

# **SHUAA Capital PSC**

INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION AND REVIEW REPORT  
FOR THE SIX MONTH PERIOD ENDED  
30 JUNE 2019

## Report on Review of Interim Condensed Consolidated Financial Information

**The Board of Directors**  
**SHUAA Capital PSC**  
**Dubai**  
**United Arab Emirates**

### *Introduction*

We have reviewed the accompanying interim consolidated statement of financial position of **SHUAA Capital PSC and its Subsidiaries** (the “**Group**”) as of 30 June 2019 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the six months period then ended. The Directors of the Group are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of review*

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

### *Conclusion*

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

**Deloitte & Touche (M.E.)**



Musa Ramahi  
Registration No.: 872  
8 August 2019  
Dubai  
United Arab Emirates

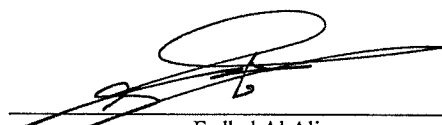
**SHUAA Capital psc****Interim Consolidated Statement of Financial Position**

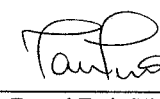
As at 30 June 2019

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

		<i>30 June</i>	<i>31 December</i>
		<i>2019</i>	<i>2018</i>
	<i>Notes</i>	<i>Unaudited</i>	<i>Audited</i>
<b><u>Assets</u></b>			
Cash and deposits with banks	5	591,700	441,422
Receivables and other debit balances	6	136,331	104,334
Loans, advances and finance leases	7	573,336	627,654
Investments in SHUAA managed funds	8	99,342	95,384
Investments in other associates	9	135,418	136,710
Other investments	10	512,945	591,661
Property and equipment		46,789	34,487
Goodwill and other intangible assets		84,026	86,173
<b>Total Assets</b>		<b>2,179,887</b>	<b>2,117,825</b>
<b><u>Liabilities</u></b>			
Due to banks	11	444,027	520,486
Other financial liabilities	12	171,827	142,635
Payables and other credit balances	13	688,942	524,948
<b>Total Liabilities</b>		<b>1,304,796</b>	<b>1,188,069</b>
<b><u>Equity</u></b>			
Share capital		1,065,000	1,065,000
Treasury Shares	14	(31,129)	(31,129)
Statutory reserve		10,120	10,120
Accumulated losses		(264,215)	(207,704)
Investment revaluation reserve	15	(16,207)	(18,663)
Translation reserve		2,266	1,126
Cash flows hedge reserve		(3,679)	-
Equity attributable to the shareholders of the Parent		762,156	818,750
Non controlling interests		112,935	111,006
<b>Total Equity</b>		<b>875,091</b>	<b>929,756</b>
<b>Total Liabilities and Equity</b>		<b>2,179,887</b>	<b>2,117,825</b>

The interim condensed consolidated financial information was approved by the Board of Directors on 8 August 2019.

  
Fadhel Al Ali  
Chairman

  
Fawad Tariq Khan  
CEO & Board Director

The attached notes 1 to 25 form an integral part of this interim condensed consolidated financial information.

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

For the period ended 30 June 2019

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

	<i>Notes</i>	<i>1 April to 30 June 2019 (3 months) Unaudited</i>	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 April to 30 June 2018 (3 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
Interest income		16,632	30,258	13,496	25,699
Net fees and commissions		28,658	62,323	18,020	30,126
Trading income/(loss)		2,247	6,394	(246)	1,010
Gains/(losses) from investments in SHUAA managed funds	16	-	3,958	(475)	7,124
<b>Total revenues</b>		<b>47,537</b>	<b>102,933</b>	<b>30,795</b>	<b>63,959</b>
General and administrative expenses		(45,807)	(96,023)	(31,306)	(58,971)
Interest expense		(14,483)	(29,918)	(6,554)	(10,408)
Depreciation and amortisation		(5,243)	(10,155)	(2,429)	(4,417)
Provisions and allowances for impairment - net		(10,065)	(18,319)	109	(1,678)
<b>Total expenses</b>		<b>(75,598)</b>	<b>(154,415)</b>	<b>(40,180)</b>	<b>(75,474)</b>
<b>Net loss before gains from other investments</b>		<b>(28,061)</b>	<b>(51,482)</b>	<b>(9,385)</b>	<b>(11,515)</b>
(Losses)/gains from other investments, including investments in other associates	17	(517)	312	23,987	37,804
<b>(Loss)/profit for the period</b>		<b>(28,578)</b>	<b>(51,170)</b>	<b>14,602</b>	<b>26,289</b>
<b>Attributable to:</b>					
Equity holders of the Parent		(31,615)	(56,511)	14,607	26,295
Non controlling interests		3,037	5,341	(5)	(6)
		<b>(28,578)</b>	<b>(51,170)</b>	<b>14,602</b>	<b>26,289</b>
(Loss)/earnings per share (in AED)	18	<b>(0.030)</b>	<b>(0.054)</b>	0.014	0.025

