

# 2021

**GO GLOBAL  
FROM DUBAI**

**DUBAI FINANCIAL MARKET (PJSC)  
INTEGRATED REPORT 2021**



Dubai Financial Market (PJSC)

Integrated Report 2021

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**H.H. Sheikh Mohammed bin Rashid Al Maktoum**

UAE Vice President, Prime Minister and Ruler of Dubai

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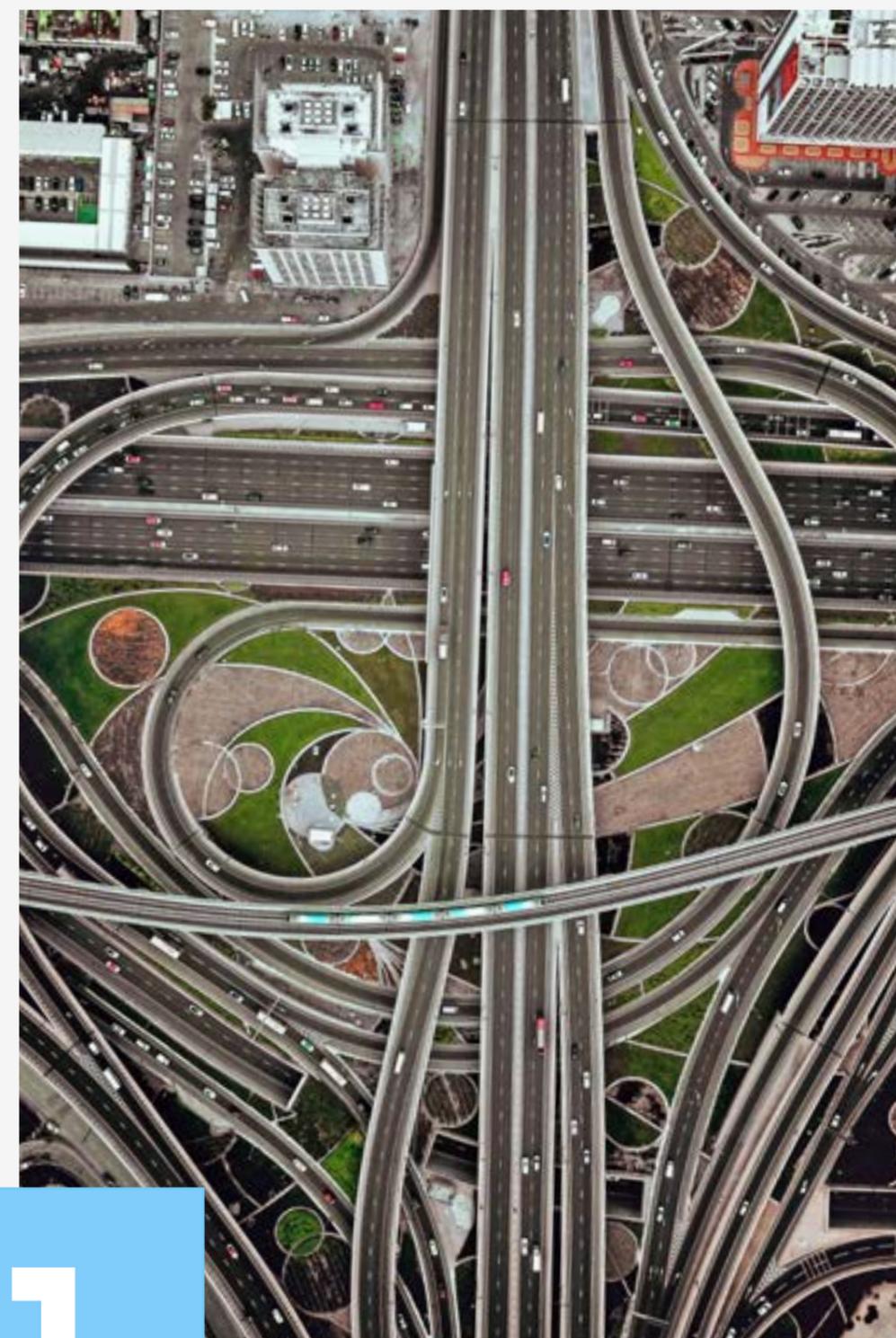
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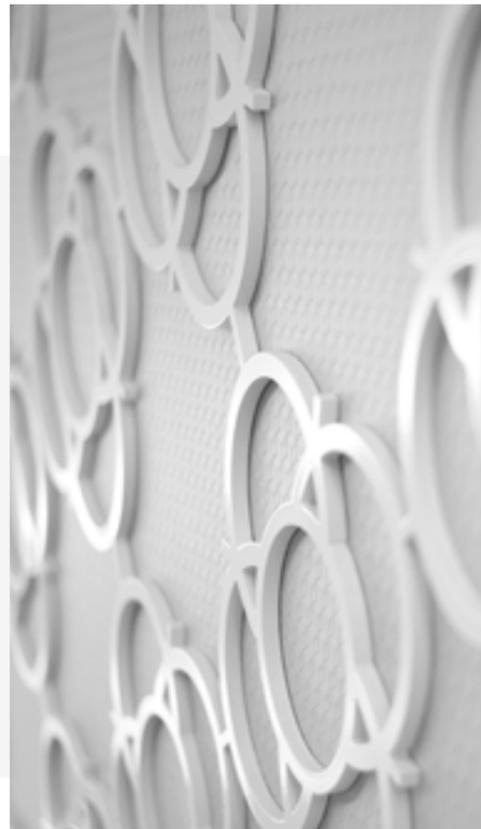
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# 01 Overview

*Discover a trailblazing market in a dynamic and diversified international financial hub, providing unprecedented opportunities to leverage positive momentum, capitalize on growth and 'Go Global from Dubai'.*

# About DFM



## Who we are

Established in 2000, the Dubai Financial Market (DFM) launched a new era for the capital markets sector in Dubai and the UAE. For over two decades, the DFM played a vital role in attracting investment and powering economic development, as a leading marketplace for fund-raising, listing and trading various types of securities and asset classes. Providing primary and secondary market services to investors and issuers alike, the DFM leverages integrated operations with Dubai Central Clearing and Depository and its sister exchange Nasdaq Dubai to seamlessly connect various market participants locally, regionally and globally.



