

Dubai Financial Market P.J.S.C (DFM)

**Review report and condensed consolidated
interim financial information for the
three month period ended 31 March 2015**

Dubai Financial Market P.J.S.C. (DFM)

Review report and condensed consolidated interim financial information for the three month period ended 31 March 2015

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Review report on condensed consolidated interim financial information

To the Board of Directors of
Dubai Financial Market P.J.S.C. (DFM)
Dubai, U.A.E.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Financial Market (DFM) P.J.S.C. (the 'Company') and its subsidiaries (together referred to as "the Group") as of 31 March 2015 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34")". Our responsibility is to express a conclusion on this interim 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers
26 April 2015

Paul Suddaby
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Condensed consolidated interim statement of financial position as at 31 March 2015

	Note	As at 31 March 2015 AED'000 (Un-audited)	As at 31 December 2014 AED'000 (Audited)
ASSETS			
Non-current assets			
Goodwill			
Other intangible assets	6	2,878,874	2,878,874
Property and equipment	6	2,368,704	2,384,295
Other financial assets measured at fair value through other comprehensive income (FVTOCI)		16,012	15,269
Investment deposits	7	675,894	718,060
	8	793,508	742,168
Total non-current assets		6,732,992	6,738,666
Current assets			
Prepaid expenses and other receivables	10	108,945	27,172
Investment deposits	8	1,427,648	2,038,101
Cash and bank balances	11	258,094	198,208
Total current assets		1,794,687	2,263,481
Total assets		8,527,679	9,002,147
EQUITY AND LIABILITIES			
Equity			
Share capital			
Treasury shares	12	8,000,000 (4,364)	8,000,000 (4,364)
Investment revaluation reserve - FVTOCI		7,995,636	7,995,636
Statutory reserve	13	(731,123)	(693,199)
Retained earnings	13	354,929	354,929
		265,489	755,917
Equity attributable to owners of the Company		7,884,931	8,413,283
Non controlling interest		17,739	17,354
Total equity		7,902,670	8,430,637
Non-current liabilities			
Subordinated loan			
Provision for employees' end of service indemnity	9	23,539	23,282
		12,422	12,006
Total non-current liabilities		35,961	35,288
Current liabilities			
Payables and accrued expenses	14	558,982	501,484
Dividends payable		24,240	29,256
Due to related parties	9	5,826	5,482
Total current liabilities		589,048	536,222
Total liabilities		625,009	571,510
Total equity and liabilities		8,527,679	9,002,147

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The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of income (Un-audited)
for the three month period ended 31 March 2015**

	Note	Three month period ended 31 March	
		2015 AED'000	2014 AED'000
Revenues			
Trading commission fees		85,313	230,374
Brokerage fees		3,495	3,249
Ownership transfer and mortgage fees		4,318	5,406
Other fees		6,109	3,794
Operating income		99,235	242,823
Investment income		17,640	13,789
Other income		428	899
Total income		117,303	257,511
Expenses			
General and administrative expenses		(33,339)	(27,046)
Amortisation of intangible assets	6	(15,591)	(15,591)
Interest expense		(257)	(246)
Total expenses		(49,187)	(42,883)
Net profit for the period		68,116	214,628
Attributable to:			
Owners of the Company		67,731	215,096
Non-controlling interest		385	(468)
		68,116	214,628
Earnings per share - AED	15	0.008	0.027

The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of comprehensive income
(Un-audited) for the three month period ended 31 March 2015**

	Three month period ended 31 March	
	2015 AED'000	2014 AED'000
Net profit for the period	68,116	214,628
Items that will not be re-classified to the condensed consolidated interim income statement		
Fair value changes on financial assets measured at fair value through other comprehensive income (FVTOCI)	(36,379)	97,408
Total comprehensive income for the period	31,737	312,036
Attributable to:		
Owners of the Company	31,352	312,504
Non-controlling interest	385	(468)
Total comprehensive income for the period	31,737	312,036

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Condensed consolidated interim statement of changes in equity (Un-audited) for the three month period ended 31 March 2015

