

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

**Review report and condensed consolidated  
interim financial information for the  
three month period ended 31 March 2014**

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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 2014 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  
23 April 2014

Paul Suddaby  
Registered Auditor Number 309  
Dubai, United Arab Emirates

**Condensed consolidated interim statement of financial position  
as at 31 March 2014**

	Note	As at 31 March 2014 AED'000 (Un-audited)	As at 31 December 2013 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	2,878,874	2,878,874
Other Intangible assets	6	2,431,067	2,446,658
Property and equipment		10,766	11,539
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	7	685,349	587,941
Investment deposits	8	726,034	725,378
<b>Total non-current assets</b>		<b>6,732,090</b>	<b>6,650,390</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	10	43,927	40,935
Investment deposits	8	1,344,375	1,493,429
Cash and bank balances	11	344,550	107,629
<b>Total current assets</b>		<b>1,732,852</b>	<b>1,641,993</b>
<b>Total assets</b>		<b>8,464,942</b>	<b>8,292,383</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
Investments revaluation reserve - FVTOCI	13	7,995,636	7,995,636
Statutory reserve	13	(691,694)	(789,102)
Retained earnings		278,998	278,998
		295,479	449,684
<b>Equity attributable to owners of the company</b>		<b>7,878,419</b>	<b>7,935,216</b>
Non controlling interest		16,370	16,838
<b>Total equity</b>		<b>7,894,789</b>	<b>7,952,054</b>
<b>Non-current liabilities</b>			
Subordinated loan	9	22,514	22,268
Provision for employees' end of service indemnity		10,435	9,838
<b>Total non-current liabilities</b>		<b>32,949</b>	<b>32,106</b>
<b>Current liabilities</b>			
Payables and accrued expenses	14	466,714	238,163
Dividends payable		19,223	19,231
Due to related parties	9	51,267	50,829
<b>Total current liabilities</b>		<b>537,204</b>	<b>308,223</b>
<b>Total liabilities</b>		<b>570,153</b>	<b>340,329</b>
<b>Total equity and liabilities</b>		<b>8,464,942</b>	<b>8,292,383</b>

.....  
Chairman

The accompanying notes on pages 7 to 19 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 2014**

	Note	Three month period ended 31 March	
		2014 AED'000	2013 AED'000
<b>Revenues</b>			
Trading commission fees		230,374	45,557
Brokerage fees		3,249	3,116
Ownership transfer and mortgage fees		5,406	1,958
Other fees		3,794	3,332
<b>Operating income</b>		<b>242,823</b>	<b>53,963</b>
Investment income		13,789	12,782
Other income		899	139
<b>Total income</b>		<b>257,511</b>	<b>66,884</b>
<b>Expenses</b>			
General and administrative expenses		(27,046)	(24,927)
Amortisation of intangible assets	6	(15,591)	(15,591)
Interest expense		(246)	(235)
<b>Total expenses</b>		<b>(42,883)</b>	<b>(40,753)</b>
<b>Net profit for the period</b>		<b>214,628</b>	<b>26,131</b>
<b>Attributable to:</b>			
Owners of the Company		215,096	27,033
Non-controlling interest		(468)	(902)
		<b>214,628</b>	<b>26,131</b>
<b>Earnings per share - AED</b>	15	<b>0.027</b>	<b>0.0034</b>

**Condensed consolidated interim statement of comprehensive income  
(Un-audited) for the three month period ended 31 March 2014**

	<b>Three month period ended 31 March</b>	
	<b>2014 AED'000</b>	<b>2013 AED'000</b>
<b>Net profit for the period</b>	<b>214,628</b>	<b>26,131</b>
<b>Items that will not be re-classified to the condensed consolidated interim income statement</b>		
Fair value changes on financial assets measured at fair value through other comprehensive income (FVTOCI)	<b>97,408</b>	<b>25,244</b>
<b>Total comprehensive income for the period</b>	<b>312,036</b>	<b>51,375</b>
<b>Attributable to:</b>		
Owners of the Company	<b>312,504</b>	<b>52,277</b>
Non-controlling interest	<b>(468)</b>	<b>(902)</b>
<b>Total comprehensive income for the period</b>	<b>312,036</b>	<b>51,375</b>

The accompanying notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of changes in equity (Un-audited)  
for the three month period ended 31 March 2014**