## Our Vision

The World Class Regional Marketplace.



## Our Mission

To provide stakeholders with innovative services in conducting trading, settlement and depository of securities, in an efficient, transparent and liquid environment.



## Our Values

- Transparency:** We prioritize transparency across all our actions and decisions.
- Efficiency:** We focus on building efficiency into every aspect of our operations.
- Confidentiality:** We accord the utmost confidentiality to our clients and their interests.
- Integrity:** We conduct ourselves with unconditional integrity and ethics.
- Innovation:** We believe the future depends on the innovation we empower today.



## Our People

**155**

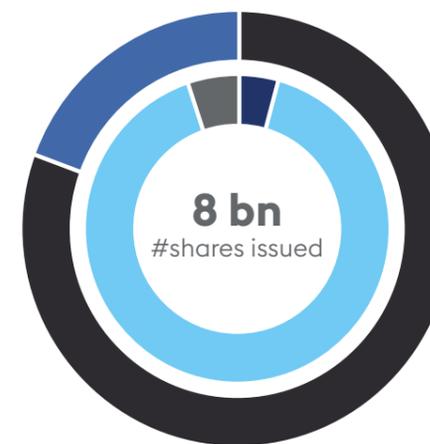
Total Employees

**57%**

Female Employees

**22%**

Female Board Members



**#26,654**

**Company Shareholders**

### By Ownership Style

- Public Stake **19.34%**
- Borse Dubai **80.66%**

### By Nationality

- Foreign **3.76%**
- Arab and GCC **2.59%**
- UAE **93.65%**

## Our Markets



## Our Regulators

**Securities and Commodities Authority**

**Dubai Financial Services Authority** (Regulator of Nasdaq Dubai)

# 2021 DFM Company Highlights

At the DFM, we accelerated our strategy to deliver positive growth and gain momentum during 2021, achieving robust results while positioning the company and our markets for continued growth and success.



**AED 298.1 mn**

Consolidated Revenue



**AED 99.1 mn**

Consolidated Net Profit



**AED 22.7 bn**

DFM PJSC Market Capitalization  
(+205% YOY)



**AED 2.84**

DFM Share Price on 31st December 2021  
(+205% YOY)



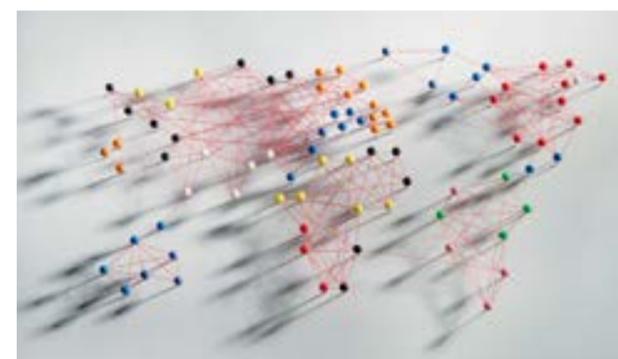
**80%**

Employees received training



**7,342**

New Investors (Including 677  
Institutions)



**Constituent of a  
Global Index**

FTSE4Good Index

# Our Markets at a Glance

Dubai is key hub in the global financial system with visionary leaders, a dynamic economy, a diverse population and a unique platform for growth and sustainable success for business and investors from around the world.

## A Unique Global Financial Hub

Dubai ranks **#1** in MENA and **#16** globally in Ease of Doing Business.

The World Bank

The UAE ranks among **top 10** competitive economies.

IMD World Competitiveness Rankings

Dubai is the global capital of **Islamic economy**.

World's first commercial Islamic bank and first Islamic financial market

A leading global **fintech** and innovation hub. Region's first and biggest fintech accelerator.

DIFC is the **Top 19th** in the Global Financial Centres Index. Home to over 2,500 global, regional and local firms

The **6th safest city** globally<sup>1</sup>.

Offering an exceptional quality of life for citizens, residents and visitors



## The Gateway to Dubai's Economy

### Dynamic Listing Activities

-  **AED 411 bn**  
Total Market Cap (+20.5% YOY)
-  **68**  
Equity Local & International Listings in Dubai\*
-  **134**  
Bonds & Sukuk Listed with a Value of over USD 108 billion
-  **30**  
UAE & Regional Individual Equity Futures
-  **3**  
Index Futures

### High Trade Values

-  **AED 72.3 bn**  
Total Traded Value (+10.2% YOY)
-  **+252%**  
Increase in Market Trading Activity in November 2021 (YOY), following the announcement of Dubai's capital markets strategy.
-  **AED 103+bn**  
Total Funds Raised Since Inception

### Diversified Investor Base

-  **46%**  
Foreign Investors' Trading Share
-  **22.5%**  
Foreign Ownership of Market Cap
-  **46%**  
Institutional Investors' Trading Share
-  **852,000+**  
Total Market Investors of 206 Nationalities

\* Includes DFM and Nasdaq Dubai equity listings

<sup>1</sup>The National.