	Share capital AED'000	Treasury shares AED'000	Investments revaluation reserve FVTOCI AED'000	Statutory reserve AED'000	Retained earnings AED'000	Attributable to owners of the company AED'000	Non- controlling interest AED'000	Total AED'000
As at 1 January 2014	8,000,000	(4,364)	(789,102)	278,998	449,684	7,935,216	16,838	7,952,054
Net profit for the period	-	-	-	-	215,096	215,096	(468)	214,628
Other comprehensive income for the period	-	-	97,408	-	-	97,408	-	97,408
Total comprehensive income for the period	-	-	97,408	-	215,096	312,504	(468)	312,036
Appropriation of non-sharia compliant income (Note 18)	-	-	-	-	(15,697)	(15,697)	-	(15,697)
Dividends declared, net of appropriation of non-sharia compliant income (Note 12)	-	-	-	-	(353,604)	(353,604)	-	(353,604)
As at 31 March 2014	8,000,000	(4,364)	(691,694)	278,998	295,479	7,878,419	16,370	7,894,789
As at 1 January 2015	8,000,000	(4,364)	(693,199)	354,929	755,917	8,413,283	17,354	8,430,637
Net profit for the period	-	-	-	-	67,731	67,731	385	68,116
Other comprehensive income for the period	-	-	(36,379)	-	-	(36,379)	-	(36,379)
Total comprehensive income for the period	-	-	(36,379)	-	67,731	31,352	385	31,737
Appropriation of non-sharia compliant income (Note 18)	-	-	-	-	(29,646)	(29,646)	-	(29,646)
Dividends approved, net of appropriation of non-sharia compliant income (Note 12)	-	-	-	-	(530,058)	(530,058)	-	(530,058)
Realised gain on disposal of investments	-	-	(1,545)	-	1,545	-	-	-
As at 31 March 2015	8,000,000	(4,364)	(731,123)	354,929	265,489	7,884,931	17,739	7,902,670

The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of cash flows (Un-audited)
for the three month period ended 31 March 2015**

	Note	Three month period ended 31 March	
		2015 AED'000	2014 AED'000
Cash flows from operating activities			
Net profit for the period		68,116	214,628
Adjustments for:			
Depreciation of property and equipment		1,733	1,329
Provision for employees' end of service indemnity		505	680
Amortisation of intangible assets	6	15,591	15,591
Interest expense	9	257	246
Income on investment deposits		(10,697)	(9,575)
Dividend income		(6,943)	(4,214)
Operating cash flow before changes in operating assets and liabilities		68,562	218,685
Increase in prepaid expenses and other receivables		(78,802)	(218)
Increase in due to a related party		344	438
Increase in payables and accrued expenses		57,499	259,040
Cash generated from operations		47,603	477,945
Employees' end of service indemnity paid		(89)	(83)
Net cash generated from operating activities		47,514	477,862
Cash flows from investing activities			
Purchase of property and equipment		(2,476)	(557)
Net investment deposits	8	160,452	(60,946)
Redemption / sale of investments		5,778	-
Investment deposit income received		6,578	6,145
Dividend received		6,760	4,214
Net cash generated from/ (used in) investing activities		177,092	(51,144)
Cash flows from financing activities			
Dividends paid to shareholders	12	(535,074)	(353,611)
Distribution of non-sharia compliant income to shareholders	12,18	(29,646)	(46,186)
Net cash used in financing activities		(564,720)	(399,797)
Net (decrease)/ increase in cash and cash equivalents		(340,114)	26,921
Cash and cash equivalents at the beginning of the period		687,258	426,679
Cash and cash equivalents at the end of the period	11	347,144	453,600

The accompanying notes on pages 7 to 21 form an integral part of this condensed consolidated interim financial information.

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015**

1 Establishment and operations

Dubai Financial Market (DFM) - PJSC (the "Company") is a public joint stock company incorporated in the Emirate of Dubai – United Arab Emirates, pursuant to decree No. 62 for the year 2007 issued by the Ministry of Economy on February 6, 2007, and is subject to the provisions of the U.A.E. Federal law No. 8 for the year 1984 and its amendments.

The licensed activities of the Company are trading in financial instruments, acting as commercial, industrial and agricultural holding and trust company, financial investment consultancy, and brokerage local and foreign shares and bonds. In accordance with its Articles of Association, the Company complies in all its activities, operations and formalities with the provisions of Islamic Shari'a and shall invest its entire fund in accordance with these provisions.

The Company's shares are listed on the Dubai Financial Market ("DFM").

The Company currently operates the Dubai stock exchange, related clearing house and carries out investment activities on its own behalf.

