

SHUAA Capital PSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2006

TOGETHER WITH ACCOUNTANTS' REVIEW REPORT

ACCOUNTANTS' REVIEW REPORT

To The Board of Directors of SHUAA Capital PSC

Introduction

We have reviewed the accompanying interim consolidated balance sheet of **SHUAA Capital PSC** (a public shareholding company registered in the Emirate of Dubai – United Arab Emirates) and its **Subsidiaries** as at 30 September 2006 and the related interim statements of income, changes in equity and cash flows for the period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



Signed by
Ali H Issa
Partner
Registration No. 488

Dubai
29 October 2006

SHUAA Capital psc**CONSOLIDATED BALANCE SHEET**

As of 30 September 2006

(Currency - Thousands of U.A.E. Dirhams)

	<i>Notes</i>	<i>30 Sep 2006 Unaudited</i>	<i>31 Mar 2006 Audited</i>	<i>30 Sep 2005 Unaudited</i>
<u>Assets</u>				
Cash and deposits with banks		44,189	69,849	640,700
Other deposits		17,200	17,200	29,214
Receivables and other debit balances		215,650	310,123	46,800
Investment securities	3	761,674	574,977	441,554
Installment credits, loans and advances		529,418	554,275	421,897
Investments available-for-sale		109,505	133,577	152,341
Investments in associates	4	894,515	648,303	316,753
Fixed assets		9,713	8,891	4,123
Goodwill		34,111	34,111	4,861
Total Assets		2,615,975	2,351,306	2,058,243
<u>Liabilities</u>				
Due to banks	5	852,440	449,801	249,385
Payables and other credit balances		168,710	205,141	104,506
Medium-term debt	6	137,470	136,615	181,106
Total Liabilities		1,158,620	791,557	534,997
<u>Equity</u>				
Paid-up share capital		550,000	550,000	550,000
Employee stock option plan shares		(118,088)	(89,924)	(56,403)
Statutory reserve		553,140	553,140	553,140
Retained earnings	7	466,451	533,026	406,529
Investment revaluation reserve	8	3,666	11,473	36,063
Translation reserve		2,186	2,034	1,947
Equity attributable to equity holders of parent		1,457,355	1,559,749	1,491,276
Minority Interest		-	-	31,970
Total Equity		1,457,355	1,559,749	1,523,246
Total Liabilities and Equity		2,615,975	2,351,306	2,058,243
<u>Contra accounts</u>				
Clients' funds under management	13	5,863,426	6,123,588	7,546,254

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc**CONSOLIDATED INCOME STATEMENT**

For the period ended 30 September 2006

(Currency - Thousands of U.A.E. Dirhams)

	<i>Notes</i>	<i>1 Jul 2006 to 30 Sep 2006 (3 Months) Unaudited</i>	<i>1 Apr 2006 to 30 Sep 2006 (6 Months) Unaudited</i>	<i>1 Jul 2005 to 30 Sep 2005 (3 Months) Unaudited</i>	<i>1 Apr 2005 to 30 Sep 2005 (6 Months) Unaudited</i>
Interest income		21,535	42,195	14,366	25,490
Investment banking income:					
Income from investment securities		13,220	(28,606)	16,104	70,856
Income from investments		68,070	86,209	4,935	11,269
Fees and commissions income		31,570	56,519	60,455	129,481
Income from associates		9,028	15,107	36,140	71,839
Total income		143,423	171,424	132,000	308,935
Interest expense		(17,087)	(27,214)	(6,116)	(12,077)
Provisions		(497)	(985)	(2,950)	(29,445)
Net operating income		125,839	143,225	122,934	267,413
General and administrative expenses		(21,870)	(36,378)	(13,446)	(27,282)
Depreciation and amortization		(822)	(1,732)	(497)	(981)
Operating expenses		(22,692)	(38,110)	(13,943)	(28,263)
Net profit for the period before minority interest		103,147	105,115	108,991	239,150
Less: profit attributable to minority interest		-	-	(1,650)	(3,279)
Profit attributable to equity holders of the parent		103,147	105,115	107,341	235,871
Earnings per share	9	AED 0.188	AED 0.179	AED 0.218	AED 0.477

