

# **SHUAA Capital PSC**

INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION AND REVIEW REPORT  
FOR THE NINE MONTH PERIOD ENDED  
30 SEPTEMBER 2011

## Report on Review of Interim Condensed Consolidated Financial Information

The Shareholders  
SHUAA Capital PSC  
Dubai  
United Arab Emirates

### *Introduction*

We have reviewed the accompanying interim consolidated statement of financial position of **SHUAA Capital PSC and its Subsidiaries** (the “Group”) as of 30 September 2011 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the period from 1 January 2011 to 30 September 30 2011, and a summary of significant accounting policies and other explanatory information. The Directors of the Group are responsible for the preparation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of review*

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

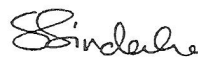
### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not presented fairly, in all material respects in accordance with IAS 34.

### *Other matters*

The interim financial information for the period from 1 January 2010 to 30 September 2010 was reviewed by another auditor whose report dated 9 November 2010 expressed an unqualified conclusion. The annual consolidated financial statements for the year ended 31 December 2010 was audited by another auditor whose report dated 7 February 2011 expressed an unqualified opinion.

Deloitte & Touche (M.E.)



Saba Sindaha  
Partner  
Registration No. 410

17 November 2011

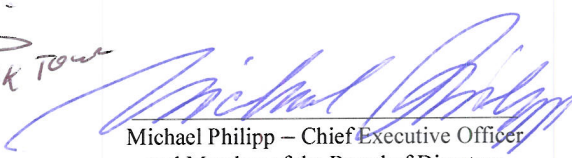
**SHUAA Capital psc****Interim Consolidated Statement of Financial Position**

As of 30 September 2011

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

|                                                       |              | <i>30 September<br/>2011</i> | <i>31 December<br/>2010</i> | <i>30 September<br/>2010</i> |
|-------------------------------------------------------|--------------|------------------------------|-----------------------------|------------------------------|
|                                                       | <i>Notes</i> | <i>Unaudited</i>             | <i>Audited</i>              | <i>Unaudited</i>             |
| <b><u>Assets</u></b>                                  |              |                              |                             |                              |
| Cash and deposits with banks                          | 3            | 341,233                      | 397,149                     | 412,110                      |
| Receivables and other debit balances                  |              | 33,788                       | 39,279                      | 77,709                       |
| Installment credits, loans and advances               | 4            | 564,391                      | 605,295                     | 667,501                      |
| Investments in SHUAA managed funds                    | 5            | 208,903                      | 170,431                     | 158,553                      |
| Investments in third party associates                 | 6            | 137,731                      | 186,677                     | 223,685                      |
| Other investments                                     | 7            | 265,136                      | 377,824                     | 451,106                      |
| Fixed assets                                          |              | 35,741                       | 41,907                      | 40,845                       |
| Goodwill                                              |              | 103,794                      | 103,794                     | 143,039                      |
| <b>Total Assets</b>                                   |              | <b>1,690,717</b>             | <b>1,922,356</b>            | <b>2,174,548</b>             |
| <b><u>Liabilities</u></b>                             |              |                              |                             |                              |
| Due to banks                                          | 8            | 187,862                      | 133,931                     | 124,361                      |
| Payables and other credit balances                    |              | 134,018                      | 169,668                     | 198,938                      |
| Medium term debt                                      | 9            | 74,583                       | 143,958                     | 172,500                      |
| <b>Total Liabilities</b>                              |              | <b>396,463</b>               | <b>447,557</b>              | <b>495,799</b>               |
| <b><u>Equity</u></b>                                  |              |                              |                             |                              |
| Share capital                                         |              | 1,065,000                    | 1,065,000                   | 1,065,000                    |
| Treasury shares                                       | 10           | (14,458)                     | (14,458)                    | (14,458)                     |
| Employee stock option plan shares                     | 11           | (86,603)                     | (86,603)                    | (85,617)                     |
| Statutory reserve                                     |              | 728,295                      | 728,295                     | 728,295                      |
| Accumulated losses                                    |              | (415,503)                    | (235,678)                   | (48,832)                     |
| Investment revaluation reserve                        | 12           | 17,339                       | 18,043                      | 34,047                       |
| Translation reserve                                   |              | (199)                        | (160)                       | (78)                         |
| Equity attributable to the shareholders of the parent |              | 1,293,871                    | 1,474,439                   | 1,678,357                    |
| Non controlling interests                             |              | 383                          | 360                         | 392                          |
| <b>Total Equity</b>                                   |              | <b>1,294,254</b>             | <b>1,474,799</b>            | <b>1,678,749</b>             |
| <b>Total Liabilities and Equity</b>                   |              | <b>1,690,717</b>             | <b>1,922,356</b>            | <b>2,174,548</b>             |

The interim condensed consolidated financial information from page 2 to 18 was approved by the Directors on 17 November 2011.