The registered address of the Company is Dubai World Trade Center, Sheikh Zayed Road, P.O. Box 9700, Dubai.

The ultimate parent and controlling party is the Government of Dubai which owns 79.63 % of DFM through Borse Dubai Limited (the "parent"), a Government of Dubai entity.

The condensed consolidated interim financial information incorporate the financial information of Dubai Financial Market (DFM) - (PJSC) and its subsidiaries (together the "Group"). Details of the subsidiaries are as follows:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held %</u>
NASDAQ Dubai Limited*	Electronic Financial Market	U.A.E.	67%

NASDAQ Dubai Limited has the following subsidiary:

<u>Company name</u>	<u>Activity</u>	<u>Country of incorporation</u>	<u>Ownership held %</u>
NASDAQ Dubai Guardian Limited	Bare nominee solely on behalf of NASDAQ Dubai Limited	U.A.E.	100%

* The remaining 33 % is held by Borse Dubai Limited (Note 16).

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

2 Summary of significant accounting policies

2.1 Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (IAS) No. 34: Interim Financial Reporting.

This condensed consolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2014. In addition, results for the three month period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

The same accounting policies, presentation and methods of computation have been followed in the condensed consolidated financial information as were applied in the preparation of the Group's financial statements for the year ended 31 December 2014.

This condensed consolidated financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments at FVTOCI.

The condensed consolidated financial information is prepared and presented in United Arab Emirates Dirham (AED) which is the Group's functional and presentation currency and are rounded off to the nearest thousands ("000") unless otherwise indicated.

2.2 New and revised IFRSs effective for accounting periods beginning 1 January 2015

(a) New and amended standards adopted by the Group

Standards and amendments to published standards effective for the Group's accounting period beginning on 1 January 2015

The following applicable new standards and amendments to an existing standards have been published and are effective for the Group's accounting periods beginning on 1 January 2015.

Annual improvements 2012 (Effective date – 1 July 2014)

These annual improvements amend standards from the 2010 - 2012 reporting cycle. It includes changes to:

- IFRS 8, 'Operating segments' which is amended to require disclosure of the judgments made by management in applying the aggregation criteria to operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.
- IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.
- IAS 24, 'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

2 Summary of significant accounting policies (continued)

**2.2 New and revised IFRSs effective for accounting periods beginning 1 January 2015
(continued)**

(a) New and amended standards adopted by the Group (continued)

**Standards and amendments to published standards effective for the Group's accounting
period beginning on 1 January 2015 (continued)**

IAS 19, Defined benefit plans: Employee contributions (Effective date – 1 July 2014)

The amendment clarifies the accounting by entities with plans that require contributions linked only to service in each period. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employees' working lives.

The impact of the above amendments to existing standards will not have any significant impact on the Group's condensed consolidated interim financial statements or its consolidated financial statements for the year ending 31 December 2015.

**Standards, amendments and interpretations issued but not yet effective for the Group's
accounting period beginning on 1 January 2015 and not early adopted**

Amendments to IAS 1, 'Presentation of financial statements' (Effective date 1 January 2016)

The amendments clarify that it may be necessary to disaggregate some of the line items specified in IAS 1 paragraphs 54 (statement of financial position) and 82 (profit or loss). That disaggregation is required where it is relevant to an understanding of the entity's financial position or performance.

Annual improvements 2014 (Effective date 1 July 2016)

These annual improvements amend standards from the 2012 - 2014 reporting cycle. It includes changes to:

- IFRS 7, 'Financial instruments: Disclosures' – The amendment related to servicing contracts requires that if an entity transfers a financial asset to a third party under conditions which allow the transferor to derecognise the asset, IFRS 7 requires disclosure of all types of continuing involvement that the entity might still have in the transferred assets.
- IAS 19, 'Employee benefits' – The amendment clarifies, when determining the discount rate for post-employment benefit obligations, that it is the currency that the liabilities are denominated in that is important, not the country where they arise.

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

2 Summary of significant accounting policies (continued)

**2.2 New and revised IFRSs effective for accounting periods beginning 1 January 2015
(continued)**

(a) New and amended standards adopted by the Group (continued)

**Standards, amendments and interpretations issued but not yet effective for the Group's
accounting period beginning on 1 January 2015 and not early adopted (continued)**

■ IAS 34, 'Interim financial reporting', regarding information disclosed elsewhere in the interim financial report. The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment further amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information. The amendment is retrospective.