The attached notes 1 to 25 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 June 2019

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

	<i>1 April to 30 June 2019 (3 months) Unaudited</i>	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 April to 30 June 2018 (3 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
<b>(Loss)/profit for the period</b>	<b>(28,578)</b>	<b>(51,170)</b>	14,602	26,289
<b>Other comprehensive income/(loss)</b>				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net revaluation reserve movement on:				
- other investments	4,166	2,539	-	-
Fair value loss arising on cash flow hedge	(1,209)	(3,679)	-	-
Exchange differences on translation of foreign operations	993	1,196	(215)	(92)
<b>Other comprehensive income/(loss) for the period</b>	<b>3,950</b>	<b>56</b>	(215)	(92)
<b>Total comprehensive (loss)/income for the period</b>	<b>(24,628)</b>	<b>(51,114)</b>	14,387	26,197
<b>Attributable to:</b>				
Equity holders of the Parent	(28,045)	(56,594)	14,392	26,203
Non controlling interests	3,417	5,480	(5)	(6)
	<b>(24,628)</b>	<b>(51,114)</b>	14,387	26,197

The attached notes 1 to 25 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 June 2019

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

	<i>Notes</i>	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period		<b>(51,170)</b>	26,289
Adjustments for:			
Depreciation and amortisation		<b>10,155</b>	4,417
Gains on investments in SHUAA managed funds		<b>(3,958)</b>	(7,124)
Gains from other investments, including other associates		<b>(312)</b>	(37,804)
Provisions and allowances for impairment - net		<b>18,319</b>	1,678
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>(26,966)</b>	(12,544)
Changes in operating assets and liabilities:			
Increase in receivables and other debit balances		<b>(36,641)</b>	(13,901)
Decrease/(increase) in loans, advances and finance leases		<b>43,090</b>	(61,466)
Increase in payables and other credit balances		<b>142,631</b>	53,500
<b>Net cash generated from/(used in) operating activities</b>		<b>122,114</b>	(34,411)
<b>Cash flows from investing activities</b>			
Net proceeds from sale of other investments		<b>101,944</b>	4,045
Net cash on acquisition of subsidiaries		-	113,615
Dividends and other distributions from associates		-	4,900
Net purchase of intangibles, property and equipment		<b>(5,074)</b>	(1,571)
<b>Net cash generated from investing activities</b>		<b>96,870</b>	120,989
<b>Cash flows from financing activities</b>			
Decrease in due to banks		<b>(76,459)</b>	(16,115)
Increase in other financial liabilities		<b>29,192</b>	40,000
Dividend distribution to non controlling interests		<b>(3,551)</b>	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(50,818)</b>	23,885
<b>Net increase in cash and cash equivalents</b>		<b>168,166</b>	110,463
Foreign currency translation		<b>1,178</b>	(92)
Cash and cash equivalents at beginning of the period		<b>351,908</b>	112,188
<b>Cash and cash equivalents at end of the period</b>	5	<b>521,252</b>	222,559

The attached notes 1 to 25 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 June 2019

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

	Equity attributable to shareholders of the Parent							Non controlling interests	Total	
	Share capital	Other Reserves	Treasury shares	Statutory reserve	Accumulated losses	Investment revaluation reserve	Translation reserve			Total
Balance as of 1 January 2018 <i>(Audited)</i>	1,065,000	-	(5,341)	7,402	(166,642)	(1,000)	(279)	899,140	34	899,174
Impact of adopting IFRS 9 as of 1 January 2018	-	-	-	-	(44,272)	1,000	-	(43,272)	-	(43,272)
Restated balance as of 1 January 2018	1,065,000	-	(5,341)	7,402	(210,914)	-	(279)	855,868	34	855,902
Total comprehensive income/(loss) for the period	-	-	-	-	26,295	-	(92)	26,203	(6)	26,197
Non controlling interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	1,629	1,629
Balance as of 30 June 2018 <i>(Unaudited)</i>	1,065,000	-	(5,341)	7,402	(184,619)	-	(371)	882,071	1,657	883,728

	Equity attributable to shareholders of the Parent							Non controlling interests	Total	
	Share capital	Cash flow hedge reserve	Treasury shares	Statutory reserve	Accumulated losses	Investment revaluation reserve	Translation reserve			Total
Balance as of 1 January 2019 <i>(Audited)</i>	1,065,000	-	(31,129)	10,120	(207,704)	(18,663)	1,126	818,750	111,006	<b>929,756</b>
Total comprehensive (loss)/income for the period	-	(3,679)	-	-	(56,511)	2,456	1,140	(56,594)	5,480	<b>(51,114)</b>
Dividend distribution to non controlling interests	-	-	-	-	-	-	-	-	(3,551)	<b>(3,551)</b>
<b>Balance as of 30 June 2019 <i>(Unaudited)</i></b>	<b>1,065,000</b>	<b>(3,679)</b>	<b>(31,129)</b>	<b>10,120</b>	<b>(264,215)</b>	<b>(16,207)</b>	<b>2,266</b>	<b>762,156</b>	<b>112,935</b>	<b>875,091</b>