  
Michael Philipp – Chief Executive Officer  
and Member of the Board of Directors

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

**SHUAA Capital psc****Interim Consolidated Income Statement**

For the period ended 30 September 2011

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

|                                                                                        |              | <i>1 July to<br/>30 September<br/>2011<br/>(3 months)<br/>Unaudited</i> | <i>1 January to<br/>30 September<br/>2011<br/>(9 months)<br/>Unaudited</i> | <i>1 July to<br/>30 September<br/>2010<br/>(3 months)<br/>Unaudited</i> | <i>1 January to<br/>30 September<br/>2010<br/>(9 months)<br/>Unaudited</i> |
|----------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------|
|                                                                                        | <i>Notes</i> |                                                                         |                                                                            |                                                                         |                                                                            |
| Interest income                                                                        |              | 21,166                                                                  | 59,042                                                                     | 22,941                                                                  | 67,305                                                                     |
| Fees and commissions                                                                   |              | 9,363                                                                   | 39,234                                                                     | 24,307                                                                  | 72,711                                                                     |
| Trading income                                                                         |              | 27                                                                      | 425                                                                        | 1,747                                                                   | 1,998                                                                      |
| (Loss)/gain from investments in SHUAA managed funds                                    | 13           | (14,215)                                                                | (19,530)                                                                   | 2,839                                                                   | 3,656                                                                      |
| <b>Total revenues</b>                                                                  |              | <b>16,341</b>                                                           | <b>79,171</b>                                                              | <b>51,834</b>                                                           | <b>145,670</b>                                                             |
| General and administrative expenses                                                    |              | (52,523)                                                                | (162,543)                                                                  | (48,770)                                                                | (165,994)                                                                  |
| Interest expense                                                                       |              | (3,495)                                                                 | (11,736)                                                                   | (7,848)                                                                 | (27,537)                                                                   |
| Depreciation                                                                           |              | (2,694)                                                                 | (8,285)                                                                    | (2,835)                                                                 | (8,944)                                                                    |
| Provisions                                                                             |              | (34,521)                                                                | (40,475)                                                                   | 1,553                                                                   | (1,883)                                                                    |
| <b>Total expenses</b>                                                                  |              | <b>(93,233)</b>                                                         | <b>(223,039)</b>                                                           | <b>(57,900)</b>                                                         | <b>(204,358)</b>                                                           |
| <b>Net loss before gain from other investments</b>                                     |              | <b>(76,892)</b>                                                         | <b>(143,868)</b>                                                           | <b>(6,066)</b>                                                          | <b>(58,688)</b>                                                            |
| (Losses)/gains from other investments, including investments in third party associates | 14           | (79,279)                                                                | (38,039)                                                                   | 6,246                                                                   | 21,687                                                                     |
| <b>(Loss)/profit for the period</b>                                                    |              | <b>(156,171)</b>                                                        | <b>(181,907)</b>                                                           | <b>180</b>                                                              | <b>(37,001)</b>                                                            |
| <b>Attributable to:</b>                                                                |              |                                                                         |                                                                            |                                                                         |                                                                            |
| Non controlling interests                                                              |              | 75                                                                      | 23                                                                         | (10)                                                                    | (54)                                                                       |
| Equity holders of the parent                                                           |              | (156,246)                                                               | (181,930)                                                                  | 190                                                                     | (36,947)                                                                   |
| <b>Earnings/(loss) per share (equity holders of the parent) for the period</b>         |              |                                                                         |                                                                            |                                                                         |                                                                            |
| Basic (loss)/earnings per share (in AED)                                               | 15           | (0.147)                                                                 | (0.171)                                                                    | 0.000                                                                   | (0.035)                                                                    |

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 2011

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

|                                                           | <i>1 July to<br/>30 September<br/>2011<br/>(3 months)<br/>Unaudited</i> | <i>1 January to<br/>30 September<br/>2011<br/>(9 months)<br/>Unaudited</i> | <i>1 July to<br/>30 September<br/>2010<br/>(3 months)<br/>Unaudited</i> | <i>1 January to<br/>30 September<br/>2010<br/>(9 months)<br/>Unaudited</i> |
|-----------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>Profit/(loss) for the period</b>                       | <b>(156,171)</b>                                                        | <b>(181,907)</b>                                                           | 180                                                                     | (37,001)                                                                   |
| <b>Other comprehensive income</b>                         |                                                                         |                                                                            |                                                                         |                                                                            |
| Net revaluation reserve movement on:                      |                                                                         |                                                                            |                                                                         |                                                                            |
| - Investments in SHUAA managed funds                      | -                                                                       | (271)                                                                      | 8,274                                                                   | 10,647                                                                     |
| - Other investments                                       | (4,954)                                                                 | 3,052                                                                      | 7,866                                                                   | 30,604                                                                     |
| Share of other comprehensive income of associates         | (29)                                                                    | (3,484)                                                                    | 1,074                                                                   | 1,778                                                                      |
| Exchange differences on translation of foreign operations | 11                                                                      | (40)                                                                       | (92)                                                                    | (5,932)                                                                    |
| <b>Other comprehensive income for the period</b>          | <b>(4,972)</b>                                                          | <b>(743)</b>                                                               | 17,122                                                                  | 37,097                                                                     |
| <b>Total comprehensive income/(loss) for the period</b>   | <b>(161,143)</b>                                                        | <b>(182,650)</b>                                                           | 17,302                                                                  | 96                                                                         |
| <b>Attributable to:</b>                                   |                                                                         |                                                                            |                                                                         |                                                                            |
| Non controlling interests                                 | 77                                                                      | 23                                                                         | (9)                                                                     | (57)                                                                       |
| Equity holders of the parent                              | <b>(161,220)</b>                                                        | <b>(182,673)</b>                                                           | 17,311                                                                  | 153                                                                        |