IFRS 15, 'Revenue from contracts with customers' (Effective date 1 January 2017)

This standard replaces IAS 11, 'Construction contracts', IAS 18, 'Revenue' and related interpretations. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

IFRS 9 'Financial Instruments' (Effective date 1 January 2018)

The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss.

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

2 Summary of significant accounting policies (continued)

**2.2 New and revised IFRSs effective for accounting periods beginning 1 January 2015
(continued)**

(a) New and amended standards adopted by the Group (continued)

**Standards, amendments and interpretations issued but not yet effective for the Group's
accounting period beginning on 1 January 2015 and not early adopted (continued)**

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. Earlier application is permitted. If an entity elects to early apply it must apply all of the requirements at the same time with the following exception: Entities with a date of initial application before 1 February 2015 continue to have the option to apply the standard in phases. The Group has early adopted the November 2009 classification and measurement version of IFRS 9. Since this adoption was before 1 February 2015, the Group is not required to early adopt the phases pertaining to impairment and hedging issued in July 2014. Accordingly, the Group continues to apply the impairment provisions of IAS 39.

Management is yet to assess the impact of the impact of the above new standards and amendments to existing standards issued but not yet effective for the Group's accounting period beginning on 1 January 2015 on the Group's condensed consolidated interim financial statements or its consolidated financial statements for the year ending 31 December 2015.

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

3 Basis of consolidation

The condensed consolidated interim financial information incorporates the interim financial information of the Company and the entities controlled by the Group (its subsidiaries) (together the "Group"). The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The results of subsidiaries acquired during the period are included in the condensed consolidated interim statement of income from the effective date of acquisition.

Where necessary, adjustments are made to the condensed consolidated interim financial statements of the subsidiaries to bring the accounting policies in line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

4 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended 31 December 2014.

5 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2014.

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

6 Intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000	Relationships with market participants (Brokers) AED'000	Total AED'000
Cost				
At 1 January 2014 and 2015	2,878,874	2,824,455	58,744	5,762,073
At 31 March 2014 and 2015	<u>2,878,874</u>	<u>2,824,455</u>	<u>58,744</u>	<u>5,762,073</u>
Amortisation				
At 1 January 2015	-	451,912	46,992	498,904
Charge for the period	-	14,122	1,469	15,591
At 31 March 2015	<u>-</u>	<u>466,034</u>	<u>48,461</u>	<u>514,495</u>
At 1 January 2014	-	395,423	41,118	436,541
Charge for the period	-	14,122	1,469	15,591
At 31 March 2014	<u>-</u>	<u>409,545</u>	<u>42,587</u>	<u>452,132</u>
Carrying amount				
As at 31 March 2015	<u>2,878,874</u>	<u>2,358,421</u>	<u>10,283</u>	<u>5,247,578</u>
As at 31 March 2014	<u>2,878,874</u>	<u>2,414,910</u>	<u>16,157</u>	<u>5,309,941</u>
As at 31 December 2014	<u>2,878,874</u>	<u>2,372,543</u>	<u>11,752</u>	<u>5,263,169</u>

There was no evidence of impairment of the goodwill at 31 March 2015 based on the performance of the Company and on the basis that the fair value of the business, based on the Company's quoted market price at 31 March 2015, was in excess of its net assets at that date.

7 Other financial assets measured at fair value through other comprehensive income (FVTOCI)

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Investment in equity securities	358,208	386,707
Managed funds – Note (a)	<u>317,686</u>	<u>331,353</u>
	<u>675,894</u>	<u>718,060</u>

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

**7 Other financial assets measured at fair value through other
comprehensive income (FVTOCI) (continued)**

Investments by geographic concentration are as follows:

- Within U.A.E.	628,270	669,212
- Outside U.A.E.	47,624	48,848
	<u>675,894</u>	<u>718,060</u>

(a) Managed funds include funds of AED 274.3 million (31 December 2014: AED 286.8 million) managed by a shareholder of the parent (Note 9).