The attached notes 1 to 25 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 June 2019

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

#### 1. LEGAL STATUS AND ACTIVITIES

**SHUAA Capital psc** (the “Company” or the “Parent”) is a public shareholding company established in Dubai, United Arab Emirates, pursuant to Emiri Decree No. 6 of 25 April 1979 and in accordance with the UAE Federal Law No. 2 of 2015 (as amended) (“Companies Law”). 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 Securities and Commodities Authority to conduct Investment Management, Financial Consulting and Financial Analysis, Promotion and Managing Initial Public Offering activities.

The Company and its subsidiaries (together the “Group”) conduct a diversified range of investment and financial service activities strategy with special emphasis on the Arab region in general, the U.A.E. and the G.C.C. markets in particular; and is actively involved in public and private capital markets in the region.

Details of the Company’s material subsidiaries as at 30 June 2019 are as follows:

Name	Country of incorporation	Principal activities	Holding 30 June 2019	Holding 31 December 2018
Gulf Finance Corporation PJSC	United Arab Emirates	Financing	100.0%	100.0%
Gulf Finance Corporation CJSC	Saudi Arabia	Financing	100.0%	100.0%
SHUAA Capital International Limited	United Arab Emirates	Market Making / Liquidity Provider	100.0%	100.0%
SHUAA Capital Saudi Arabia CJSC	Saudi Arabia	Financial services	100.0%	100.0%
SHUAA Securities Egypt SAE	Egypt	Brokerage	100.0%	100.0%
SHUAA Securities LLC *	United Arab Emirates	Brokerage	100.0%	100.0%
Integrated Capital PJSC *	United Arab Emirates	Financial services	96.0%	96.0%
Asia for Economic Consultancy LLC	Jordan	Consultancy	94.3%	94.3%
Amwal International Investment Company KSCP *	Kuwait	Financial services	87.2%	87.2%

\* These subsidiaries were acquired by the Group during 2018 and hence the results for the prior period are not entirely comparable.

#### 2. BASIS OF PREPARATION

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

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

The interim condensed consolidated financial information has been prepared on the historical cost convention as modified for the measurement at fair value of certain financial instruments.

The 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 2018. In addition, results for the six months period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

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 2018.

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 six month periods ended 30 June 2019 and 30 June 2018.



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**Notes to the Interim Condensed Consolidated Financial Information**  
 For the period ended 30 June 2019

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

**3. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2018, except the following accounting policies which are applicable from 1 January 2019:

**Relevant new and revised IFRS applied with no material effect on the interim condensed consolidated financial information**

The following new and revised IFRS have been adopted in this condensed consolidated interim financial information. The application of the new and revised standards did not have any material impact on the amounts reported for the current and prior periods.

	<i><u>Effective for annual periods beginning on or after</u></i>
<i>Annual Improvements to IFRS Standards 2015 – 2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23</i>	<i>1 January 2019</i>
<i>Amendments to IFRS 9 Financial Instruments</i>	<i>1 January 2019</i>
<i>Amendments to IAS 28 Investment in Associates and Joint Ventures</i>	<i>1 January 2019</i>
<i>Amendments to IAS 19 Employee Benefits</i>	<i>1 January 2019</i>
<i>IFRIC 23 Uncertainty over Income Tax Treatments</i>	<i>1 January 2019</i>

**Relevant new and revised IFRS applied with material effect on the interim condensed consolidated financial information**IFRS 16 Leases

The Group has adopted IFRS 16 ‘Leases’, issued in January 2016, with the date of initial application of 1 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

The Group initially measures the right-of-use asset at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The Group initially measures the lease liability at the present value of the future lease payments discounted using the lessee’s incremental borrowing rate as of 1 January 2019. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. The Group has assessed that the impact of IFRS 16 is not material on retained earnings as at the reporting date and has presented right of use assets within ‘Property and equipment’ and lease liabilities within ‘Payable and other credit balances’ in the consolidated statement of financial position.

