gap	**281,201**	**201,601**	**482,802**	**603,234**	**(1,086,036)**	**-**
Cumulative liquidity gap	**281,201**	**482,802**	**482,802**	**1,086,036**	**-**	

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

20. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	30 September 2015 Unaudited	*31 December 2014 Audited*
Contingent liabilities	**7,044**	1,909

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

	30 September 2015 Unaudited	*31 December 2014 Audited*
Commitments		
SHUAA managed funds	**67,199**	67,199
Others	**1,826**	5,477
	69,025	72,676

21. DERIVATIVES

	30 September 2015 Unaudited			*31 December 2014 Audited*		
	Positive fair value	***Negative fair value***	***Notional Amount***	*Positive fair value*	*Negative fair value*	*Notional Amount*
Held at fair value through profit or loss	**1,459**	**(1,459)**	**2,397**	1,453	(1,453)	18,137

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. As at 30 September 2015, clients' assets amounting to 3.2 billion (31 December 2014: 3.5 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.