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period ended 30 September 2006

	Attributable to equity holders of the Parent										
	<i>Paid-up share capital</i>	<i>Proposed issue of bonus shares</i>	<i>Employee stock option plan shares</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Investment revaluation reserve</i>	<i>Proposed dividend</i>	<i>Translation reserve</i>	<i>Total</i>	<i>Minority interest</i>	Total equity
Balance as of 1 April 2005	330,000	66,000	(33,799)	91,140	173,358	17,843	-	-	644,542	28,691	673,233
Net movement in cumulative changes in fair value (note 8)	-	-	-	-	-	18,220	-	-	18,220	-	18,220
Currency translation differences	-	-	-	-	-	-	-	1,947	1,947	-	1,947
Total income and expense recognized directly in equity	-	-	-	-	-	18,220	-	1,947	20,167	-	20,167
Net profit for the period	-	-	-	-	235,871	-	-	-	235,871	3,279	239,150
Total income and expense for the period	-	-	-	-	235,871	18,220	-	1,947	256,038	3,279	259,317
Issue of bonus shares	66,000	(66,000)	-	-	-	-	-	-	-	-	-
Directors' remuneration	-	-	-	-	(2,700)	-	-	-	(2,700)	-	(2,700)
Rights issue	154,000	-	-	462,000	-	-	-	-	616,000	-	616,000
Net movement in employee stock option plan shares	-	-	(22,604)	-	-	-	-	-	(22,604)	-	(22,604)
Balance as of 30 September 2005	550,000	-	(56,403)	553,140	406,529	36,063	-	1,947	1,491,276	31,970	1,523,246
Balance as of 1 April 2006	550,000	-	(89,924)	553,140	533,026	11,473	-	2,034	1,559,749	-	1,559,749
Net movement in cumulative changes in fair value (note 8)	-	-	-	-	-	(7,807)	-	-	(7,807)	-	(7,807)
Currency translation differences	-	-	-	-	-	-	-	152	152	-	152
Total income and expense recognized directly in equity	-	-	-	-	-	(7,807)	-	152	(7,655)	-	(7,655)
Net profit for the period	-	-	-	-	105,115	-	-	-	105,115	-	105,115
Total income and expense for the period	-	-	-	-	105,115	(7,807)	-	152	97,460	-	97,460
Directors' remuneration	-	-	-	-	(6,690)	-	-	-	(6,690)	-	(6,690)
Dividend (note 7)	-	-	-	-	(165,000)	-	-	-	(165,000)	-	(165,000)
Net movement in employee stock option plan shares	-	-	(28,164)	-	-	-	-	-	(28,164)	-	(28,164)
Balance as of 30 September 2006	550,000	-	(118,088)	553,140	466,451	3,666	-	2,186	1,457,355	-	1,457,355

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

SHUAA Capital psc**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 30 September 2006

(Currency - Thousands of U.A.E. Dirhams)