	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
<b>As at 1 January 2013</b>	8,000,000	(4,364)	(1,002,816)	250,535	214,516	7,457,871	20,288	7,478,159
Net profit for the period	-	-	-	-	27,033	27,033	(902)	26,131
Other comprehensive income for the period	-	-	25,244	-	-	25,244	-	25,244
Total comprehensive income for the period	-	-	25,244	-	27,033	52,277	(902)	51,375
<b>As at 31 March 2013</b>	8,000,000	(4,364)	(977,572)	250,535	241,549	7,510,148	19,386	7,529,534
<b>As at 1 January 2014</b>	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)
<b>As at 31 March 2014</b>	8,000,000	(4,364)	(691,694)	278,998	295,479	7,878,419	16,370	7,894,789

The accompanying notes on pages 7 to 19 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 2014**

	Note	Three month period ended 31 March	
		2014 AED'000	2013 AED'000
<b>Cash flows from operating activities</b>			
Net profit for the period		214,628	26,131
<b>Adjustments for:</b>			
Depreciation of property and equipment		1,329	2,488
Provision for employees' end of service indemnity		680	416
Amortisation of intangible assets	6	15,591	15,591
Interest expense		246	235
Income on investment deposits		(9,575)	(10,279)
Dividend income		(4,214)	(2,503)
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>218,685</b>	<b>32,079</b>
Increase in prepaid expenses and other receivables		(218)	(3,327)
Increase in due to a related party		438	219
Increase in payables and accrued expenses		259,040	39,551
<b>Cash generated from operations</b>		<b>477,945</b>	<b>68,522</b>
Employees' end of service indemnity paid		(83)	(290)
<b>Net cash generated from operating activities</b>		<b>477,862</b>	<b>68,232</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(557)	(212)
Net investment deposits	8	(60,946)	(50,000)
Investment deposit income received		6,145	4,033
Dividend received		4,214	2,503
<b>Net cash used in investing activities</b>		<b>(51,144)</b>	<b>(43,676)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	12	(353,611)	(86)
Distribution of non-sharia compliant income to shareholders	12,18	(46,186)	-
<b>Net cash from financing activities</b>		<b>(399,797)</b>	<b>(86)</b>
<b>Net increase in cash and cash equivalents</b>		<b>26,921</b>	<b>24,470</b>
Cash and cash equivalents at the beginning of the period		426,679	232,345
<b>Cash and cash equivalents at the end of the period</b>	11	<b>453,600</b>	<b>256,815</b>

The accompanying notes on pages 7 to 19 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 2014

### 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 three month period ended 31 March 2014 (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 2013. In addition, results for the three month period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

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 2013.

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

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 2014**

**(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 2014

The following applicable new standards and amendment to an existing standard have been published and are effective for the Group's accounting periods beginning on 1 January 2014.

Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

Amendments to IAS 36, 'Impairment of assets': These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

Amendment to IAS 19 regarding defined benefit plans: These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014 (continued)**

**2 Summary of significant accounting policies (continued)**

**2.2 New and revised IFRSs effective for accounting periods beginning 1 January 2014  
(continued)**

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

The impact of the above new standards and amendments to existing standards are unlikely to have any significant impact on the Group's condensed consolidated interim financial statements or its consolidated financial statements for the year ending 31 December 2014.

There are no applicable new standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2014 and not early adopted by the Group.

**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"). Control is achieved where the Group has the power to govern the financial and operating policies of entities so as to obtain benefits from its activities.

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 2013.

**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 2013.

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014 (continued)**

**6 Intangible assets**

	Goodwill AED'000	License to operate as a stock exchange AED'000	Relationships with market participants (Brokers) AED'000	Historical trading database AED'000	Total AED'000
<b>Cost</b>					
At 1 January 2013 and 2014	2,878,874	2,824,455	58,744	67,455	5,829,528
At 31 March 2013 and 2014	2,878,874	2,824,455	58,744	67,455	5,829,528
<b>Amortisation</b>					
At 1 January 2014	-	395,423	41,118	67,455	503,996
Charge for the period	-	14,122	1,469	-	15,591
At 31 March 2014	-	409,545	42,587	67,455	519,587
At 1 January 2013	-	338,934	35,244	67,455	441,633
Charge for the period	-	14,122	1,469	-	15,591
At 31 March 2013	-	353,056	36,713	67,455	457,224
<b>Carrying amount</b>					
<b>As at 31 March 2014</b>	<b>2,878,874</b>	<b>2,414,910</b>	<b>16,157</b>	<b>-</b>	<b>5,309,941</b>
As at 31 March 2013	2,878,874	2,471,399	22,031	-	5,372,304
As at 31 December 2013	2,878,874	2,429,032	17,626	-	5,325,532