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

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

For the period ended 30 September 2011

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

|                                                                          | <b>1 January to<br/>30 September 2011<br/>(9 months)<br/>Unaudited</b> | <b>1 January to<br/>30 September 2010<br/>(9 months)<br/>Unaudited</b> |
|--------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Operating activities</b>                                              |                                                                        |                                                                        |
| Loss for the period                                                      | <b>(181,907)</b>                                                       | (37,001)                                                               |
| Adjustments:                                                             |                                                                        |                                                                        |
| Depreciation                                                             | <b>8,285</b>                                                           | 8,944                                                                  |
| Unrealised loss/(gain) on investments in SHUAA managed funds             | <b>19,530</b>                                                          | (2,562)                                                                |
| Income from other investments                                            | <b>42,035</b>                                                          | 15,458                                                                 |
| Share based payments charge                                              | <b>2,105</b>                                                           | (1,197)                                                                |
| Provisions                                                               | <b>40,475</b>                                                          | (6,116)                                                                |
| <b>Operating loss before changes in operating assets and liabilities</b> | <b>(69,477)</b>                                                        | (22,474)                                                               |
| Changes in operating assets and liabilities:                             |                                                                        |                                                                        |
| (Increase)/decrease in receivables and other debit balances              | <b>(1,614)</b>                                                         | 8,585                                                                  |
| Decrease in installment credits, loans and advances                      | <b>7,534</b>                                                           | 141,995                                                                |
| (Decrease)/increase in payables and other credit balances                | <b>(35,650)</b>                                                        | 436                                                                    |
| Net (acquisition)/sale of SHUAA managed funds                            | <b>(58,273)</b>                                                        | 29,966                                                                 |
| <b>Net cash (used in)/from operating activities</b>                      | <b>(157,480)</b>                                                       | 158,508                                                                |
| <b>Investing activities</b>                                              |                                                                        |                                                                        |
| Net proceeds from other investments/associates                           | <b>117,160</b>                                                         | 410,345                                                                |
| Dividends received                                                       | <b>2,000</b>                                                           | 28,275                                                                 |
| Addition to investment in subsidiaries/Non controlling interests         | <b>-</b>                                                               | (34,907)                                                               |
| Net purchase of fixed assets                                             | <b>(2,119)</b>                                                         | (4,589)                                                                |
| <b>Net cash from investing activities</b>                                | <b>117,041</b>                                                         | 399,124                                                                |
| <b>Financing activities</b>                                              |                                                                        |                                                                        |
| Interest on convertible bond                                             | <b>-</b>                                                               | (45,000)                                                               |
| Increase/(decrease) in medium term debt                                  | <b>10,625</b>                                                          | (47,066)                                                               |
| Decrease in amounts due to banks                                         | <b>(26,069)</b>                                                        | (339,335)                                                              |
| Decrease in amounts due to others                                        | <b>-</b>                                                               | (239,160)                                                              |
| Movement in employee stock option plan shares                            | <b>-</b>                                                               | (18,247)                                                               |
| <b>Net cash used in financing activities</b>                             | <b>(15,444)</b>                                                        | (688,808)                                                              |
| <b>Decrease in cash and cash equivalents</b>                             | <b>(55,883)</b>                                                        | (131,176)                                                              |
| Foreign currency translation                                             | <b>(33)</b>                                                            | (173)                                                                  |
| Cash and cash equivalents at beginning of the period                     | <b>397,149</b>                                                         | 543,459                                                                |
| <b>Cash and cash equivalents at end of the period</b>                    | <b>341,233</b>                                                         | 412,110                                                                |

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 2011

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

|                                                   | Equity attributable to shareholders of the Parent |                 |                                   |                   |                    |                                |                     |           |                           |           |
|---------------------------------------------------|---------------------------------------------------|-----------------|-----------------------------------|-------------------|--------------------|--------------------------------|---------------------|-----------|---------------------------|-----------|
|                                                   | Share capital                                     | Treasury shares | Employee stock option plan shares | Statutory reserve | Accumulated losses | Investment revaluation reserve | Translation reserve | Total     | Non controlling interests | Total     |
| Balance as of 1 January 2010 (Audited)            | 1,065,000                                         | (14,458)        | (78,196)                          | 1,714,140         | (985,845)          | (8,982)                        | 5,851               | 1,697,510 | 449                       | 1,697,959 |
| Total comprehensive income for the period         | -                                                 | -               | -                                 | -                 | (36,947)           | 43,029                         | (5,929)             | 153       | (57)                      | 96        |
| Directors' remuneration                           | -                                                 | -               | -                                 | -                 | 138                | -                              | -                   | 138       | -                         | 138       |
| Accumulated losses offset                         | -                                                 | -               | -                                 | (985,845)         | 985,845            | -                              | -                   | -         | -                         | -         |
| Net movement in employee stock option plan shares | -                                                 | -               | (7,421)                           | -                 | (10,826)           | -                              | -                   | (18,247)  | -                         | (18,247)  |
| Share based payments charge                       | -                                                 | -               | -                                 | -                 | (1,197)            | -                              | -                   | (1,197)   | -                         | (1,197)   |
| Balance as of 30 September 2010 (Unaudited)       | 1,065,000                                         | (14,458)        | (85,617)                          | 728,295           | (48,832)           | 34,047                         | (78)                | 1,678,357 | 392                       | 1,678,749 |

|                                                    | Equity attributable to shareholders of the Parent |                 |                                   |                   |                    |                                |                     |           |                           |           |
|----------------------------------------------------|---------------------------------------------------|-----------------|-----------------------------------|-------------------|--------------------|--------------------------------|---------------------|-----------|---------------------------|-----------|
|                                                    | Share capital                                     | Treasury shares | Employee stock option plan shares | Statutory reserve | Accumulated losses | Investment revaluation reserve | Translation reserve | Total     | Non controlling interests | Total     |
| Balance as of 1 January 2011 <i>(Audited)</i>      | 1,065,000                                         | (14,458)        | (86,603)                          | 728,295           | (235,678)          | 18,043                         | (160)               | 1,474,439 | 360                       | 1,474,799 |
| Total comprehensive loss for the period            | -                                                 | -               | -                                 | -                 | (181,930)          | (704)                          | (39)                | (182,673) | 23                        | (182,650) |
| Share based payments charge                        | -                                                 | -               | -                                 | -                 | 2,105              | -                              | -                   | 2,105     | -                         | 2,105     |
| Balance as of 30 September 2011 <i>(Unaudited)</i> | 1,065,000                                         | (14,458)        | (86,603)                          | 728,295           | (415,503)          | 17,339                         | (199)               | 1,293,871 | 383                       | 1,294,254 |

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

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information

For the period ended 30 September 2011

(In 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 Emiri Decree No. 6 of 25 April 1979 and in accordance with the Federal Law No. (8) of 1984 (as amended). The registered address of the Company is P.O. Box 31045, Dubai, United Arab Emirates. The Company's shares are traded on the Dubai Financial Market in the United Arab Emirates.

The Company is licensed by the Central Bank of the United Arab Emirates to conduct services as a financial investment company and a banking, finance and investment advisor pursuant to Central Bank Board of Directors Resolution 164/8/94 and as a financial and monetary intermediary pursuant to Central Bank Board of Directors Resolution 126/5/95.