	<i>1 Apr 2006 to 30 Sep 2006 (6 Months) (Unaudited)</i>	<i>1 Apr 2005 to 30 Sep 2005 (6 Months) (Unaudited)</i>
Cash flows from operating activities:		
Net profit for the period	105,115	235,871
Adjustments to reconcile net profit for the period to net cash used in operating activities:		
Depreciation and amortization	1,732	981
Income from investments in associates	(15,107)	(71,839)
Income from investments	-	(3,783)
Gain on sale of investments available-for-sale	(86,082)	(7,481)
Minority interest	-	3,279
Provisions	985	29,445
Share based payments	-	2,700
Other non-operating income	-	18
Net cash from operating activities before changes in assets and liabilities	6,643	189,191
Changes in assets and liabilities:		
Increase in other deposits	-	(74)
Decrease in receivables and other debit balances	94,473	72,958
Increase in investment securities	(186,697)	(70,610)
Decrease (increase) in installment credits, loans and advances	23,872	(69,954)
(Decrease) in payables and other credit balances	(36,431)	(82,948)
Additions to associates	(503,625)	(30,721)
Dividend from investment in associate	51,399	9,683
Proceeds from sale of associate	283,505	-
Additions to investments available-for-sale	(28,612)	(37,743)
Proceeds from sale of investments available-for-sale	68,727	17,347
Purchase of fixed assets	(2,554)	(2,396)
Net cash used in operating activities	(229,300)	(5,267)
Cash flows from financing activities:		
Increase in amounts due to banks	402,639	36,521
Settlement of corporate bond	-	(91,825)
Increase in medium term debt	855	46,523
Proceeds from issue of shares	-	616,000
Director's remuneration paid	(6,690)	(2,700)
Dividend paid	(165,000)	-
Movement in employee stock option plan shares	(28,164)	(22,604)
Net cash provided by financing activities	203,640	581,915
Net (decrease) increase in cash and cash equivalents	(25,660)	576,648
Cash and cash equivalents at beginning of the period	69,849	64,052
Cash and cash equivalents at end of the period	44,189	640,700

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

(Currency - Thousands of U.A.E. Dirhams)

1. LEGAL STATUS AND ACTIVITIES

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

The Company pursues a broad investment strategy with special emphasis on the Arab region in general, the U.A.E. and G.C.C. markets in particular and is actively involved in public and private capital markets in the region. The Company's shares are traded on the Dubai Financial Market in the United Arab Emirates and the Kuwait Stock Exchange.

The Company is licensed by the Central Bank of the United Arab Emirates to conduct financial investment business services including underwriting of securities and other corporate finance activities, investment advisory services, asset and portfolio management and brokerage in local and international securities. The Company is required to comply with the relevant UAE laws and the regulations promulgated by the UAE Central Bank.

The consolidated financial statements were authorized for issue by the Board of Directors on 30 October 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared to present interim financial information in compliance with International Accounting Standard 34, 'Interim Financial Reporting'. The interim condensed consolidated financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2006.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2006, except for the adoption of the following amendments mandatory for annual periods beginning on or after 1 January 2006:

- IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") – Amendment for financial guarantee contracts
- IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") – Amendments for hedges of forecast intragroup transactions
- IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") - Amendment for fair value option

The adoption of these amendments did not affect the Group results of operations or financial position.

3. INVESTMENT SECURITIES

Investment securities comprise the following:

	<u>30 September 2006</u>			<u>31 March 2006</u>
	<i>Held for trading</i>	<i>Held to maturity</i>	<i>Total</i>	<i>Held for trading</i>
Quoted fund investments	448,112	-	448,112	395,773
Equity securities	191,508	-	191,508	52,185
Fixed income securities	31,558	90,496	122,054	127,019
	<u>671,178</u>	<u>90,496</u>	<u>761,674</u>	<u>574,977</u>

4. INVESTMENTS IN ASSOCIATES

The company has the following investments in associates:

	Country of Incorporation	Ownership	30 Sep 2006	31 Mar 2006
Emirates Securities L.L.C.	U.A.E.	50.00%	55,702	87,883
Porta Egypt for Packaging Materials	Egypt	49.10%	43,660	42,659
Oman National Investment Corporation Holding SAOG	Oman	35.49%	255,669	247,953
Amwal	Qatar	20.70%	40,084	46,918
Al-Ahlia Investment Company K.S.C. (Closed)	Kuwait	-	-	222,890
Taghleef Industries L.L.C.	U.A.E.	25.10%	137,641	-
Ahlia Industrial Projects Co. (K.S.C.C)	Kuwait	48.69%	<u>361,759</u>	<u>-</u>
			<u>894,515</u>	<u>648,303</u>

During the period, the group concluded the acquisition of a 25.1% stake in Taghleef Industries L.L.C. (Taghleef), a limited liability Company registered in Dubai under the UAE Commercial Companies Law of 1984 (as amended) engaged in the manufacture and sale of BOPP (Biaxially Oriented Polypropylene). Consideration for this acquisition was in the form of cash and a swap of shares in entities now forming part of Taghleef. These shares were previously accounted for as part of available for sale investments.