# Our Story

Over Two Decades of Continuous Growth and Innovation

Since it was established in 2000, the DFM has been on an exciting journey to raise Dubai's standing as a leading global financial center by launching new offerings, attracting investment and enhancing governance to drive growth and diversification of Dubai's economy.

The first exchange in the UAE, DFM was established as a public institution with an independent legal entity by virtue of Decree 14/2000 issued by the Government of Dubai.

The listing of DFM Company on its own market with the trading symbol DFM. The DFM became the first Shari'a-compliant exchange globally, as part of the ambitious vision of the Dubai Government to transform the Emirate into a global leader in Islamic Finance.

Smart Borse Strategy to actively lead the digital transformation in the capital markets sector through innovative solutions that reshaped investor experience, including the iVESTOR Card for cash dividend distribution, the eFSAH system, the eServices platform and mobile apps.

First exchange to develop IPO Platform, a smart solution for IPO online subscription directly linked with receiving banks, enabling immediate listings after the IPO.

Launch of the DFM Shari'a Index (DFMSI), providing investors with a standard tool to measure the performance of Shari'a-compliant companies.

2000

2006

2007

2010

2011

2013

2014

2018

2019

2020

The first regional exchange to transform into a public shareholding company, floating 20% of its AED 8 billion capital, offered through an IPO that met great demand and subscriptions amounting to AED 201 billion.

Operational consolidation with Nasdaq Dubai to create a dynamic force in the region's capital markets, offering investors a greater choice of asset classes and accessibility to DFM and Nasdaq Dubai's listed securities via a single Investor Number (NIN).

Played a pivotal role in the upgrade of the UAE to "Emerging Market" status by international rating agencies such as MSCI and S&P Dow Jones by contributing to high standards and international best practices, including introduction of Delivery versus Payment and Securities Lending and Borrowing.

First exchange to launch its Sustainability Strategy, aiming to transform DFM into the leading sustainable exchange in the region by creating long-term shared values for DFM stakeholders by 2025.

- First regional market to offer derivatives on regional equities (futures on single stocks) as part of its diversification plan.
- Launched The S&P/Hawkamah UAE ESG Index in cooperation with S&P Dow Jones Indices, as well as the Hawkamah Institute for Corporate Governance.
- Established independent post-trade infrastructure, in line with world-class regulatory frameworks, forming two new subsidiaries: Dubai Clear and Dubai CSD.
- Launched Free Zone Trading platform to accommodate the needs of free zone companies.
- Upgraded to the cutting-edge Nasdaq Financial Framework (NFF), a world-class ecosystem for trading, surveillance, clearing and market data dissemination.

# 2021 Year in Review

The DFM established the right foundation this year to leverage the positive momentum created through the announcement of the Higher Committee for Development of Dubai's financial markets, including the upcoming listings of ten government-related companies, the launch of a Market Making Fund, and establishment of the IPO Fund focusing on technology companies, as well as a range of significant structural and regulatory reforms that bring our markets in line with leading international standards and practices. The DFM is therefore ideally positioned to capitalize on this momentum to drive growth and diversification in the year ahead.



10

Dubai government-owned companies to be listed on Dubai Financial Market.



2 AED bn

Market-making fund to increase liquidity and activity in the markets.



2 New Courts

Focused on dispute resolution in securities, shares, bonds and other financial instruments.



Private Sector Incentive Program

Offering financial support for listing costs and fee waivers over three years for new listings.



1 AED bn

Fund to support technology company IPOs and encourage innovative financial products and solutions.



Updated Work Week & Trading Hours

- Alignment of the UAE's work week with international markets, operating from Monday to Friday effective January 2022.
- Expansion of trading hours from 4 to 5 hours daily.



Increased Accessibility

- Increasing accessibility to investors, brokers and issuers.
- Robust listing requirements.

# Investment Case

The DFM provides companies and investors with a singular opportunity to “Go Global from Dubai” by capitalizing on the DFM’s position as the window to Dubai’s economy.



## Positioned for Accelerating & Sustainable Growth

- Comprehensive government support with a commitment to an IPO program.
- Target total market cap of AED 3 trillion for Dubai capital markets.
- Commercial companies law reforms driving Foreign Ownership Limits opening for listed companies.
- Total market cap to GDP offers room to grow.



## Commitment to Robust Governance & Risk Management

- Two independent post-trade services subsidiaries – the Central Counterparty Equity and Derivatives Clearing Company (CCP) And the Central Securities Depository (CSD) Subsidiaries – to enhance efficiency and risk management.
- Two prominent regulators: Securities and Commodities Authority regulates the DFM and Dubai Financial Service Authority regulates Nasdaq Dubai.
- The DFM complies with all national ESG requirements and aligns with international standards to ensure business sustainability and catalyze ESG best practices across Dubai’s capital markets.



## Implementation of Cutting-Edge Technology & Innovation

- The Nasdaq Financial Framework (NFF) system is an integrated ecosystem for trading, surveillance, clearing and market data dissemination featuring high throughput and efficient protocol.
- Digital onboarding of new investors driving growth in new investors.
- Track record of regional firsts to provide greater choice for investors, including bitcoin-based fund, ETFs, Futures and REITs.