There was no evidence of impairment of the goodwill at 31 March 2014 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 2014, 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 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
Investment in equity securities	371,197	294,921
Managed funds – Note (a)	314,152	293,020
	<b>685,349</b>	<b>587,941</b>

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014 (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.	629,019	535,903
- Outside U.A.E.	56,330	52,038
	<u>685,349</u>	<u>587,941</u>

(a) Managed funds include funds of AED 263.8 million (31 December 2013: AED 244.5 million) (Note 9) managed by a shareholder of the parent.

**8 Investment deposits**

	31 March 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
<b>Current:</b>		
Investment deposits maturing in less than three months (Note 11)	109,050	319,050
Investment deposits maturing up to 1 year but more than 3 months – Note (a)	1,235,325	1,174,379
	<u>1,344,375</u>	<u>1,493,429</u>
<b>Non-current:</b>		
Investment deposits maturing above 1 year	726,034	725,378
	<u>2,070,409</u>	<u>2,218,807</u>

- (a) Investment deposits are placed with financial institutions in the UAE, and carry profit rates ranging from 1% to 3.1% (31 December 2013: 1% to 3.1%) per annum.
- (b) An investment deposit of AED 86.73 million (31 December 2013: AED 86.73 million) has been pledged as collateral against unutilised bank overdraft facilities provided to the Group.
- (c) Investment deposits include an amount of AED 46.73 million (31 December 2013: AED 145.78 million) placed with the parent and carries a profit rate of 3.07 % (31 December 2013: 3.07%) per annum (Note 9).
- (d) Investment deposits maturing above one year includes an amount due from a related party of AED 266.03 million (31 December 2013: 265.38 million) (Note 9).

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014** (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:

	<b>Three month period ended 31 March</b>	
	<b>2014</b>	<b>2013</b>
<b>Transactions during the period</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
Investment income	1,146	1,308
Interest expense	246	235

The remuneration of directors and other members of key management during the period were as follows:

	<b>Three month period ended 31 March</b>	
	<b>2014</b>	<b>2013</b>
<b>Compensation of key management personnel</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(Un-audited)</b>	<b>(Un-audited)</b>
Short-term benefits	1,507	1,584
General pension and social security	175	175
Board of Directors		
- Remuneration to the NASDAQ Board	217	199
- Meeting allowance for the Group	283	316

	<b>31 March</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
<b>Balances</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>Due from related parties</b>		
<i>Parent</i>		
Investment deposits (Note 8)	46,727	145,781
Accrued income on investment deposits	3,414	2,720
<i>Other related parties</i>		
Investment deposit (Note 8)	266,034	265,378
Managed funds (Note 7)	263,793	244,499
Cash and bank balances	310,092	68,561
Investment deposits	597,468	647,468
<b>Due to related parties</b>		
<i>Parent</i>		
Expenses paid on behalf of the Group	2,767	2,329
Subordinated loan	22,514	22,268
<i>Ultimate controlling party</i>		
Dubai Government	48,500	48,500

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014** (continued)

**9 Related party transactions and balances** (continued)

In the initial public offering in 2006, 20% of the share capital amounting to AED 1,600,000,000 was offered for public subscription for the credit of Dubai Government, of which AED 48.5 million remains due to the Dubai Government. The balance does not bear any profit.

The subordinated loan has been provided by the parent, Borse Dubai Ltd., to NASDAQ Dubai Limited (Note 1). The subordinated loan is unsecured and bears interest at 12 month LIBOR plus 3.25% per annum and is subordinated to the rights of all other creditors of the subsidiary.

**10 Prepaid expenses and other receivables**

	<b>31 March 2014 AED'000 (Un-audited)</b>	31 December 2013 AED'000 (Audited)
Accrued income on investment deposits	10,863	8,089
Accrued trading commission fees	7,138	7,627
Due from brokers	2,515	1,332
Prepaid expenses	7,232	6,400
Other receivables	16,559	19,579
	<u>44,307</u>	<u>43,027</u>
Less: allowance for doubtful debts	(380)	(2,092)
	<u>43,927</u>	<u>40,935</u>

**Net movement in allowance for doubtful debts:**

	<b>31 March 2014 AED'000 (Un-audited)</b>	31 December 2013 AED'000 (Audited)
Opening balance	2,092	2,808
(Release)/charge for the period	(1,712)	(716)
Ending balance	<u>380</u>	<u>2,092</u>