The Company conducts a diversified range of investment and financial service activities strategy with special emphasis on the Arab region in general, the U.A.E. and G.C.C. markets in particular and is actively involved in public and private capital markets in the region.

Details of the Company's material subsidiaries as at 30 September 2011 are as follows:

| Name                                | Country<br>of incorporation | Principle<br>activities | Holding<br>30 September<br>2011 | Holding<br>31 December<br>2010 |
|-------------------------------------|-----------------------------|-------------------------|---------------------------------|--------------------------------|
| Gulf Finance Corporation PJSC       | United Arab Emirates        | Financing               | 100.0%                          | 100.0%                         |
| SHUAA Capital International Limited | United Arab Emirates        | Brokerage               | 100.0%                          | 100.0%                         |
| SHUAA Partners Limited              | United Arab Emirates        | Private Equity          | 100.0%                          | 100.0%                         |
| SHUAA Securities LLC                | United Arab Emirates        | Brokerage               | 100.0%                          | 100.0%                         |
| SHUAA Capital Saudi Arabia CJSC     | Saudi Arabia                | Financial services      | 99.6%                           | 99.6%                          |
| Nile One Limited                    | Egypt                       | Brokerage               | 100.0%                          | 100.0%                         |
| Asia Brokers Limited                | Jordan                      | Brokerage               | 94.3%                           | 94.3%                          |

#### 2. SIGNIFICANT ACCOUNTING POLICIES

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

The interim condensed consolidated financial information is presented in thousands of United Arab Emirates Dirhams since that is the country in which the parent company is domiciled and the majority of the Group's business is transacted.

The interim condensed consolidated financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments which are stated at their fair value.

The accounting policies adopted, methods of computation, critical accounting judgments and key sources of estimation uncertainty are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2010.

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 2010. In addition, results for the nine-month period ended 30 September 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

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 2010.

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 2011 and 2010.

The Group has not applied any of the new and revised IFRSs that have been issued but are not yet effective. Management anticipates that the adoption of new and revised standards will have no material impact on the interim condensed financial information of the Company in the period of initial application.



**Notes to the Interim Condensed Consolidated Financial Information**

For the period ended 30 September 2011

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

**3. CASH AND DEPOSITS WITH BANKS**

Cash and deposits with banks include a fixed deposit of 43,097 (31 December 2010 – 43,097) with a local bank, which is held as collateral for a Central Bank guarantee.

**4. INSTALLMENT CREDITS, LOANS AND ADVANCES**

Installment credits, loans and advances comprise the following:

|                                              | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|----------------------------------------------|--------------------------------------------|-----------------------------------------|
| Installment credits                          | 444,793                                    | 296,135                                 |
| Loans and advances                           | 141,611                                    | 163,139                                 |
| Due from clients                             | <u>208,490</u>                             | <u>286,861</u>                          |
|                                              | <b>794,894</b>                             | <b>746,135</b>                          |
| Less: Cumulative allowance for impairment    | (104,928)                                  | (83,115)                                |
| Less: Interest in suspense                   | (6,206)                                    | (6,302)                                 |
| Less: Unearned income on installment credits | <u>(119,369)</u>                           | <u>(51,423)</u>                         |
|                                              | <b><u>564,391</u></b>                      | <b><u>605,295</u></b>                   |

**5. INVESTMENTS IN SHUAA MANAGED FUNDS**

Investments in SHUAA managed funds consist of the following:

|                                            | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|--------------------------------------------|--------------------------------------------|-----------------------------------------|
| Held at fair value through profit and loss | 137,717                                    | 88,683                                  |
| Available for sale                         | 13,395                                     | 16,306                                  |
| Associates                                 | <u>57,791</u>                              | <u>65,442</u>                           |
|                                            | <b><u>208,903</u></b>                      | <b><u>170,431</u></b>                   |

**Associates**

The Group owns 26.9% (31 December 2010: 23.7%) 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 the 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 the Fund the Group indirectly owns 24.4% of SHUAA Saudi Hospitality Fund, an open ended investment Fund regulated by the Capital Markets Authority in Saudi Arabia. The principal purpose of the SHUAA Saudi Hospitality Fund is to achieve long term capital growth through investing in hospitality related real estate in the Kingdom of Saudi Arabia.

The Group owns 35.5% (31 December 2010: 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 the Fund is to undertake direct or indirect investments in Syria, Lebanon and Jordan.

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

**6. INVESTMENTS IN THIRD PARTY ASSOCIATES**

The Group has the following investments in third party associates:

|              | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|--------------|--------------------------------------------|-----------------------------------------|
| U.A.E.       | <b>63,179</b>                              | 105,826                                 |
| Other G.C.C. | <b>74,552</b>                              | 80,851                                  |
|              | <b>137,731</b>                             | 186,677                                 |

**City Engineering LLC**

The Group owns 40.0% (31 December 2010: 40%) of City Engineering LLC, a limited liability company based in Sharjah U.A.E. and engaged in contracting activities. The recoverable amount of this asset has been determined based on equity accounting net of an impairment provision.

**Septeck Holding Limited**

Septeck Holding Limited is a limited liability company, incorporated in Cayman Islands and based in Sharjah U.A.E., engaged in wastewater, water, marina and related infrastructure products and services. The Group owns 49.0% (31 December 2010: 49.0%) of Septeck Holding Limited. The recoverable amount of this asset has been determined based on equity accounting net of an impairment provision.

**Amwal**

The Group owns 46.7% (31 December 2010: 46.7%) of Amwal, a Qatari closed shareholding company licensed by the Central Bank of Qatar to conduct investment banking and asset management activities in Qatar. The recoverable amount of this asset has been determined based on equity accounting net of an impairment provision.