## Strong Financial Position & Sustainable Profitability

- Solid cash position and balance sheet.
- Positive Net Profit Margin (40%+ 5-year average).
- Long track record of generous dividends.
- Vertically integrated value chain with high operating leverage.



# 02

## Strategic Report

# Chairman's Statement



**H.E. Helal Al Marri**  
Chairman

## A Platform for Global Growth

For over two decades, the DFM has fulfilled its mandate as a central engine powering Dubai's economic development and diversification, attracting investments from around the world and developing a diverse and dynamic ecosystem, while continuously innovating and evolving to raise the standards and set the pace for markets across the region.

During this year, the DFM maintained strategic focus on delivering continuous improvements in market access, product offerings, digitization and ESG to drive sustainable value creation for our stakeholders and sustain momentum as a reinvigorated marketplace for investors and institutions to achieve their ambitions and go global from Dubai.

The DFM takes great pride in providing a world-class platform for issuers and investors to come together in an efficient, transparent and liquid environment, supported by an innovative suite of value-added services. Since our inception, issuers have successfully raised over AED 103 billion from our pool of over 852,000 local and international investors through our markets.

As a leading regional marketplace for fund-raising, listing and trading various types of securities and asset classes, the DFM is integral to the growth story of Dubai, working hand-in-hand with a vibrant community of market participants and service providers to unlock value for our diverse stakeholders and power economic growth.

### A resounding rebound for Dubai

Through the incomparable response of the Dubai government to safeguard its economy, businesses and people from the impact of the COVID-19 pandemic, Dubai has once again shown its resilience and unique global proposition.

Supported by the success of Expo 2020 Dubai, the return of trade and tourism, and rising oil prices boosting national and regional confidence, Dubai achieved a tremendous recovery in 2021 to emerge from this challenging period with clear vision and positive momentum.

Never satisfied with the status quo, the leadership of Dubai has built on its strong economic fundamentals and position as a global financial, social and tourism hub to introduce a number of forward-thinking economic and regulatory reforms. Already ranked as a top 10 globally competitive economy by the IMF and number one globally in macroeconomic stability by The World Bank, the government decisions are designed to enhance competitiveness, attract global investments, and accelerate towards a better future for its businesses, citizens, residents and visitors alike.

Among the many noteworthy reforms of the year were decisions to allow 100% foreign ownership of companies in strategic sectors, align Dubai's work week with international norms, enhance protection of IP and data, and attract and retain the best talent from around the world to power Dubai's businesses and economy.

### A new era of growth for Dubai's capital markets

The Dubai Government's landmark announcements with regards to capital markets provide another testament to its ambitious vision for this sector.

In October, the Dubai Securities and Exchange Higher Committee was formed, under the leadership of His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum. The Committee announced a capital market growth strategy that includes plans to list 10 Government-related conglomerates on the DFM across a range of strategic sectors, in line with the Emirate's stated objective of increasing the total market capitalization of its financial markets to AED 3 trillion.

To this end, the Committee approved the establishment of a market-making fund worth up to AED 2 billion to increase liquidity in the markets, and announced plans to launch a AED 1 billion fund to support tech companies' IPOs and encourage innovative financial products and solutions in the Emirate.

In addition, the Dubai Markets Supervisory Committee was formed to supervise, monitor and protect the rights of shareholders and investors, while enhancing transparency and enforcement in Dubai's securities and commodities markets through effective coordination among relevant stakeholders.

Furthermore, it was announced that two specialized courts for Dubai's capital markets would be set up to settle securities disputes of all sizes more efficiently, while further regulatory framework reforms are also underway to help shape the future of Dubai's economy by attracting new digital assets and further integrating Environmental, Social, and Governance (ESG).

### A powerful platform for progress

The DFM is fully aligned with Dubai's vision and well prepared to play a vital role in transforming vision to reality, acting as a launchpad for the global ambitions of its listed companies and boosting Dubai's position as a dynamic regional and international financial hub.

Our well-defined business model is built upon our vertically integrated value chain, leveraging our strengths and resources to execute our strategy and generate sustainable value for our shareholders. By

faithfully executing our corporate strategy, we enable seamless access to our market, increase efficiency in our operations through advanced technologies, nurture our talent to enhance performance, and continuously drive new products and listings to ultimately differentiate ourselves and achieve our vision.

During 2021, great progress was made across each of our strategic pillars, as the DFM simultaneously supported the reforms in the UAE capital markets and catalyzed positive change for issuers and investors of today and the future. We announced an unprecedented incentives program to encourage new IPOs and listings from private sector companies in strategic economic sectors, including financial support for new IPO listing cost, post-listing support and reduced fees.

In addition, we extended trading hours and waived the minimum trading commission to improve market accessibility; we launched new equity futures contracts on individual stocks; we updated the rules for listing of freezone companies; and we further diversified our asset classes through two new ETFs, the region's first Bitcoin-backed fund and DFM's first REIT.

Collectively, these strategic initiatives contributed to attract 7,342 new investors and an increase of 10.2% in total traded value, including a 126% jump in market trading activity following the Dubai Government's IPO announcements during the fourth quarter of the year. This was aligned with a 20.5% rise in market capitalization of listed securities and 28.2% growth in the DFM General Index for the year to close at its highest level since 2013.

### **Committed to robust corporate governance and sustainability**

Building on the DFM's already robust corporate governance and risk management framework, and its long-term commitment to continuously enhance transparency, accountability and compliance, in line with national regulations and international best practices, a number of significant changes and achievements took place during 2021.