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014 (continued)**

**11 Cash and bank balances**

	<b>31 March 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Cash on hand	240	326
Bank balances:		
Current accounts	25,685	23,800
Savings accounts	15,030	23,305
Mudarabah accounts	303,595	60,198
	<u>344,550</u>	<u>107,629</u>
Add : deposits maturing in less than three months (Note 8)	109,050	319,050
	<u>453,600</u>	<u>426,679</u>

The rate of return on the saving and mudarabah accounts is 0.3 % per annum (31 December 2013: 0.25% to 0.35% per annum).

Dividends amounting to AED 384.8 million (31 December 2013: AED nil) distributed by the Company on behalf of other companies remain unrepresented to the Company's banks as at 31 March 2014.

**12 Share capital**

	<b>31 March 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Authorised, issued and paid up share capital: 8,000,000,000 (31 December 2013: 8,000,000,000 shares) of AED 1 each (31 December 2013: AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>

The Company has distributed dividends of AED 399.8 million, including non-sharia compliant income of AED 46.1 million (Note 18), representing AED 0.05 per share. The dividends were approved by the shareholders at the Annual General Meeting held on 3 March 2014.

**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 March 2014, as this will be affected at the year end based on the Company's results for the year ending 31 December 2014.

*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.



**Notes to the condensed consolidated interim financial information for three month period ended 31 March 2014** (continued)

**14 Payables and accrued expenses**

	<b>31 March 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Dividends payable on behalf of companies listed on the DFM (Note 11)	74,011	75,850
Investor cards	81,965	41,402
Members' margin deposits	239,012	20,159
Accrued expenses and other payables	25,374	32,144
Unearned revenue	11,686	7,209
Brokers' retention	18,596	18,583
Due to U.A.E Securities and Commodities Authority	16,070	12,327
Non-Sharia compliant income (Note 18)	-	30,489
	<u>466,714</u>	<u>238,163</u>

**15 Earnings per share**

	<b>Three month period ended 31 March</b>	
	<b>2014 (Un-audited)</b>	<b>2013 (Un-audited)</b>
Net profit for the period attributable to owners of the Company (AED '000)	215,096	27,033
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)	7,995,763	7,995,763
Earnings per share – AED	<u>0.027</u>	<u>0.0034</u>

**16 Commitments**

	<b>31 March 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Commitments for the purchase of property and equipment	<u>7,756</u>	<u>7,927</u>

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.

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014 (continued)****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 15.7 million relating to 2013 (2013: AED 21 million relating to 2012 appropriated in 2013) as approved by the Company's Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings 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 years 2011, 2012 and 2013, aggregating to AED 46.1 million has been distributed by the Company to the shareholders in 2014 (Note 12).

**19 Fair value of financial instruments**

The Group's financial assets and financial liabilities comprise of cash bank balances, investment deposits, receivables and payables. Their fair value approximates the carrying value stated in the consolidated interim 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).
- 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.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014 (continued)**

**19 Fair value of financial instruments (continued)**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2014 and 31 December 2013.

	31 March 2014			
	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	362,260	-	8,937	371,197
- Managed funds	-	303,039	11,113	314,152
<b>Total</b>	<b>362,260</b>	<b>303,039</b>	<b>20,050</b>	<b>685,349</b>

	31 December 2013			
	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	286,248	-	8,673	294,921
- Managed funds	-	281,946	11,074	293,020
<b>Total</b>	<b>286,248</b>	<b>281,946</b>	<b>19,747</b>	<b>587,941</b>

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 2014	31 December 2013
	AED'000	AED'000
Opening balance	19,747	60,436
Transfer from level 3 to level 2	-	(35,013)
Disposal during the period/year	-	
Other comprehensive gain/(loss)	303	(5,676)
Closing balance	<b>20,050</b>	<b>19,747</b>

*Sensitivity analysis for level 3 items*

Level 3 assets represent unquoted equity and mutual fund investments whose fair value is determined based on varying unobservable assumptions which depend on a broad range of macroeconomic factors.

**Notes to the condensed consolidated interim financial information  
for three month period ended 31 March 2014 (continued)**

**19 Approval of the interim condensed consolidated financial  
information**

The interim condensed consolidated financial information for the three month period ended 31 March 2014 have approved by the Board of Directors and authorized for issue on 23 April 2014.