**7. OTHER INVESTMENTS**

Other investments comprise the following:

|                                                                  | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|------------------------------------------------------------------|--------------------------------------------|-----------------------------------------|
| Investment securities held at fair value through profit and loss | <b>133,264</b>                             | 156,474                                 |
| Investments available for sale                                   | <b>124,353</b>                             | 140,433                                 |
| Investments held to maturity                                     | <b>7,519</b>                               | 80,917                                  |
|                                                                  | <b>265,136</b>                             | 377,824                                 |

**a) Investment securities held at fair value through profit and loss**

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

|                          | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|--------------------------|--------------------------------------------|-----------------------------------------|
| Fund investments         | <b>10,626</b>                              | 102,332                                 |
| Quoted equity securities | <b>36,047</b>                              | 29,302                                  |
| Fixed income securities  | <b>86,591</b>                              | 24,840                                  |
|                          | <b>133,264</b>                             | 156,474                                 |

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**7. OTHER INVESTMENTS - continued****b) Investments available for sale**

Investments available for sale comprise the following:

|                                  | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|----------------------------------|--------------------------------------------|-----------------------------------------|
| Quoted direct equity investments | 11,293                                     | 34,183                                  |
| Unquoted fund investments        | 113,060                                    | 106,250                                 |
|                                  | <b>124,353</b>                             | <b>140,433</b>                          |

**c) Investments held to maturity**

Investments held to maturity comprise the following:

|                         | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|-------------------------|--------------------------------------------|-----------------------------------------|
| Fixed income securities | 7,519                                      | 80,917                                  |
|                         | <b>7,519</b>                               | <b>80,917</b>                           |

The quoted market value of fixed income securities held to maturity as of 30 September 2011 is 7,519 (31 December 2010: 92,499).

Held to maturity investments which have matured during the period have generated cash proceeds amounting to 85,372.

**8. DUE TO BANKS**

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

|                                           | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|-------------------------------------------|--------------------------------------------|-----------------------------------------|
| Bank overdrafts                           | -                                          | 4,436                                   |
| Term loans repayable within twelve months | 187,862                                    | 129,495                                 |
|                                           | <b>187,862</b>                             | <b>133,931</b>                          |

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

At 30 September 2011, letters of guarantee on behalf of the Group amounting to 157,864 (31 December 2010: 155,723) 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.

**9. MEDIUM TERM DEBT**

Medium term debt comprises the following:

|            | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|------------|--------------------------------------------|-----------------------------------------|
| Term loans | 74,583                                     | 143,958                                 |
|            | <b>74,583</b>                              | <b>143,958</b>                          |

Included within medium term debt is 53,333, being the medium term component of a term loan from a local bank secured by a charge over certain of the Group's assets with a combined net asset value of at least 200,000. The total outstanding amount is 160,000 of which 106,666 is due within a year and is included within due to banks.

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**10. TREASURY SHARES**

The Group held the following treasury shares at 30 September 2011:

|                                                       | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|-------------------------------------------------------|--------------------------------------------|-----------------------------------------|
| Number of treasury shares                             | <b>3,500,000</b>                           | 3,500,000                               |
| Treasury share as percentage of total shares in issue | <b>0.3%</b>                                | 0.3%                                    |
| Cost of treasury shares                               | <b>14,458</b>                              | 14,458                                  |
| Market value of treasury shares                       | <b>2,625</b>                               | 4,305                                   |

During the period, no treasury shares were bought or sold (31 December 2010: nil).

**11. EMPLOYEE STOCK OPTION PLAN SHARES**

The following employee stock option plan shares were held in trust at 30 September 2011:

|                                               | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|-----------------------------------------------|--------------------------------------------|-----------------------------------------|
| Number of shares                              | <b>31,598,004</b>                          | 31,598,004                              |
| Shares as percentage of total shares in issue | <b>3.0%</b>                                | 3.0%                                    |
| Cost of shares                                | <b>86,603</b>                              | 86,603                                  |
| Market value of shares                        | <b>23,699</b>                              | 38,866                                  |

Movement in employee stock option plan shares was as follows:

|                                        | <i>Number of shares</i>                                                |                                                                      |
|----------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|
|                                        | <b>1 January to<br/>30 September 2011<br/>(9 months)<br/>Unaudited</b> | <b>1 January to<br/>31 December 2010<br/>(12 months)<br/>Audited</b> |
| Balance at the beginning of the period | <b>31,598,004</b>                                                      | 19,561,391                                                           |
| Executed options                       | -                                                                      | (3,963,387)                                                          |
| Acquired shares                        | -                                                                      | 16,000,000                                                           |
| Balance at the end of the period       | <b>31,598,004</b>                                                      | 31,598,004                                                           |

**12. INVESTMENT REVALUATION RESERVE**

|                                                                       | <b>1 January to<br/>30 September 2011<br/>(9 months)<br/>Unaudited</b> | <b>1 January to<br/>31 December 2010<br/>(12 months)<br/>Audited</b> |
|-----------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>Available for sale investments</b>                                 |                                                                        |                                                                      |
| Balance, beginning of the period                                      | <b>13,890</b>                                                          | (7,586)                                                              |
| Realised during the period                                            | -                                                                      | 6,932                                                                |
| Net movement in fair values during the period                         | <b>2,780</b>                                                           | 14,544                                                               |
| Balance, end of the period                                            | <b>16,670</b>                                                          | 13,890                                                               |
| <b>Group's share of investment revaluation reserves in associates</b> |                                                                        |                                                                      |
| Balance, beginning of the period                                      | <b>4,153</b>                                                           | (1,396)                                                              |
| Net movement in fair values during the period                         | <b>(3,484)</b>                                                         | 5,549                                                                |
| Balance, end of the period                                            | <b>669</b>                                                             | 4,153                                                                |
| <b>Total investment revaluation reserve</b>                           | <b>17,339</b>                                                          | 18,043                                                               |

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

**13. (LOSS)/GAIN FROM INVESTMENTS IN SHUAA MANAGED FUNDS**

Gains and losses from SHUAA managed funds comprise the following:

|                                                  | <b>1 January to<br/>30 September 2011<br/>(9 months)<br/>Unaudited</b> | <b>1 January to<br/>30 September 2010<br/>(9 months)<br/>Unaudited</b> |
|--------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| Funds held at fair value through profit and loss | <b>(9,239)</b>                                                         | 7,213                                                                  |
| Investments available for sale                   | <b>(2,640)</b>                                                         | (7,178)                                                                |
| Associates                                       | <b>(7,651)</b>                                                         | 3,621                                                                  |
|                                                  | <b><u>(19,530)</u></b>                                                 | <b><u>3,656</u></b>                                                    |