On adoption of IFRS 16 Leases, the Group has recognised the following right of use assets and lease liabilities under the respective interim condensed consolidated financial information line items:

	<i><u>31 December 2018 (Audited)</u></i>	<i><u>Increase</u></i>	<i><u>1 January 2019</u></i>
Property and equipment	<u>34,487</u>	<u>17,531</u>	<u>52,018</u>
Payables and other credit balances	<u>524,948</u>	<u>16,538</u>	<u>541,486</u>

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

	<i>30 June 2019</i>			
	<i>Unaudited</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments in SHUAA managed funds				
Held at fair value through profit or loss	-	16,646	-	16,646
Other investments				
Held at fair value through profit or loss	185,954	79,087	53,301	318,342
Held at fair value through OCI	92,330	-	102,273	194,603
Receivables and other debit balances				
Derivative instrument	-	9,829	-	9,829
	<b>278,284</b>	<b>105,562</b>	<b>155,574</b>	<b>539,420</b>
<i>Financial liabilities</i>				
Held at fair value through profit or loss	<b>(47,357)</b>	<b>(3,679)</b>	-	<b>(51,036)</b>
	<i>31 December 2018</i>			
	<i>Audited</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments in SHUAA managed funds				
Held at fair value through profit or loss	-	16,646	-	16,646
Other investments				
Held at fair value through profit or loss	268,010	76,417	55,189	399,616
Held at fair value through OCI	90,424	-	101,621	192,045
Receivable and other debit balances				
Derivative instrument	-	10,145	-	10,145
	<b>358,434</b>	<b>103,208</b>	<b>156,810</b>	<b>618,452</b>
<i>Financial liabilities</i>				
Held at fair value through profit or loss	<b>(8,559)</b>	-	-	<b>(8,559)</b>

#### Financial assets recorded at fair value

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

#### Held at fair value through profit or loss

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

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS - continued

##### Held at fair value through other comprehensive income

Held at fair value through other comprehensive income financial assets are valued using quoted prices in active markets, valuation techniques or pricing models and consist of quoted equities, unquoted equities and unquoted funds. These assets are valued using quoted prices or models which incorporate data which is both observable and non-observable.

The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/06/19	31/12/18				
<b><u>Fair value through P&amp;L</u></b>						
Equity investments	32,645	30,316	3	Discounted cash flow	Discount rate and growth rate	The higher the discount rate, the lower the fair value
Fixed Income	2,265	2,263	3	Adjusted NAV	Adjusted NAV	The higher the NAV, the higher the fair value
Fund investments	18,391	22,610	3	Adjusted book value	Book value adjusted with market risk	The higher the market risk, the lower the fair value
<b><u>Fair value through FVOCI</u></b>						
Equity investments	99,279	98,599	3	Adjusted book value	Book value adjusted with market risk	The higher the market risk, the lower the fair value
Fund investments	2,994	3,022	3	NAV	NAV	The higher the NAV, the higher the fair value

##### **Movements in level 3 financial assets measured at fair value**

During the period, there were no transfers between levels 1 and level 3.

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

	1 January to 30 June 2019 (6 months) Unaudited						Balance at 30 June 2019
	Balance at 1 January 2019	Gain/(loss) through P&L	Gain/(loss) through OCI	Purchases	Sales	Transfers from/(to) levels 1 & 2	
Other investments							
Held at FVTPL	55,189	(10,553)	-	8,665	-	-	53,301
Held at FVOCI	101,621	-	652	-	-	-	102,273
	<b>156,810</b>	<b>(10,553)</b>	<b>652</b>	<b>8,665</b>	<b>-</b>	<b>-</b>	<b>155,574</b>
	1 January to 30 June 2018 (6 months) Unaudited						
	Balance at 31 December 2017	Impact of IFRS 9 at 1 January 2018	Balance at 1 January 2018	Acquired on acquisition of subsidiary	Gain/(loss) through P&L	Transfers from/(to) levels 1 & 2	Balance at 30 June 2018
Other investments							
Held at FVTPL	379	9,012	9,391	-	10,893	-	20,284
Held at FVOCI	9,012	(9,012)	-	12,002	-	-	12,002
	<b>9,391</b>	<b>-</b>	<b>9,391</b>	<b>12,002</b>	<b>10,893</b>	<b>-</b>	<b>32,286</b>

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS - continued

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

	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
Other investments		
Unrealised (losses)/gains	<u><u>(10,553)</u></u>	<u><u>10,893</u></u>

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

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

	<i>30 June 2019 Unaudited</i>		<i>30 June 2018 Unaudited</i>	
	<i>Carrying amount</i>	<i>Effect of reasonably possible alternative assumptions</i>	<i>Carrying amount</i>	<i>Effect of reasonably possible alternative assumptions</i>
Other investments				
Held at fair value through profit or loss	<b>53,301</b>	<b>10,774</b>	20,284	4,170
Held at fair value through OCI	<b>102,273</b>	<b>20,455</b>	12,002	2,400
	<u><u>155,574</u></u>	<u><u>31,229</u></u>	<u><u>32,286</u></u>	<u><u>6,570</u></u>

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

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

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

#### 5. CASH AND DEPOSITS WITH BANKS

Cash and deposits with banks include deposits of 70,448 (31 December 2018: 89,514) with banks, which are held as collateral against Group's banking facilities. For the purposes of interim consolidated statement of cash flows, cash and cash equivalents are stated net of these deposits.