The Dubai Government announced in November 2021 the appointment of the DFM's new Board of Directors, and I was honored to take on the responsibility of becoming Chairman of the Board.

Our Board proceeded to form a new Compliance Committee, in charge of market regulations in line with international best practices. It also recommended increasing the number of Board Members from seven to nine, which was ratified by the General Assembly of the DFM.

The DFM also reinforced its sustainability agenda during the year, acting as a force for accelerating awareness and implementation of Environmental, Social and Governance (ESG), and driving the sustainability agenda among the region's capital markets and wider financial services industry.

Aligned with Dubai's sustainability drive, the DFM is steadfastly moving towards becoming the region's leading sustainable financial market by 2025, closely collaborating with leading institutions and Dubai's broader finance sector to promote ESG and sustainability best practices that will contribute to a better future for our business, our industry and our world.

### **Financial performance and value creation**

Our robust financial performance, combined with governance and risk management, ensures that our shareholders and stakeholders are at the forefront of everything we do. During 2021, we continued to create and deliver value for all our stakeholders, posting a total consolidated revenue of AED 298.1 million and a consolidated net profit of AED 99.1 million. In view of these results, the Board has recommended a cash dividend for 2021 of AED 0.03 per share equivalent to a total of AED 240 million, which is subject to approval at the Annual General Meeting.

### **Acknowledgements**

I wish to express my sincere gratitude to His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, for his visionary leadership. I would also like to thank His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council, for his wise directions, and His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance, for his guidance and supervision on the Dubai Securities and Exchanges Higher Committee.

I would also like to take this opportunity to acknowledge the valuable contributions of the DFM's outgoing Board Members, the DFM Fatwa and Shari'a Supervisory Board, all of our valued shareholders, and our outstanding community of investors and market participants, who helped make this a positive and memorable year while laying the foundations for even greater success in the future.

# CEO's Message



**Hamed Ali**  
CEO

## A year of positive performance and accelerating momentum

The DFM successfully maintained market momentum and broadened its investor base in 2021 through enhanced market access and the introduction of a range of groundbreaking reforms, overcoming challenges and volatility to rebound above pre-COVID levels and deliver the best annual performance of the DFM General Index since 2013.

With the tailwinds of Dubai's economic resurgence and announcements to support growth and liquidity in Dubai's capital markets, our market capitalization and activity soared toward the end of the year, positioning the DFM for an exciting period of accelerating growth ahead.

With world-class infrastructure, robust governance and vibrant ecosystem of market participants, the DFM has made considerable progress over the years to create dynamic and diverse platform to attract and support issuers and investors alike.

As a group of two well-regulated, multi-asset and multi-currency exchanges, catering to the needs of companies of all sizes and sectors, the DFM offers issuers a wider choice and greater flexibility of listing venues, while providing attractive and diversified opportunities for local, regional and international investors.

During 2021, we continued to build on this solid foundation, focusing on our strategic priorities to strengthen and sustain growth, in line with the leadership's vision and Dubai's strategy.

### Outstanding market growth and performance

As the Dubai economy reopened following the successful vaccination campaign, DFM-listed companies were well positioned for recovery, given the high exposure to tourism, services and logistics sectors. The DFM continued to seamlessly ensure business and market continuity, despite the ongoing impact of the COVID-19 pandemic, to achieve significant growth in traded value, which increased by 10.2% to AED 72.3 billion in 2021, compared to the previous year and by 36.2% compared to the pre-pandemic level in 2019.

Even more encouraging, the DFM ended the year on a strong note, as trading value jumped 126% during the fourth quarter to AED 33.6 billion, equivalent to 46.5% of the full-year trading value, as a positive response to the launch of Dubai capital markets strategy.

International investors accounted for 46% of total traded value during 2021, a testament to our ongoing diversification efforts and the attractiveness of our markets. This is further bolstered by the recent opening up of the foreign ownership limits, which have placed our listed companies in the spotlight of prominent international indices, such as the emerging market indices of the MSCI and FTSE.

The number of investors on the market grew by 7,342, including 677 institutions, to reach a total DFM investor base of over 852,000, made up of more than 200 nationalities. The 100% increase in the pace of yearly growth of new investors, of which 63% were foreign investors, was enabled by the DFM's continuing investments in enhanced digital onboarding capabilities.

Overall, 2021 saw the DFM outperform most regional equity markets, growing by 28.2% for the year to post its best performance since 2013, while market capitalization of listed securities rose by 20.5% to reach AED 411 billion as of year-end.

Meanwhile, Nasdaq Dubai also had a very positive year, solidifying its position as one of the world's foremost listing venues of Sukuk, while also attracting its highest ever number and value of new bond listings. For the year, Nasdaq Dubai welcomed 30 new listings of Sukuk and bonds, up from 26 the previous year. Adding US\$ 11.9 billion worth of new Sukuk and US\$ 11.2 billion of new bonds, for a total of US\$ 23.1 billion in new listings, total listings on the exchange increased to above US\$ 103 billion at year-end 2021.

### Maintaining profitability and accelerating momentum

The DFM posted a consolidated net profit of AED 99.1 million in 2021, based on a solid net profit margin of 33%, while consolidated revenues reached AED 298.1 million, comprising AED 215.8 million in operating revenues and AED 82.3 million in investment revenues and others. We also retained a stable balance sheet, with low leverage and the ability to pay off liabilities.

