

Earnings Release

10 August 2017

SHUAA Capital Half Yearly Profits Highest Since 2009

- Group achieves 124% growth in profits quarter on quarter reaching AED 12.1 million (Q2 2016: net loss of AED 50.8 million)
- Half yearly profits increase 147% to reach AED 36.8 million (H1 2016 net loss of AED 78.3 million)
- Significant fall in provisions continues
- Restructuring and streamlining of business segments complete
- Regional expansion of real estate and brokerage units on high priority

Continuing the streak of achievements as part of the revival of its legacy across the Middle East and North African financial sector, SHUAA Capital, the region's oldest integrated financial services firm today announces its financial results for the period ending June 30, 2017, delivering its second consecutive profitable quarter, and highest half-yearly results since 2009.

The second quarter of 2017 saw SHUAA Capital reporting a 124% increase in net profit, reaching AED 12.1 million (Q2 2016: net loss of AED 50.8 million), with the continued swing back to profitability driven by proprietary investments, advisory transactions and management fees of real estate funds. For the six months ending June 30, 2017, the firm reported a net profit of AED 36.8 million, compared to losses in the corresponding period of last year (H1 2016: net loss of AED 78.3 million).

Total revenues in the second quarter of 2017 were AED 30.4 million (Q2 2016: AED 44.6 million, while total revenues for the first half of 2017 stood at AED 62.2 million (H1 2016: AED 90.1 million)

Income from proprietary investments during the same period reached AED 22 million, while provisions reduced significantly to AED 11 million compared with the corresponding period of 2016 (Q2 2016: AED 57 million). General and Administrative expenses stood at AED 17.8 million (Q2 2016: AED 30.5 million).

Fawad Tariq-Khan, General Manager of SHUAA Capital, said, "Our focus during the first six months of the year was two-fold, first to reinforce the foundations of the Group, and second to refocus and streamline our operations to create synergies across the business and with external partners. SHUAA Capital's healthy performance in 2017 is evidence that we are on the right path, and gives us a solid platform to build upon in the second half of the year."

The performance of SHUAA Capital's investment banking operations was a notable highlight during the second quarter of 2017. The firm was assigned as lead manager and underwriter for Dar Al Takaful's AED 50 million rights issue, co-lead manager for the US\$105 million Initial Public Offering of ENBD REIT, while other buy-sell side advisory transactions are in the pipeline for the third quarter of this year. On a capital markets front, the first half of the year saw SHUAA as the biggest and most active Market Maker in the UAE, engaging with all three markets, the Dubai Financial Market, the Abu Dhabi Securities Exchange and Nasdaq Dubai, with plans for further regional expansion of this specialized service.

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Cautionary Statement Regarding Forward-Looking Information:

This document contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "anticipate," "aspire," "intend," "plan," "goal," "objective," "seek," "believe," "project," "estimate," "expect," "forecast," "strategy," "target," "trend," "future," "likely," "may," "should," "will" and similar references to future periods.

Examples of forward-looking statements include, among others, statements we make regarding:

- *Expected operating results, such as revenue growth and earnings.*
- *Anticipated levels of expenditures and uses of capital*
- *Current or future volatility in the capital and credit markets and future market conditions.*

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: Our ability to maintain adequate revenue levels and cost control; economic and financial conditions in the global markets and regional markets in which we operate, including volatility in interest rates, commodity and equity prices and the value of assets; the implementation of our strategic initiatives, including our ability to effectively manage the redeployment of our balance sheet and the expansion of our strategic businesses; the reliability of our risk management policies, procedures and methods; continued volatility in the capital or credit markets; geopolitical events; developments and changes in laws and regulations, including increased regulation of the financial services industry through legislative action and revised rules and standards applied by our regulators.

Any forward-looking statement made by us in this document and presentation is based only on information currently available to us and speaks only as of the date on which it is made. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise.



SHUAA Capital psc ('SHUAA') offers client-centric, fully integrated financial services. SHUAA, headquartered in Dubai, United Arab Emirates, services corporate and institutional clients as well as family businesses and high-net-worth individuals with expertise in the areas of asset management, investment banking advisory services, capital markets and credit. SHUAA was established in 1979 by Emiri decree No. 6. SHUAA is a public shareholding company, regulated as a financial investment company by the UAE Central Bank, and its stocks are listed on the Dubai Financial Market. www.shuaa.com

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