#### 6. RECEIVABLES AND OTHER DEBIT BALANCES

Receivable and other debit balances comprise the following:

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Amounts due from managed funds	43,514	30,188
Advances and deposits	12,242	11,590
Client related receivables	3,603	4,386
Asset held for sale (a)	7,751	7,751
Receivable against unsettled trades	28,468	9,450
Derivative financial asset	9,829	10,145
Prepayments	9,718	10,925
Reverse repurchase agreements (b)	8,419	5,338
Interest receivable	1,437	2,546
Other	11,350	12,015
	<u><u>136,331</u></u>	<u><u>104,334</u></u>

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 6. RECEIVABLES AND OTHER DEBIT BALANCES - continued

##### a) Asset held for sale

Includes value of a plot of land received as distribution in kind from an associate. The Group intends to sell the assets in the near term.

##### b) Reverse repurchase agreements

Represents assets arising out of repurchase agreements entered with financial institutions. Securities bought subject to these arrangements remains off-balance sheet and the deposit paid to the counterparty is included as asset.

#### 7. LOANS, ADVANCES AND FINANCE LEASES

Loans, advances and finance leases comprise the following:

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Loans and advances	253,836	256,210
Finance leases	187,714	162,244
Margin lending	131,786	209,200
	<u>573,336</u>	<u>627,654</u>

##### (a) Loans and advances

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Total loans and advances	535,298	487,298
Cumulative provision for impairment	(139,923)	(131,066)
Interest in suspense	(141,539)	(100,022)
	<u>253,836</u>	<u>256,210</u>

##### (b) Finance Leases

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Current finance lease receivables	120,320	104,257
Non-current finance lease receivables	91,809	82,877
Allowances for uncollectible lease payments	(24,415)	(24,890)
	<u>187,714</u>	<u>162,244</u>

##### (c) Margin lending

The Group extends margins to clients for the purpose of trading in quoted securities. These advances are short term in nature and are secured by the underlying securities held in custody by the Group. As at 30 June 2019, these underlying securities were valued at 316,829 (31 December 2018: 471,549). Provisions are made for the uncovered portion of margins. As at the end of the period, the cumulative provision is 53,275 (31 December 2018: 51,387).

Some of the underlying securities in an amount of 49,893 (31 December 2018: 55,070) are pledged under repurchase agreements with financial institutions.

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 8. INVESTMENTS IN SHUAA MANAGED FUNDS

Investments in SHUAA managed funds consist of the following:

	<b>30 June 2019 Unaudited</b>	<b>31 December 2018 Audited</b>
Associates	<b>82,696</b>	78,738
FVTPL	<b>16,646</b>	16,646
	<b>99,342</b>	95,384

##### Associates

The Group owns 27.0% (31 December 2018 – 27.0%) of SHUAA Hospitality Fund I L.P., a closed ended private equity investment fund registered as an exempted limited partnership in the Cayman Islands. The principal purpose of this fund is to undertake direct or indirect investments in hospitality development projects and existing hospitality properties to be managed by Rotana Hotel Management Corporation LLC in the MENA region. As a consequence of cross investment holdings by this fund the Group indirectly owns 26.3% (31 December 2018 – 26.3%) of SHUAA Saudi Hospitality Fund I, a closed ended investment fund regulated by the Capital Markets Authority in Saudi Arabia. The principal purpose of the SHUAA Saudi Hospitality Fund I, is to achieve long term capital growth through investing in hospitality related real estate in the Kingdom of Saudi Arabia.

#### 9. INVESTMENTS IN OTHER ASSOCIATES

The Group has the following investments in other associates:

	<b>30 June 2019 Unaudited</b>	<b>31 December 2018 Audited</b>
U.A.E.	<b>96,694</b>	97,643
G.C.C	<b>38,724</b>	39,067
	<b>135,418</b>	136,710

##### City Engineering LLC

City Engineering LLC is a limited liability company based in Sharjah U.A.E. and engaged in contracting activities.

##### Septech Holding Limited

Septech Holding Limited is a limited liability company, incorporated in Cayman Islands and based in Sharjah U.A.E, engaged in wastewater, water, marina and related infrastructure products and services.

##### ADCORP Limited

ADCORP Limited is a private company limited by shares incorporated in Abu Dhabi Global Market (ADGM) and authorized as an Islamic Financial Institution by Financial Services Regulatory Authority of ADGM.

##### Khaleeji Commercial Bank B.S.C

Khaleeji Commercial Bank B.S.C (“KHCB”) is a public shareholding company incorporated in Kingdom of Bahrain and is licensed by Central Bank of Bahrain to operate as Islamic retail bank.

#### 10. OTHER INVESTMENTS

Other investments comprise of the following:

	<b>30 June 2019 Unaudited</b>	<b>31 December 2018 Audited</b>
Investments held at fair value through profit or loss	<b>318,342</b>	399,616
Investments held at fair value through other comprehensive income	<b>194,603</b>	192,045
	<b>512,945</b>	591,661

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 10. OTHER INVESTMENTS - continued

##### a) Investments held at fair value through profit or loss

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

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Fixed income securities	126,942	179,890
Fund investments	126,892	128,497
Equity securities	64,508	91,229
	<u>318,342</u>	<u>399,616</u>

Included in fixed income securities is an amount of Nil (31 December 2018: 3,031) pledged under repurchase agreements with financial institutions.