Consolidated net profit during the fourth quarter of the year accelerated, following the Dubai government announcement and therefore the positive investor sentiment, jumping by 295% to AED 64.7 million, compared to AED 16.4 million for the same period during the previous year. Similarly, consolidated revenue for the final quarter of the year rose by 67% to reach AED 112.4 million, compared to AED 67.2 million in 2020.

In terms of the DFM's share price, it also increased dramatically by 205% to close the year at AED 2.84, demonstrating investor confidence in the company's strategic direction and growth focus during the year and heading into 2022.

### Driving innovation for operational excellence

Complementing the Dubai government's announcement of regulatory reforms and the plan to list ten government-related companies, the launch of a AED 2 billion market-making fund, and the establishment of the AED 1 billion IPO Fund focusing on technology companies, the DFM continued to innovate and evolve during 2021 to better attract, engage and support issuers, investors and all other market stakeholders.

In a landmark move, we launched our Private Sector Incentive Program to encourage new IPOs and listings from private sector companies in key sectors. The program includes significant financial support for new listings, post-listing support and promotion, fee waivers over three years, and a range of other attractive benefits.

To further diversify our asset mix, we launched new equity futures contracts on individual stocks for three prominent listed companies, welcomed the listing of the region's first Bitcoin-backed fund, 2 ETFs and DFM's first REIT, while also allowing market making service on all listed securities. The UAE Federal Government also listed its inaugural bonds on Nasdaq Dubai, which were 5.6x oversubscribed, demonstrating the exchange's key role in UAE and Dubai's growth.

We extended operating hours from 4 to 5 hours daily and changing the working week to further align with international investors, while also removing minimum trading commissions to support the market's base of retail investors and algo-traders.

We also made significant progress improving transparency, supporting market liquidity and protecting shareholders' rights during the year, in addition to introducing digital onboarding by Dubai CSD that achieved the desired improvements in both growth and efficiency for onboarding new investors.

Reinforcing our position as an employer of choice for our sector, with a corporate culture built around performance, meritocracy and empowerment, we took steps to further synergies between the DFM and Nasdaq Dubai teams, while investing in enhancing the knowledge and skills of our talent through training and development. We also reinforced our commitment to gender balance and inclusion, with a 57% female workforce, including 22% female representation on our Board of Directors, as of year-end 2021.

All these initiatives and activities were designed to boost capabilities and competitiveness, build on our positive performance during the year, and drive further growth in the year ahead.

### Positioned for accelerating growth in 2022

Looking at the year ahead, we are very confident about the DFM's priorities, positioning and prospects. Capitalizing on our world-class infrastructure, governance and technology, and our prominent position as a gateway to the abundant opportunities of Dubai's economy, we are now on a sustainable growth trajectory.

We look forward to welcoming the planned government listings, which will mark a significant milestone for the DFM and supercharge growth by attracting new leading issuers to the exchange while also deepening the participation of our current investor base. We strive to act as an effective platform for these esteemed companies to accelerate their own growth journeys and benefit from the opportunities that come with becoming a publicly-listed company.

More broadly, we will maintain focus on executing our strategy to continue to introduce new products, nurture our talent, strengthen infrastructure, enhance accessibility to increase the number of market participants, and attract new private sector listings, from Dubai and beyond.

We will also strive to raise the bar in corporate governance and sustainability, solidify our regional leadership when it comes to ESG reporting, and introduce new technologies to enhance efficiency and streamline services for all market participants.

By progressing in these vital areas, we seek to contribute to Dubai's strategic objective of increasing the value of Dubai financial markets to AED 3 trillion and its position as a dynamic capital markets hub globally.

### Acknowledgements

As we conclude a year of meaningful milestones and momentum, I would like to thank the leadership of Dubai for their vision, and for setting out a strategy that will enhance Dubai's economy and further differentiate Dubai's capital markets for sustainable success. I would also like to thank our Chairman and Board of Directors for their support in aligning the DFM's strategy with the economic aspiration of Dubai, and to the outstanding colleagues at every level of the DFM and Nasdaq Dubai for their hard work and dedication in executing that strategy with purpose and perseverance.

Finally, I would like to thank all of our market participants for their trust and engagement with our strategy and plans. As we look to sustain our momentum and capitalize on the opportunities, I invite you all to be part of the exciting DFM growth journey that lies ahead.

# Our Business Model

To realize our unique mandate at the heart of Dubai's economy, the DFM builds a diverse, integrated and flourishing ecosystem of companies, investors and service providers, supported by cutting-edge technology, continuous innovation and a deep commitment to ESG, in order to drive sustainable value creation for all our shareholders and stakeholders.

## OUR STRENGTHS



### FINANCIAL STRENGTH

- A public shareholding company with a total paid-up capital of AED 8 billion.
- Debt-free balance sheet and strong cash position.
- High operating leverage; less than 1% CAGR in costs between 2011 - 2021.



### OPERATIONAL EXCELLENCE

- World-Class Trading Platform: The Nasdaq Financial Framework (NFF) System is an integrated ecosystem for trading, surveillance, clearing and market data dissemination, with a cutting-edge trading engine that powers the DFM with a fast, high throughput and efficient protocol.
- Vertically integrated ecosystem and value chain with independent subsidiaries for post-trade services.
- Smart Bourse leadership through numerous solutions including eServices and IPO Platforms, as well as digital onboarding of investors.



### HUMAN CAPITAL

- With 155 employees, the DFM realizes that the strength of the organization is directly linked to its ability to attract and retain the most capable people.
- DFM's Executive Management experience collectively exceeds 236 years



### INTELLECTUAL CAPITAL

- This includes our license, DFM and subsidiary trademarks, as well as a substantial market database.