**14. (LOSS)/GAIN FROM OTHER INVESTMENTS, INCLUDING THIRD PARTY ASSOCIATES**

Gains and losses from other investments are detailed as follows:

|                                            | <b>1 January to<br/>30 September 2011<br/>(9 months)<br/>Unaudited</b> | <b>1 January to<br/>30 September 2010<br/>(9 months)<br/>Unaudited</b> |
|--------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| Third party associates                     | <b>(43,456)</b>                                                        | (10,328)                                                               |
| Other investments                          |                                                                        |                                                                        |
| Held at fair value through profit and loss | <b>13,435</b>                                                          | 29,275                                                                 |
| Available for sale                         |                                                                        |                                                                        |
| Net gain and loss on disposal              | <b>3,982</b>                                                           | 862                                                                    |
| Impairment                                 | <b>(23,974)</b>                                                        | (392)                                                                  |
| Held to maturity                           |                                                                        |                                                                        |
| Gain on maturity                           | <b>11,974</b>                                                          | 2,270                                                                  |
|                                            | <b><u>(38,039)</u></b>                                                 | <b><u>21,687</u></b>                                                   |

**15. (LOSS)/EARNINGS PER SHARE**

Basic (loss)/earnings per share have been computed using the net (loss)/profit attributable to the ordinary equity holders of the parent (181,930) (30 September 2010 – (36,947) adjusted by the Directors' remuneration 138) divided by the weighted average number of ordinary shares outstanding 1,061,500,000 (30 September 2010 – 1,061,500,000).

Diluted earnings per share as of 30 September 2011 and 30 September 2010 are equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

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For the period ended 30 September 2011

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**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:

|                                      | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|--------------------------------------|--------------------------------------------|-----------------------------------------|
| Cash and deposits with banks         |                                            |                                         |
| Other related parties                | -                                          | 43,097                                  |
| Receivables and other debit balances |                                            |                                         |
| Associates                           | -                                          | 45                                      |
| Other related parties                | 253                                        | 278                                     |
| Loans and advances                   |                                            |                                         |
| Associates                           | 31,681                                     | 23,172                                  |
| Other related parties                | 13,043                                     | 12,913                                  |
| Key management personnel             | 1,533                                      | 1,347                                   |
| Investments in SHUAA managed funds   | <u>208,903</u>                             | <u>170,431</u>                          |
|                                      | <u>255,413</u>                             | <u>251,283</u>                          |

Advances to key management personnel reflects trading margin secured against investments held and sums advanced under the staff assistance program available to all employees for which no interest is charged.

|                                    | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|------------------------------------|--------------------------------------------|-----------------------------------------|
| Payables and other credit balances |                                            |                                         |
| Other related parties              | <u>-</u>                                   | <u>1</u>                                |
|                                    | <u>-</u>                                   | <u>1</u>                                |

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

|                                                        | <b>1 January to<br/>30 September 2011<br/>(9 months)<br/>Unaudited</b> | <b>1 January to<br/>30 September 2010<br/>(9 months)<br/>Unaudited</b> |
|--------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| Interest income                                        |                                                                        |                                                                        |
| Associates                                             | 1,383                                                                  | 1,613                                                                  |
| Other related parties                                  | 407                                                                    | 2,367                                                                  |
| (Losses)/gains from investments in SHUAA managed funds |                                                                        |                                                                        |
| Associates                                             | (7,651)                                                                | 3,621                                                                  |
| Other related parties                                  | (11,879)                                                               | 36                                                                     |
| Gains/(losses) from other investments                  |                                                                        |                                                                        |
| Other related parties                                  | -                                                                      | (1,218)                                                                |
| Fees and commission income                             |                                                                        |                                                                        |
| Other related parties                                  | 5,904                                                                  | 8,952                                                                  |
| General & administrative expenses                      |                                                                        |                                                                        |
| Other related parties                                  | <u>-</u>                                                               | <u>(186)</u>                                                           |
|                                                        | <u>(11,836)</u>                                                        | <u>15,185</u>                                                          |

**17. SEGMENTAL INFORMATION**

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

**Private Equity** currently manages four private equity funds. SHUAA Partners Limited, is the Group's private equity brand and is a DIFC category three licensed company staffed by a team of investment experts with a proven track record and a deep understanding of public and private investments in the GCC and wider MENA region.

**Asset Management** manages twenty two investment portfolios and funds spanning fifteen regional stock exchanges. SHUAA Asset Management offers regional and foreign investors gateways for investment in the GCC and Arab stock markets. SHUAA Asset Management manages conventional equity and debt as well as Shariah compliant portfolios and investment funds using both active and passive management styles.

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

**Brokerage** operates under the brand of SHUAA Securities and acts as principal and agent, providing custody and clearing services to clients, providing access to regional exchanges.

**Finance** activities are conducted by Gulf Finance, which is primarily engaged in asset backed lending with a primary focus on Small and Medium Enterprises finance.