Included in fund investments is Group's direct investment in a fund managed by Abraaj which is fully provided as of the period end. In addition, the Group's off balance sheet exposure to this fund held on behalf of its clients is 14,418.

##### b) Investments held at fair value through other comprehensive income

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

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Equity securities	191,609	189,023
Fund investments	2,994	3,022
	<u>194,603</u>	<u>192,045</u>

#### 11. DUE TO BANKS

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

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Repayable within twelve months	384,095	222,406
Repayable after twelve months	59,932	298,080
	<u>444,027</u>	<u>520,486</u>

The Group's banking facilities carry EIBOR/SIBOR based interest/profit rates plus a spread ranging between 2% and 5%. The Group's banking facilities are secured by a charge over certain of the Group's assets.

As at 30 June 2019, the Group had breached certain covenants on a banking facility. The Group had utilized 275,000 of this facility as at 30 June 2019 which was in breach and which has been classified as current for the purposes of the interim condensed consolidated financial information. Management at the reporting date have initiated discussions with the subject bank and is of the opinion that due to ongoing relationship with the bank, the non-compliance of these covenants will not impact the existing terms and conditions of the facility. Furthermore, management expects that post merger (Note 25) the Group will be in compliance with such covenants.

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 11. DUE TO BANKS – continued

At 30 June 2019, letters of guarantee on behalf of the Group amounting to 279,708 (31 December 2018: 281,515) 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.

#### 12. OTHER FINANCIAL LIABILITIES

Other financial liabilities mainly consist of unsecured investment notes payable carrying interest rate ranging between 5% to 9% and having maturity as follows:

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Repayable within twelve months	135,097	105,905
Repayable after twelve months	36,730	36,730
	<u>171,827</u>	<u>142,635</u>

#### 13. PAYABLES AND OTHER CREDIT BALANCES

Payable and other credit balances comprise the following:

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Payable to clients	426,071	257,026
Payable against unsettled trades	3,081	-
Dividends payable	33,488	33,488
Repurchase agreements (a)	37,159	49,188
FVTPL liabilities	51,036	8,559
Supplier payables	2,115	10,852
Acquisition of subsidiaries	61,549	90,458
End of service benefits	15,079	14,525
Accruals	19,104	14,670
Provisions	4,630	3,682
Interest/profit payable	13,144	9,552
Lease liabilities	13,776	-
Other payables	8,710	32,948
	<u>688,942</u>	<u>524,948</u>

##### a) Repurchase agreements

Represents liabilities arising out of repurchase agreements entered with financial institutions. Securities sold subject to repurchase agreements are disclosed as pledged assets (refer Note 10 and Note 7c) when the transferee has the right by contract or custom to sell or re-pledge the collateral; the deposits received from the counterparty is included as liability.

#### 14. TREASURY SHARES

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Number of shares	28,107,748	28,107,748
Shares as percentage of total shares in issue	2.6%	2.6%
Cost of shares	31,129	31,129
Market value of shares	26,787	23,014



## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 15. INVESTMENT REVALUATION RESERVE

	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
Balance at beginning of the period	(18,663)	(1,000)
Impact of adopting IFRS 9 as of 1 January 2018	-	1,000
Balance at 1 January (Adjusted opening as per IFRS 9)	(18,663)	-
Net movement in fair values during the period	2,456	-
Balance at end of the period	<u>(16,207)</u>	<u>-</u>

#### 16. GAINS FROM INVESTMENTS IN SHUAA MANAGED FUNDS

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

	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
Investments held at FVTPL	-	1,277
Associates	3,958	5,847
	<u>3,958</u>	<u>7,124</u>

#### 17. GAINS/(LOSSES) FROM OTHER INVESTMENTS, INCLUDING OTHER ASSOCIATES

Gains and losses from other investments, including other associates are detailed as follows:

	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
Other associates	(1,292)	21,448
Other investments Held at FVTPL	1,604	16,356
	<u>312</u>	<u>37,804</u>

#### 18. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share have been computed using the net (loss)/profit attributable to the equity holders of the Parent (56,511) (30 June 2018: 26,295) divided by the weighted average number of ordinary shares outstanding 1,036,892,252 (30 June 2018: 1,062,651,996).