### COMPREHENSIVE ECOSYSTEM

- 2 exchanges; the DFM and Nasdaq Dubai as one capital market.
- 2 regulators: Securities and Commodities Authority and Dubai Financial Service Authority, regulating DFM and Nasdaq Dubai respectively.
- 852,000+ investors.
- 25 brokers and 3 market makers.

## VALUE CREATION MODEL



**Our value creation model is supported by our forward-thinking strategy, our robust governance and our commitment to corporate sustainability.**

## OUR STAKEHOLDERS



### OUR SHAREHOLDERS

- Strong commitment towards shareholders through a track record of dividends (Cumulative dividends of AED 4.04 billion as of year-end 2021).
- Total market capitalization has appreciated by over 8% since 2012.



### OUR MARKET PARTICIPANTS

- Investors: Our total traded value for 2021 reached AED 72.3 billion (+10.2% YOY).
- Issuers: We provide issuers including governments, private and family business with an efficient fund-raising platform to finance their growth strategies accommodating the needs of their corporate life cycles. Since our inception, issuers have successfully raised more than AED 103 billion as of year-end 2021.
- Brokers: We ensure extensive collaboration with our brokers that includes automated trading services, awareness workshops and performance excellence ratings.
- We drive business excellence, governance and investor relations best practices among our issuers.



### OUR EMPLOYEES

- The DFM focuses on motivating our talent base while promoting excellence, creativity and innovation, with 80% of our employees receiving training during 2021.
- With a solid 57% female workforce as of year-end 2021, we are a proud standard-bearer for gender balance and inclusion.



### OUR COMMUNITIES

- As a good corporate citizen, we add value through proactive engagement with our stakeholders across our value chain. From onsite training courses for students to virtual online webinars educating the wider range of brokers, investors and employees.
- Playing a pivotal role in the economic cycle, we are committed to increasing economic sustainability in the country.

# Our Strategic Priorities

The Dubai Financial Market (DFM) seeks to continually reinforce our leading position in the region, in line with our Vision to become a “World-Class Regional Marketplace”. Our strategic focus enables the DFM to be a central driver of Dubai’s position as a dynamic capital markets hub globally, achieved by applying international best practices, attracting corporates of all sizes, and consistently meeting the growing needs of local and international investors.

Aligned with Dubai’s strategic plan to develop financial markets and exchanges per the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and under the supervision of His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance, Chairman of the Dubai Securities and Exchange Higher Committee, our corporate strategy aims to drive sustainable growth through a focus on the following strategic pillars:



# Economic and Regulatory Overview

Celebrating its Golden Jubilee in 2021, the United Arab Emirates has been an admirable success story in economic development and diversification over the past 50 years. Planning for the next fifty years, the UAE leadership is asserting that the UAE's momentous achievements are just the beginning of a prosperous journey to drive the country's successes to new heights.

During 2021, Dubai and its capital markets have shown exceptional resilience and strength throughout this unprecedented period, demonstrating their unique proposition to citizens, residents, companies and investors alike. This was largely achieved by navigating the continued challenges of the year to emerge stronger as a global financial hub supported by a clear vision and a comprehensive strategy for sustainable economic growth.

## Dubai: Emerging stronger as a regional trailblazer & global leader

The United Arab Emirates, and Dubai in particular as its non-oil economic engine, did not stand still during the COVID-19 pandemic. While executing a world-best vaccination campaign to protect its citizens, residents and visitors, and to remain open to business to accelerate its economic rebound from the impact of the pandemic, it also pushed forward with game-changing economic and regulatory reforms. These included allowing 100% foreign ownership of companies in strategic sectors, IP and data protection, and new visas and worker protection. Combined with its strong economic fundamentals, high quality of life and ability to attract global talent, these landmark moves have raised the bar for the MENA region while driving Dubai's global competitiveness, confidence and investment to generate strong momentum moving forward.

With oil prices rebounding in 2021 to an average of above USD 70 per barrel for the year, a rise of more than 70% compared with 2020, GCC governments narrowed their budget deficits significantly. Driven by Dubai Expo 2020 and rebounding tourism boosting domestic demand, the UAE's non-oil GDP also returned to positive territory, rising an estimated 3.5% for the year, following a sharp COVID-related contraction in 2020.

The Central Bank of the United Arab Emirates expects the UAE economy to grow 4.2% in 2022, accelerating from last year's 2.1% growth. Meanwhile, the Department of Economy and Tourism (DET) expects that Dubai's GDP has expanded by 3.1% in 2021 and that the growth rate is expected to surge to 3.4% in 2022.

While significant headwinds and uncertainty remain that have the potential to dampen the positive economic momentum, globally and regionally, including the evolution of the coronavirus pandemic, rising inflation, higher interest rates and a stronger dollar, the UAE and Dubai are well-prepared to weather these challenges and seize the opportunities. For instance, the country is expected to accelerate its leading position amongst the most successful post-COVID recovering economies due to its admirable stimulation programs and structural reforms as well as the proactive approach to opening up the economy and restoration of tourism and other key economic sectors' normal activities. The UAE's non-oil economic growth and greater contributions from the hydrocarbon sector in the year ahead are already being factored into national budgets and will likely translate into greater market confidence and increased public sector investment in 2022. The leadership's vision and the numerous initiatives and reforms are expected to drive sustainable economic growth, not only in the short and medium term but also over the long term.