**Corporate** manages future corporate development and controls all cash and shared service expenses related to the Group. All proprietary investments are incubated within this business segment which also comprises, strategy and business development, legal and compliance, finance, treasury, operations, risk management, investor relations, marketing communications and human resources, including Group wide bonus and employee compensation and benefits.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

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**17. SEGMENTAL INFORMATION - continued**

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

| 1 January to 30 September 2011<br>(9 months) Unaudited |                   |                     |                       |           |          |           |           |
|--------------------------------------------------------|-------------------|---------------------|-----------------------|-----------|----------|-----------|-----------|
|                                                        | Private<br>Equity | Asset<br>Management | Investment<br>Banking | Brokerage | Finance  | Corporate | Total     |
| Interest income                                        | -                 | 194                 | 2,308                 | 2,796     | 39,796   | 13,948    | 59,042    |
| Net fees and commissions                               | 11,382            | 5,890               | 3,421                 | 14,528    | 3,170    | 843       | 39,234    |
| Trading income                                         | -                 | -                   | 425                   | -         | -        | -         | 425       |
| Loss from investments in SHUAA managed funds           | -                 | -                   | -                     | -         | -        | (19,530)  | (19,530)  |
| Total revenues                                         | 11,382            | 6,084               | 6,154                 | 17,324    | 42,966   | (4,739)   | 79,171    |
| General & administrative expenses                      | (7,332)           | (7,363)             | (11,018)              | (26,051)  | (21,704) | (89,075)  | (162,543) |
| Interest expenses                                      | -                 | -                   | -                     | (12)      | (3,095)  | (8,629)   | (11,736)  |
| Depreciation                                           | (40)              | -                   | -                     | (3,109)   | (1,975)  | (3,161)   | (8,285)   |
| Provisions                                             | -                 | -                   | (7,105)               | (33,534)  | 1,795    | (1,631)   | (40,475)  |
| Total expenses                                         | (7,372)           | (7,363)             | (18,123)              | (62,706)  | (24,979) | (102,496) | (223,039) |
| Net gain/(loss) before gain from other investments     | 4,010             | (1,279)             | (11,969)              | (45,382)  | 17,987   | (107,235) | (143,868) |
| Gain from other investments                            | (7)               | (143)               | -                     | 2,366     | -        | (40,255)  | (38,039)  |
| Profit/(loss) for the period                           | 4,003             | (1,422)             | (11,969)              | (43,016)  | 17,987   | (147,490) | (181,907) |
| Attributable to:                                       |                   |                     |                       |           |          |           |           |
| Non controlling interests                              | 12                | -                   | (3)                   | (16)      | -        | 30        | 23        |
| Equity holders of the parent                           | 3,991             | (1,422)             | (11,966)              | (43,000)  | 17,987   | (147,520) | (181,930) |

| 30 September 2011 Unaudited |                   |                     |                       |           |         |           |           |
|-----------------------------|-------------------|---------------------|-----------------------|-----------|---------|-----------|-----------|
|                             | Private<br>Equity | Asset<br>Management | Investment<br>Banking | Brokerage | Finance | Corporate | Total     |
| Assets                      | 8,342             | 336                 | 11,570                | 231,955   | 465,768 | 972,746   | 1,690,717 |
| Liabilities                 | 726               | -                   | -                     | 44,833    | 119,127 | 231,777   | 396,463   |



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**17. SEGMENTAL INFORMATION - continued**

| 1 January to 30 September 2010<br>(9 months) Unaudited |                   |                     |                       |           |          |           |           |
|--------------------------------------------------------|-------------------|---------------------|-----------------------|-----------|----------|-----------|-----------|
|                                                        | Private<br>Equity | Asset<br>Management | Investment<br>Banking | Brokerage | Finance  | Corporate | Total     |
| Interest income                                        | -                 | -                   | -                     | 633       | 41,431   | 25,241    | 67,305    |
| Net fees and commissions                               | 19,565            | 6,997               | 13,740                | 22,976    | 6,305    | 3,128     | 72,711    |
| Trading income                                         | -                 | -                   | 637                   | 1,361     | -        | -         | 1,998     |
| (Losses)/gains from investments in SHUAA managed funds | (3,558)           | 7,214               | -                     | -         | -        | -         | 3,656     |
| Total revenues                                         | 16,007            | 14,211              | 14,377                | 24,970    | 47,736   | 28,369    | 145,670   |
| General & administrative expenses                      | (11,865)          | (11,004)            | (13,764)              | (25,333)  | (18,343) | (85,685)  | (165,994) |
| Interest expenses                                      | (4)               | -                   | -                     | (1,183)   | (6,607)  | (19,743)  | (27,537)  |
| Depreciation                                           | (135)             | -                   | -                     | (1,713)   | (1,318)  | (5,778)   | (8,944)   |
| Provisions                                             | -                 | -                   | -                     | -         | (487)    | (1,396)   | (1,883)   |
| Total expenses                                         | (12,004)          | (11,004)            | (13,764)              | (28,229)  | (26,755) | (112,602) | (204,358) |
| Net gain/(loss) before gains from other investments    | 4,003             | 3,207               | 613                   | (3,259)   | 20,981   | (84,233)  | (58,688)  |
| Gains from other investments                           | -                 | -                   | -                     | 1,558     | 1,619    | 18,510    | 21,687    |
| Profit/(loss) for the period                           | 4,003             | 3,207               | 613                   | (1,701)   | 22,600   | (65,723)  | (37,001)  |
| Attributable to:                                       |                   |                     |                       |           |          |           |           |
| Non controlling interests                              | 2                 | (3)                 | (3)                   | -         | -        | (50)      | (54)      |
| Equity holders of the parent                           | 4,001             | 3,210               | 616                   | (1,701)   | 22,600   | (65,673)  | (36,947)  |

| 31 December 2010 Audited |                   |                     |                       |           |         |           |           |
|--------------------------|-------------------|---------------------|-----------------------|-----------|---------|-----------|-----------|
|                          | Private<br>Equity | Asset<br>Management | Investment<br>Banking | Brokerage | Finance | Corporate | Total     |
| Assets                   | 121,479           | 89,124              | 7,686                 | 243,922   | 418,340 | 1,041,805 | 1,922,356 |
| Liabilities              | 1,211             | -                   | -                     | 44,017    | 89,671  | 312,658   | 447,557   |

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**18. GEOGRAPHICAL SEGMENTATION**