Diluted earnings per share as of 30 June 2019 and 30 June 2018 are equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 19. 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 due to/from were as follows:

	<b>30 June 2019 Unaudited</b>	<b>31 December 2018 Audited</b>
Receivables and other debit balances		
Associates	1,656	3,584
Key management personnel	-	315
Other related parties	10,368	10,715
Loans and advances		
Associates	11,429	11,429
Other related parties	119,645	113,547
Investments in SHUAA managed funds - Associates	82,696	78,738
Other investments including associates	268,142	268,073

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

	<b>30 June 2019 Unaudited</b>	<b>31 December 2018 Audited</b>
Payables and other financial liabilities		
Other related parties	119,539	163,670

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

	<b>1 January to 30 June 2019 (6 months) Unaudited</b>	<b>1 January to 30 June 2018 (6 months) Unaudited</b>
Gains from investments in SHUAA managed funds		
Associates and other related parties	3,958	5,847
Gains from other investments		
Associates and other related parties	528	26,866
Fees, commission and other income		
Associates and other related parties	300	3,610
Interest income		
Other related parties	3,246	92
Interest expense		
Other related parties	(4,471)	(4,797)
General and administrative expenses		
Other related parties	(4,875)	-

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 19. RELATED PARTY TRANSACTIONS – continued

Compensation of the key management personnel is as follows:

	<i>1 January to 30 June 2019 (6 months) Unaudited</i>	<i>1 January to 30 June 2018 (6 months) Unaudited</i>
Short term employee benefits	<u>(6,681)</u>	<u>(6,423)</u>

#### 20. SEGMENTAL INFORMATION

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

**Asset Management** manages real estate hospitality funds and projects in KSA and UAE. It also manages investment portfolios and funds in regional equities, fixed income and credit markets. Equities products span across fourteen regional stock exchanges. SHUAA Asset Management offers regional and foreign investors gateways for investment in the GCC and Arab stock markets. SHUAA Asset Management manages conventional equity and Shariah compliant portfolios and investment funds using both active and passive management styles. It also manages private equity funds.

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

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

**Lending** activities are conducted by Gulf Finance Corporation PJSC and Gulf Finance Company CJSC, which are primarily engaged in asset-based lending with a primary focus on Small and Medium Enterprises finance.

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

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 20. SEGMENTAL INFORMATION - continued

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

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

	1 January 2019 to 30 June 2019 (6 months) Unaudited					
	Asset Management	Investment Banking	Capital Markets	Lending	Corporate	Total
Interest income	381	-	6,474	16,026	7,377	30,258
Net fees and commissions	9,124	3,489	43,221	3,248	3,241	62,323
Trading income	-	-	6,394	-	-	6,394
Gains from investments in SHUAA managed funds	-	-	-	-	3,958	3,958
<b>Total revenues</b>	<b>9,505</b>	<b>3,489</b>	<b>56,089</b>	<b>19,274</b>	<b>14,576</b>	<b>102,933</b>
General & administrative expenses	(8,296)	(2,863)	(40,075)	(16,187)	(28,602)	(96,023)
Interest expenses	(61)	(21)	(1,588)	(2,777)	(25,471)	(29,918)
Depreciation and amortisation	(547)	(81)	(6,246)	(2,029)	(1,252)	(10,155)
Provisions and allowances for impairment - net	(4,232)	-	(411)	(11,023)	(2,653)	(18,319)
<b>Total expenses</b>	<b>(13,136)</b>	<b>(2,965)</b>	<b>(48,320)</b>	<b>(32,016)</b>	<b>(57,978)</b>	<b>(154,415)</b>
<b>Net profit/(loss) before (losses)/gains from other investments</b>	<b>(3,631)</b>	<b>524</b>	<b>7,769</b>	<b>(12,742)</b>	<b>(43,402)</b>	<b>(51,482)</b>
Gains/(losses) from other investments	-	-	1,816	(385)	(1,119)	312
<b>Profit/(loss) for the period</b>	<b>(3,631)</b>	<b>524</b>	<b>9,585</b>	<b>(13,127)</b>	<b>(44,521)</b>	<b>(51,170)</b>
<b>Attributable to:</b>						
Equity holders of the Parent	(3,631)	524	4,215	(13,127)	(44,492)	(56,511)
Non controlling interests	-	-	5,370	-	(29)	5,341
	<b>(3,631)</b>	<b>524</b>	<b>9,585</b>	<b>(13,127)</b>	<b>(44,521)</b>	<b>(51,170)</b>

	30 June 2019 Unaudited					
	Asset Management	Investment Banking	Capital Markets	Lending	Corporate	Total
<b>Assets</b>	69,510	343	904,451	324,568	881,015	2,179,887
<b>Liabilities</b>	5,438	-	453,627	185,066	660,665	1,304,796



## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 21. GEOGRAPHICAL SEGMENTATION