8 Investment deposits

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Current:		
Investment deposits maturing in less than three months	777,050	708,021
Investment deposits maturing up to 1 year but more than 3 months – Note (a)	650,598	1,330,080
	<u>1,427,648</u>	<u>2,038,101</u>
Non-current:		
Investment deposits maturing above 1 year	793,508	742,168
	<u>2,221,156</u>	<u>2,780,269</u>

- (a) Investment deposits are placed with financial institutions in the UAE, and carry profit rates ranging from 1% to 6.75% (31 December 2014: 1% to 5.5%) per annum.
- (b) An investment deposit of AED 136.73 million (31 December 2014: AED 136.73 million) has been pledged as collateral against unutilised bank overdraft facilities provided to the Group.
- (c) Investment deposits maturing in less than three months include an amount of AED 89.05 million (31 December 2014: AED 489.05 million) with original maturities not exceeding three months (Note 11).

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

9 Related party transactions and balances

Related parties comprise companies under common ownership or management, key management, businesses controlled by shareholders and directors as well as businesses over which they exercise significant influence. During the period, the Group entered into transactions with related parties in the ordinary course of business. The transactions with related parties and balances arising from these transactions are as follows:

Transactions during the period	Three month period ended 31 March	
	2015 AED'000 (Un-audited)	2014 AED'000 (Un-audited)
<i>Fellow Subsidiaries</i>		
Investment income	4,477	5,541
Interest expense	257	246
<i>Associates</i>		
Investment income	3,466	857
Rent – Dubai World Trade Centre	2,364	1,909
The remuneration of directors and other members of key management during the period were as follows:		
Compensation of key management personnel	Three month period ended 31 March	
	2015 AED'000 (Un-audited)	2014 AED'000 (Un-audited)
Short-term benefits	2,975	2,560
General pension and social security	233	175
Board of Directors		
- Remuneration to the NASDAQ Dubai Board	234	217
- Remuneration to the DFM Board	1,800	-
- Meeting allowance for the Group	454	358
Balances	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Due from related parties		
<i>Parent</i>		
Investment deposits (Note 8)	-	50,452
Accrued income on investment deposits	-	552
<i>Other related parties</i>		
Managed funds (Note 7)	274,331	286,776
Other financial assets at FVTOCI	93,042	103,546
Cash and bank balances	226,509	171,423
Investment deposits	1,516,882	1,925,542
Due to related parties		
<i>Parent</i>		
Expenses paid on behalf of the Group	5,826	5,482
Subordinated loan	23,539	23,282

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

10 Prepaid expenses and other receivables

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Accrued income on investment deposits	10,158	7,381
Accrued trading commission fees	2,459	4,494
Due from brokers	1,477	3,016
Prepaid expenses	13,848	6,697
Central counterparty balances	75,840	3,196
Other receivables	5,366	2,602
	<u>109,148</u>	<u>27,386</u>
Less: allowance for doubtful debts	(203)	(214)
	<u>108,945</u>	<u>27,172</u>

Net movement in allowance for doubtful debts:

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Opening balance	214	2,092
Write off for the period/year	(11)	(1,878)
Ending balance	<u>203</u>	<u>214</u>

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

11 Cash and bank balances

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Cash on hand	302	334
Bank balances:		
Current accounts	16,972	20,182
Savings accounts	124,072	19,895
Mudarabah accounts	116,748	157,797
	<u>258,094</u>	<u>198,208</u>
Add : Investment deposits with original maturities not exceeding three months (Note 8)	89,050	489,050
Cash and cash equivalents	<u>347,144</u>	<u>687,258</u>

The rate of return on the saving and mudarabah accounts is 0.15 % to 0.33% per annum (31 December 2014: 0.15% to 0.35% per annum).

Dividends amounting to AED 1.18 billion (31 December 2014: AED 164.68 million) distributed by the Company on behalf of other companies remain unrepresented to the Company's banks as at 31 March 2015.

12 Share capital

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Authorised, issued and paid up share capital: 8,000,000,000 (31 December 2014: 8,000,000,000 shares) of AED 1 each (31 December 2014: AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>

The Company has distributed dividends of AED 559.7 million, including non-sharia compliant income of AED 29.6 million (Note 18), representing AED 0.07 per share. The dividends were approved by the shareholders at the Annual General Meeting held on 9 March 2015.

13 Reserves

Statutory reserve

In accordance with the U.A.E. Federal Commercial Companies Law Number 8 of 1984, as amended, the Group has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made the three month period ended 31

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

13 Reserves (continued)

Statutory reserve (continued)

March 2015, as this will be affected at the year end based on the Company's results for the year ending 31 December 2015.