During the period, the group paid 358,740 to acquire 48.69% of the issued and outstanding shares of Al-Ahlia Industrial Projects Co. (K.S.C.C), Ahlia Industrial Projects Co. (K.S.C.C), is a Kuwaiti shareholding company engaged in the manufacture and sale of salt and chlorine products.

The Group sold its entire holdings in Al-Ahlia Investment Company on 29 July 2006 realizing gain of 67,822.

5. DUE TO BANKS

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

The Group's banking facilities are renewable every six months and carry US Dollar LIBOR based floating interest rates plus a spread ranging between 1% and 3%. During the period ended 30 September 2006, the Group secured new credit facilities of 397,300 (31 March 2006 – 140,635).

6. MEDIUM TERM DEBT

Medium term debt comprises the following:

	30 Sep 2006	31 Mar 2006
Corporate bonds	87,932	87,748
Loans	49,538	48,867
	<u>137,470</u>	<u>136,615</u>

On 30 June 2004, the Company issued three year bonds of US \$ 24 million (AED 88,152) maturing on 30 June 2007. The bonds were issued at par and bear interest at the rate of 1.75% per annum above US Dollar LIBOR for six months with a coupon payable semi-annually.

The bonds are stated net of transaction costs which are amortized over the life of the bonds. The corporate bonds have an investment grade rating of "BBB+" and are secured against the assets of the Company.

Loans represent borrowings made by Gulf Finance Corporation from commercial banks in the UAE. The borrowings carry interest at rates between 4.93% and 8.25%.

SHUAA Capital PSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 September 2006

7. DIVIDEND

The Company's Annual General Meeting held on 19 June 2006 approved a cash dividend of 30% of the paid-up share capital of 550,000 for the year ended 31 March 2006. The dividend has been paid during the period.

8. INVESTMENT REVALUATION RESERVE

	30 Sep 2006	30 Sep 2005
Available for sale investments		
Balance, beginning of the period	5,263	11,647
Realized gains recycled during the period	(18,012)	(7,481)
Net movement in fair values during the period	15,795	6,707
Balance, end of the period	3,046	10,873
Group's share of investment revaluation reserves in associates		
Balance, beginning of the period	6,210	6,196
Net movement in fair values during the period	(5,590)	16,257
Balance, end of the period	620	22,453
Fair value hedges		
Balance, beginning of the period	-	-
Effect of cash flow hedges during the period	-	2,737
Balance, end of the period	-	2,737
Total	3,666	36,063

9. EARNINGS PER SHARE

The earnings per share - basic for the period has been computed using the net profit for the period, net of directors' remuneration, of 98,425 (30 September 2005 – 233,171) divided by the adjusted weighted average number of shares outstanding of 550,000,000 (30 September 2005 – 488,646,448).

No figure for diluted earnings per share has been presented as the company has not issued any instruments which would have an impact on earnings per share when exercised.

10. RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties in the normal course of business. The related parties with which the Group has transacted are entities in which it has made an equity investment. Pricing policies and terms of these transactions are approved by the Company's management.

Assets and liabilities with related parties are as follows:

	30 Sep 2006	31 Mar 2006
Receivables and other debit balances	13,417	43,526
Loans and advances	40,917	53,459
	54,334	96,985
Payables and other credit balances	745	835

Income resulting from transactions with related parties comprises the following:

	1 Jul 2006 to 30 Sep 2006 (3 Months) Unaudited	1 Apr 2006 to 30 Sep 2006 (6 Months) Unaudited	1 Jul 2005 to 30 Sep 2005 (3 Months) Unaudited	1 Apr 2005 to 30 Sep 2005 (6 Months) Unaudited
Interest income	1,252	2,499	473	638
Fees and commission income	37	58	181	303
	1,289	2,557	654	941

11. INTEREST RATE RISK MANAGEMENT

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group seeks to limit its exposure to such movements by managing the interest rate and maturity structure of assets and liabilities.

