

# Earnings Release

05 November 2017

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## **SHUAA Capital reports highest profit since 2007 Group's third consecutive profitable quarter this year**

- Maintains transformative trajectory in Q3 2017 with profits reaching AED 23 million, up 165% quarter-on-quarter
- Profitability driven by strong results in real estate asset management and credit businesses
- SHUAA year to date profit stands at AED 60 million

SHUAA Capital today reports its financial results for the quarter ended 30 September 2017. The Group recorded profits for the third consecutive quarter as its turnaround under the new Board and executive management team continued. The third quarter saw net profits reach the AED 23 million mark, an increase of 165% on the same period of last year (Q3 2016: net loss of AED 35 million). Year to date, net profits stood at AED 60 million (YTD 2016: net loss of AED 114 million), thus beating every previous years' annual earnings level since 2007. SHUAA's re-emergence as a main player in the region's financial sector since January 2017 was driven by its new shareholder Abu Dhabi Financial Group.

The firm's real estate Asset Management and credit business lines reported particularly strong performance for the three months ending 30 September, 2017, with profits of AED 6.3 million (Q3 2016: AED 0.7 million) and AED 15.7 million (Q3 2016: loss AED 38.6 million) respectively.

Building on the success of its real estate business in the Saudi Arabian market, which has managed hospitality funds and the development of large scale projects for the past eight years, SHUAA recently activated real estate asset management operations in its home UAE market. The quarter witnessed the unveiling of plans to manage the development of a AED 1.5 billion mixed-use tower called the 'Dubawi', located on Sheikh Zayed Road.

Fawad Tariq-Khan, General Manager of SHUAA Capital said, "We are proud to have completed the initial building blocks required to return SHUAA to sustainable profitability. With a strong and efficient business model now in place, our focus on innovation and differentiation is delivering real value. From our operations and affiliations in the UAE, to our growing presence and partnerships in Saudi Arabia and beyond, SHUAA is rebuilding a network to deliver competitive advantages in the region".

The Group's credit business, comprising Gulf Finance UAE and its Shari'ah-compliant arm Gulf Finance Saudi Arabia, have benefitted significantly from the turnaround strategy, which has helped them swiftly restructure, consolidate and emerge from losses. The two companies now focus solely on asset-backed lending facilities, and have once again attained optimum operational effectiveness.

Fawad added: "Our operations are now stream-lined and we are actively looking for growth in the Middle East and North Africa region through both organic expansion and acquisitions."

The third quarter witnessed a series of milestones by SHUAA's various divisions, including a planned expansion of its securities brokerage business to include the Egyptian market with an active office in Cairo being launched in Q4. SHUAA's Capital Markets division continues to break grounds and is building on its strength in the Market Making space where it continues to dominate trading volumes and market share.

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*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.*
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**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](http://www.shuaa.com)

**For further information, please contact:**

**Mohamed Tahboub**

Head of Investor Relations, Corporate Communications & Marketing

Tel: +971 4 3651 872

[ccdesk@SHUAA.com](mailto:ccdesk@SHUAA.com)