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

	UAE	GCC Other	MENA Other	North America	Europe	Asia Other	Total
Cash and deposits with banks	461,571	95,778	7,870	1,174	21,430	3,877	591,700
Receivables and other debit balances	82,685	39,199	14,213	-	189	45	136,331
Loans, advances and finance leases	325,474	195,714	33,146	-	-	19,002	573,336
Investments in SHUAA managed funds	-	99,342	-	-	-	-	99,342
Investments in third party associates	96,694	38,724	-	-	-	-	135,418
Other investments	392,777	41,006	6,552	30,309	31,320	10,981	512,945
Property and equipment	32,504	10,842	2,146	-	1,297	-	46,789
Goodwill and other intangibles	48,879	27,323	1,165	-	6,659	-	84,026
<b>Total Assets – 30 June 2019 (Unaudited)</b>	<b>1,440,584</b>	<b>547,928</b>	<b>65,092</b>	<b>31,483</b>	<b>60,895</b>	<b>33,905</b>	<b>2,179,887</b>
Total Assets – 31 December 2018 (Audited)	1,325,203	637,836	70,219	30,963	29,297	24,307	2,117,825

#### 22. MATURITY PROFILE

The maturity profile of assets and liabilities as of 30 June 2019, determined on the basis of the remaining contractual maturity is as follows. Where assets have no contractual maturity date (\*), management have made an estimate of the maturity date based on the liquidity of the asset and their intention.

	Less than 3 Months	3-12 Months	Sub total Less than a year	1-5 Years	Over 5 years	Grand total
Cash and deposits with banks	521,252	-	521,252	70,448	-	591,700
Receivables and other debit balances	72,655	57,322	129,977	6,354	-	136,331
Loans, advances and finance leases	109,319	258,522	367,841	205,495	-	573,336
Investments in SHUAA managed funds*	-	-	-	99,342	-	99,342
Investments in third party associates*	-	38,724	38,724	96,694	-	135,418
Other investments*	96,087	205,004	301,091	211,854	-	512,945
Property and equipment*	-	-	-	46,789	-	46,789
Goodwill and other intangible assets*	-	-	-	84,026	-	84,026
<b>Total Assets</b>	<b>799,313</b>	<b>559,572</b>	<b>1,358,885</b>	<b>821,002</b>	<b>-</b>	<b>2,179,887</b>
Due to banks	34,239	349,856	384,095	59,932	-	444,027
Other financial liabilities	49,191	85,906	135,097	36,730	-	171,827
Payables and other credit balances	518,560	99,377	617,937	71,005	-	688,942
Equity	-	-	-	-	875,091	875,091
<b>Total Liabilities and Equity</b>	<b>601,990</b>	<b>535,139</b>	<b>1,137,129</b>	<b>167,667</b>	<b>875,091</b>	<b>2,179,887</b>
<b>Net liquidity gap</b>	<b>197,323</b>	<b>24,433</b>	<b>221,756</b>	<b>653,335</b>	<b>(875,091)</b>	<b>-</b>
<b>Cumulative liquidity gap – 30 June 2019 (Unaudited)</b>	<b>197,323</b>	<b>221,756</b>	<b>221,756</b>	<b>875,091</b>	<b>-</b>	<b>-</b>
Cumulative liquidity gap – 31 December 2018 (Audited)	464,678	514,497	514,497	929,756	-	-

## SHUAA Capital psc

### Notes to the Interim Condensed Consolidated Financial Information For the period ended 30 June 2019

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

#### 23. COMMITMENTS AND CONTINGENT LIABILITIES

The Group had the following outstanding commitments and contingent liabilities:

	<i>30 June 2019 Unaudited</i>	<i>31 December 2018 Audited</i>
Contingent liabilities		
Performance guarantees	8,987	9,533
Other	16,627	16,627
	<u>25,614</u>	<u>26,160</u>

Performance guarantees issued are regarded as unlikely to crystallise as a liability.

The Group reviewed the contingent liabilities and current legal cases and has sufficiently provided for any future losses that might arise. Other contingent liability consist of zakat / tax claimed from the Group by tax authorities in the Kingdom of Saudi Arabia for the years 2008-2013. The Group has filed an appeal against this claim and Group's management and tax advisors believe that the outcome of the claim will be in favor of the Group. Accordingly, the Group's management believe that provisions recorded against any tax exposure is sufficient.

	<i>30 June 2019</i>	<i>31 December 2018</i>
Commitments		
SHUAA managed funds	-	67,199
Other	99,171	147,008
	<u>99,171</u>	<u>214,207</u>

#### 24. CLIENTS' FUNDS UNDER MANAGEMENT

As at 30 June 2019, clients' assets amounting to 4.3 billion (31 December 2018: 4.9 billion) were managed in a fiduciary capacity, without risk or recourse to the Group. These funds are off balance sheet items and do not constitute part of the Group's assets.

#### 25. OTHER INFORMATION

Subsequent to the period end, SHUAA Capital psc General Assembly held on 11 July 2019 approved the proposed merger with Abu Dhabi Financial Group LLC ("ADFG"). And after receiving required regulatory approvals, on 1 August 2019 the Company completed the merger by issuing 1,470,720,000 new shares of AED 1 nominal value each to the shareholders of ADFG.