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

|                                         | <b>UAE</b>       | <b>GCC<br/>Other</b> | <b>MENA<br/>Other</b> | <b>North<br/>America</b> | <b>Europe</b> | <b>Asia<br/>Other</b> | <b>Total</b>     |
|-----------------------------------------|------------------|----------------------|-----------------------|--------------------------|---------------|-----------------------|------------------|
| Cash and deposits with banks            | 272,244          | 38,158               | 8,624                 | 15,870                   | 6,337         | -                     | 341,233          |
| Receivables and other debit balances    | 25,543           | 2,741                | 4,622                 | 14                       | 868           | -                     | 33,788           |
| Installment credits, loans and advances | 495,115          | 36,752               | 32,524                | -                        | -             | -                     | 564,391          |
| Investments in SHUAA managed funds      | 39,995           | 157,580              | 11,328                | -                        | -             | -                     | 208,903          |
| Investments in third party associates   | 63,179           | 74,552               | -                     | -                        | -             | -                     | 137,731          |
| Other investments                       | 59,409           | 64,074               | 7,150                 | 16,793                   | 7,016         | 110,694               | 265,136          |
| Fixed assets                            | 29,370           | 3,315                | 3,056                 | -                        | -             | -                     | 35,741           |
| Goodwill                                | 103,794          | -                    | -                     | -                        | -             | -                     | 103,794          |
| <b>Total Assets - 30 September 2011</b> | <b>1,088,649</b> | <b>377,172</b>       | <b>67,304</b>         | <b>32,677</b>            | <b>14,221</b> | <b>110,694</b>        | <b>1,690,717</b> |
| Total Assets - 31 December 2010         | 1,269,289        | 423,385              | 90,396                | 19,454                   | 16,787        | 103,045               | 1,922,356        |
| Total Assets - 30 September 2010        | 1,420,486        | 507,418              | 88,772                | 24,019                   | 11,910        | 121,943               | 2,174,548        |

**19. MATURITY PROFILE**

The maturity profile of assets and liabilities as of 30 September 2011, 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.

|                                         | <b>Less than<br/>3 Months</b> | <b>3-12<br/>Months</b> | <b>Sub total<br/>Less than<br/>a year</b> | <b>1-5 Years</b> | <b>Over<br/>5 years</b> | <b>Grand<br/>total</b> |
|-----------------------------------------|-------------------------------|------------------------|-------------------------------------------|------------------|-------------------------|------------------------|
| Cash and deposits with banks            | 298,136                       | 43,097                 | 341,233                                   | -                | -                       | 341,233                |
| Receivables and other debit balances    | 15,447                        | 15,813                 | 31,260                                    | 2,528            | -                       | 33,788                 |
| Installment credits, loans and advances | 274,595                       | 143,714                | 418,309                                   | 146,082          | -                       | 564,391                |
| Investments in SHUAA managed funds*     | -                             | 24,723                 | 24,723                                    | 184,180          | -                       | 208,903                |
| Investments in third party associates*  | -                             | 137,731                | 137,731                                   | -                | -                       | 137,731                |
| Other investments*                      | 117,934                       | 19,309                 | 137,243                                   | 127,893          | -                       | 265,136                |
| Fixed assets*                           | -                             | -                      | -                                         | 35,741           | -                       | 35,741                 |
| Goodwill*                               | -                             | -                      | -                                         | -                | 103,794                 | 103,794                |
| <b>Total Assets</b>                     | <b>706,112</b>                | <b>384,387</b>         | <b>1,090,499</b>                          | <b>496,424</b>   | <b>103,794</b>          | <b>1,690,717</b>       |
| Due to banks                            | 77,654                        | 110,208                | 187,862                                   | -                | -                       | 187,862                |
| Payables and other credit balances      | 105,773                       | 18,418                 | 124,191                                   | 9,827            | -                       | 134,018                |
| Medium term debt                        | -                             | -                      | -                                         | 74,583           | -                       | 74,583                 |
| Equity                                  | -                             | -                      | -                                         | -                | 1,294,254               | 1,294,254              |
| <b>Total Liabilities and Equity</b>     | <b>183,427</b>                | <b>128,626</b>         | <b>312,053</b>                            | <b>84,410</b>    | <b>1,294,254</b>        | <b>1,690,717</b>       |
| <b>Net liquidity gap</b>                | <b>522,685</b>                | <b>255,761</b>         | <b>778,446</b>                            | <b>412,014</b>   | <b>(1,190,460)</b>      | <b>-</b>               |
| <b>Cumulative liquidity gap</b>         | <b>522,685</b>                | <b>778,446</b>         | <b>778,446</b>                            | <b>1,190,460</b> | <b>-</b>                | <b>-</b>               |

**Notes to the Interim Condensed Consolidated Financial Information**

For the period ended 30 September 2011

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

**20. COMMITMENTS AND CONTINGENT LIABILITIES**

The Group had the following outstanding commitments and contingent liabilities:

|                        | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|------------------------|--------------------------------------------|-----------------------------------------|
| Contingent liabilities | <b>40,746</b>                              | 45,094                                  |

Included within contingent liabilities are performance guarantees issued on behalf of City Engineering, an associate. These guarantees are regarded as unlikely to crystallise as a liability.

|                     | <b>30 September<br/>2011<br/>Unaudited</b> | <b>31 December<br/>2010<br/>Audited</b> |
|---------------------|--------------------------------------------|-----------------------------------------|
| Commitments         |                                            |                                         |
| SHUAA managed funds | <b>100,638</b>                             | 100,638                                 |
| Other investments   | <b>46,255</b>                              | 62,152                                  |

**21. CLIENTS' FUNDS UNDER MANAGEMENT**

The Group is licensed as a financial services company regulated by the Central Bank of the United Arab Emirates. At 30 September 2011, client funds were managed in a fiduciary capacity, without risk or recourse to the Group. These funds are off balance sheet items and do not constitute part of the Group's assets.

**22. SUBSEQUENT EVENT**

Subsequent to period end, management reviewed the Group strategy and due to the reduced trading level of the brokerage business, has decided to either sell or reposition this activity within a twelve month period from the date of authorizing the interim financial statements. Total assets and performance of this business for the period ended 30 September 2011 is disclosed in note 17 under brokerage segment.