Investments revaluation reserve - FVTOCI

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income.

14 Payables and accrued expenses

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Dividends payable on behalf of companies listed on the DFM	113,714	105,580
Ivestor cards	241,155	256,845
Members' margin deposits	65,763	78,432
Accrued expenses and other payables	24,294	16,644
Central counterparty balances	75,840	3,196
Unearned revenue	14,701	9,800
Brokers' retention	18,573	18,604
Due to U.A.E Securities and Commodities Authority	4,942	12,383
	<u>558,982</u>	<u>501,484</u>

15 Earnings per share

	Three month period ended 31 March	
	2015 (Un-audited)	2014 (Un-audited)
Net profit for the period attributable to owners of the Company (AED '000)	67,731	215,096
Authorized, issued and paid up share capital ('000))	8,000,000	8,000,000
Less: Treasury shares ('000)	(4,237)	(4,237)
Number of shares issued ('000)	<u>7,995,763</u>	<u>7,995,763</u>
Earnings per share – AED	<u>0.008</u>	<u>0.027</u>

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

16 Commitments

	31 March 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Commitments for the purchase of property and equipment	2,593	3,544

The Company also has a commitment of AED 148 million to acquire the remaining 33% of NASDAQ Dubai Limited which is required to be settled on the completion of the acquisition on a date to be mutually agreed with Borse Dubai Limited.

17 Segment reporting

Following the management approach to IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources to the reportable segments and assesses its performance. The Group is managed as one unit and therefore the Board of Directors are of the opinion that the Group is engaged in a single segment of operating a stock exchange and related clearing house.

18 Non Sharia compliant income

Non Sharia compliant income of AED 29.6 million relating to 2014 (2014: AED 15.7 million relating to 2013 appropriated in 2014) as approved by the Company's Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings in 2015 for distribution by the Group to its shareholders towards disbursement by the shareholders for charitable purposes. Based on the ruling of the Sharia and Fatwa Supervisory Board, it is the sole responsibility of the individual shareholders to donate their respective shares of this amount for charitable purposes. Non Sharia compliant income for the year 2014 has been distributed by the Company to the shareholders in 2015 (Note 12).

19 Fair value of financial instruments

The Group's financial assets and financial liabilities comprise of cash and bank balances, investment deposits, receivables and payables whose maturity is short term. Long term investment deposits carry market rates of return. Consequently their fair value approximates the carrying value stated in the consolidated statement of financial position.

The Group has classified fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Dubai Financial Market P.J.S.C. (DFM)
Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)

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19 Fair value of financial instruments (continued)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. These investments comprise funds the fair values of which are based on the net asset value provided by the fund managers.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 assets represent unquoted private equity and mutual fund investments whose fair value is determined based on varying unobservable assumptions which depend on a broad range of macroeconomic factors. The carrying values of these investments are adjusted as follows:

- Private equity investments - using the latest available net book value and market approach using prevailing secondary market prices of similar instruments.
- Mutual funds - based on the net asset value derived from the EBITDA/PE multiple or value per share provided by the fund managers.

There were no changes in valuation techniques during the period.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2015 and 31 December 2014.

	31 March 2015			Total
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
Financial assets at fair value through other comprehensive income				
- Equities	300,143	-	58,065	358,208
- Managed funds	-	310,089	7,597	317,686
Total	300,143	310,089	65,662	675,894

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2015 (continued)**

19 Fair value of financial instruments (continued)

	31 December 2014			Total AED'000
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	328,889	-	57,818	386,707
- Managed funds	-	323,008	8,345	331,353
Total	328,889	323,008	66,163	718,060

There are no transfers between Level 1 and Level 2 during the period.

Reconciliation of Level 3 fair value measurements of financial assets

	Measured at FVTOCI Unquoted equities	
	31 March 2015 AED'000	31 December 2014 AED'000
Opening balance	66,163	19,747
Additions during the year	28	48,882
Disposal during the period/year	(2,202)	(3,449)
Other comprehensive gain/(loss)	1,673	983
Closing balance	65,662	66,163

20 Approval of the interim condensed consolidated financial information

The interim condensed consolidated financial information for the three month period ended 31 March 2015 have approved by the Board of Directors and authorized for issue on 26 April 2015.