The Group's interest rate sensitivity position at the end of the period, determined by the earlier of contractual re-pricing or maturity dates, was as follows:

	Up to 3 months	3-12 months	1-5 years	Non-interest bearing	Total	Effective interest rate
<u>Assets</u>						
Cash and deposits with banks	23,270	-	-	20,919	44,189	4.49%
Other deposits	-	17,200	-	-	17,200	5.15%
Receivables and other debit balances	-	-	-	215,650	215,650	-
Investments securities	105,184	-	120,043	536,447	761,674	6.73%
Installment credits, loans and advances	210,965	171,450	147,003	-	529,418	11.34%
Investments available-for-sale	-	-	-	109,505	109,505	-
Investments in associates	-	-	-	894,515	894,515	-
Fixed assets	-	-	-	9,713	9,713	-
Goodwill	-	-	-	34,111	34,111	-
Total Assets	339,419	188,650	267,046	1,820,860	2,615,975	
<u>Liabilities and Equity</u>						
Due to banks	781,410	71,030	-	-	852,440	7.43%
Payables and other credit balances	49,200	-	1,838	117,672	168,710	4.25%
Medium term debt	-	87,932	49,538	-	137,470	8.58%
Equity	-	-	-	1,457,355	1,457,355	-
Total Liabilities and Equity	830,610	158,962	51,376	1,575,027	2,615,975	
Interest rate sensitivity gap	(491,191)	29,688	215,670	245,833	-	
Cumulative interest rate sensitivity gap	(491,191)	(461,503)	(245,833)	-	-	

SHUAA Capital PSC**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 September 2006

11. INTEREST RATE RISK MANAGEMENT (continued)

The Group's interest rate sensitivity position at 30 September 2005, determined by the earlier of contractual re-pricing or maturity dates, was as follows:

	Up to 3 months	3-12 months	1-5 years	Non- interest bearing	Total	Effective interest rate
Assets						
Cash and deposits with banks	92,127	-	-	548,573	640,700	3.02%
Other deposits	29,214	-	-	-	29,214	3.27%
Receivables and other debit balances	-	-	-	46,800	46,800	-
Trading securities	107,814	41,997	-	291,743	441,554	5.71%
Installment credits, loans and advances	195,619	132,594	93,684	-	421,897	10.47%
Investments available-for-sale	-	-	-	152,341	152,341	-
Investments in associates	-	-	-	316,753	316,753	-
Fixed assets	-	-	-	4,123	4,123	-
Goodwill	-	-	-	4,861	4,861	-
Total Assets	424,774	174,591	93,684	1,365,194	2,058,243	
Liabilities and Shareholders' Equity						
Due to banks	190,986	58,399	-	-	249,385	5.44%
Payables and other credit balances	-	23,000	1,323	80,183	104,506	2.88%
Medium term debt	-	87,565	93,541	-	181,106	5.28%
Shareholders' equity	-	-	-	1,523,246	1,523,246	-
Total Liabilities and Shareholders' Equity	190,986	168,964	94,864	1,603,429	2,058,243	
Interest rate sensitivity gap	233,788	5,627	(1,180)	(238,235)	-	
Cumulative interest rate sensitivity gap	233,788	239,415	238,235	-	-	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 September 2006

12. Segmented information:

The Company accounts for its activities on the basis of four main business segments; trading securities, investments available-for-sale, asset management and advisory services and financing activities.

Net income contributed by the Company's business segments and presented by geographical region is as follows:

	30 September 2006							30 September 2005					
	Investment securities	Investments available-for-sale	Commissions and fee income	Financing activities	Others	Total		Investment securities	Investments available-for-sale	Commissions and fee income	Financing activities	Others	Total
GCC countries	(7,071)	127	53,347	(27,214)	116,209	135,398		42,705	8,116	113,132	20,114	70,557	254,624
Middle East and North Africa	(23,071)	18,013	3,051	-	1,588	(419)		26,483	3,153	16,349	638	1,282	47,905
North America	233	-	54	-	-	287		1,957	-	-	-	-	1,957
Europe	3,126	247	67	-	-	3,440		16	-	-	-	-	16
Unallocated expenses	(1,823)	-	-	-	(31,768)	(33,591)		(305)	-	-	(945)	(67,381)	(68,631)
Total revenues	(28,606)	18,387	56,519	(27,214)	86,029	105,115		70,856	11,269	129,481	19,807	4,458	235,871
Net income	(28,606)	18,387	56,519	(27,214)	86,029	105,115		70,856	11,269	129,481	19,807	4,458	235,871
Assets	761,674	109,505	-	529,418	1,215,378	2,615,975		441,554	152,341	-	421,897	1,042,451	2,058,243
Liabilities	-	-	-	-	1,158,620	1,158,620		-	-	-	-	524,997	524,997

The geographical segmentation of the balance sheet assets and liabilities is as follows-

	30 September 2006							31 March 2006					
	GCC countries	Middle East and North Africa	North America	Europe	Others	Total		GCC countries	Middle East and North Africa	North America	Europe	Others	Total
Assets													
Cash and deposits with banks	38,383	49	5,751	6	-	44,189		67,176	49	2,618	6	-	69,849
Other deposits	17,200	-	-	-	-	17,200		17,200	-	-	-	-	17,200
Receivables and other debit balances	198,942	15,820	-	624	264	215,650		230,732	19,923	-	59,042	426	310,123
Investment securities	375,711	213,575	14,774	94,558	63,056	761,674		363,559	94,168	32,394	27,840	57,016	574,977
Installment credits, loans & advances	517,302	12,116	-	-	-	529,418		542,558	11,717	-	-	-	554,275
Investments available-for-sale	51,983	37,932	197	2,136	17,257	109,505		69,548	44,084	197	2,121	17,627	133,577
Investment in an associates	850,855	43,660	-	-	-	894,515		605,645	42,658	-	-	-	648,303
Fixed assets	9,713	-	-	-	-	9,713		8,891	-	-	-	-	8,891
Goodwill	34,111	-	-	-	-	34,111		34,111	-	-	-	-	34,111
Total assets	2,094,200	323,152	20,722	97,324	80,577	2,615,975		1,939,420	212,599	35,209	89,009	75,069	2,351,306
Liabilities and equity													
Due to banks	852,440	-	-	-	-	852,440		449,801	-	-	-	-	449,801
Payables and other credit balances	164,608	3,474	-	628	-	168,710		200,151	4,362	-	628	-	205,141
Medium-term debt	137,470	-	-	-	-	137,470		136,615	-	-	-	-	136,615
Equity	1,457,355	-	-	-	-	1,457,355		1,559,749	-	-	-	-	1,559,749
Total liabilities and equity	2,611,873	3,474	-	628	-	2,615,975		2,346,316	4,362	-	628	-	2,351,306

SHUAA Capital PSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 30 September 2006

13. CLIENTS' FUNDS UNDER MANAGEMENT

The Company is licensed as a financial services company regulated by the U.A.E. Central Bank (Note 1). At 30 September 2006, clients' funds were managed in a fiduciary capacity, without risk or recourse to the Company. These assets are considered as off-balance sheet items and do not constitute part of the Company's assets.

14. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	<i>30 Sep 2006</i>	<i>31 Mar 2006</i>
Corporate guarantee	29,000	29,000
Letters of guarantee	43,000	43,000
Commitments to acquire financial assets	86,399	78,687
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