## World Bank

### Ease of Doing Business Dubai

- #1 MENA
- #16 Global



## IMD 2021

### World Competitiveness Rankings UAE

- #9 - Overall Competitive Economy Globally
- #9 - Economic Performance
- #3 - Government Efficiency
- #1 in MENA for all of the above

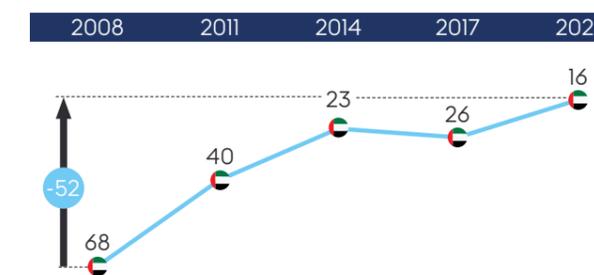


## GLOBAL SUKUK VENUE

### Nasdaq Dubai

- #2 International Sukuk listing venue
- 93 Sukuk with a total value of US\$ 79+ billion

## EASE OF DOING BUSINESS RANKING PROGRESS - SINCE 2008



## Transparency International

### Corruption Perception Index UAE

- #1 - MENA
- #24 - Global



## STRONG CREDIT RATINGS

### UAE

- S&P: AA/Stable
- Moody's: Aa2
- Fitch: AA

## Dubai's capital markets: An unprecedented pipeline & comprehensive support for growth

The Dubai capital markets are a key access point for companies and investors across the region and around the world to tap into Dubai's unique growth story and vast potential as a key player in the global financial ecosystem. In late 2021, The Government of Dubai formed the Dubai Securities and Exchange Higher Committee and announced plans to list 10 Government-related companies on the DFM, in line with the Emirate's stated objective of increasing the total market capitalization of its financial markets to AED 3 trillion.

As part of accelerating new listings in various sectors including energy, logistics and retail, four names of the 10 announced companies have been identified, namely:

- **Dubai Electricity and Water Authority (DEWA):** Dubai's power and water regulator and service provider.
- **Salik:** Dubai's road toll system.
- **TECOM:** free zone and business community operator, including Dubai Internet City, Dubai Media City, Dubai Design District and Dubai Industrial Park.
- **Emirates Central Cooling Systems Corporation (EMPOWER):** the world's largest district cooling services provider.

### Bolstering governance and transparency

A broad and deep-rooted commitment to good governance, transparency and accountability, aligned with international best practices and globally recognized standards, has been fundamental to the success of Dubai's capital markets over the years. This commitment is embedded across Dubai's government organizations, markets, processes and people, and is continuously reviewed and improved to not only follow standards but set new standards for our region and beyond. During 2021, Dubai's government has introduced several initiatives and reforms that reinvigorate such commitment:

- Formation of a **Dubai Markets Supervisory Committee**, responsible for supervising, monitoring and protecting the rights of shareholders and

investors, and enhancing transparency and enforcement in Dubai's securities and commodities markets through effective coordination between relevant stakeholders.

- Establishment of **specialized courts for capital markets** in Dubai, to settle securities disputes more efficiently, dealing with both major and minor disputes based on the financial value of each case.
- **Regulatory framework reforms** underway to attract new digital assets to operate from Dubai, in addition to supporting Environmental, Social, and Governance (ESG) factors and reporting in operations, which will contribute to shaping Dubai's future economy.

### Supporting market liquidity and listings

The Dubai government and its capital markets have continued to demonstrate and deepen their commitment to driving economic diversification by attracting and supporting companies and investors from within the UAE, across the region and around the world. These efforts manifested in the following developments:

- **Establishing a market making fund worth up to AED 2 billion (US\$ 545 million)** to increase liquidity and boost activity in the markets.
- **Establishing a AED 1 billion (US\$ 272 million) fund to support tech companies' IPOs** and encourage innovative financial products and solutions.
- **Introducing a DFM incentives program** to encourage new IPOs and listings from private sector companies on Dubai's capital markets through financial support for IPO cost, post-listing support and reduced fees.

This is all supported by an ongoing commitment to introducing innovative new offerings to attract investors and solidify Dubai's reputation as a **regional and international trailblazer** including:

- 2 ETFs based on UAE market
- 1st Bitcoin-backed security fund to be listed in MENA
- 1st REIT launched on Dubai Financial Market
- Rapid expansion of equity futures' market

# Market Performance

Dubai's capital markets demonstrated their strength to deliver growth and generate momentum during 2021, with a solid performance primarily reflected in a 10.2% growth in the total traded value to reach AED 72.3 billion for the year. The average daily traded value reached AED 290.5 million, compared to AED 260.8 million in 2020 and to AED 213.2 million in 2019 – an increase of 11.4% YOY and 36.3% from pre-COVID levels in 2019, respectively.

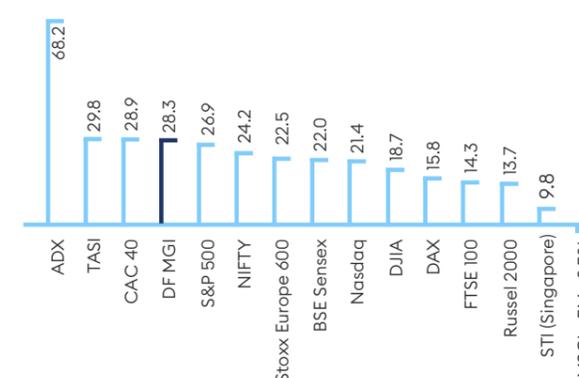
Similarly, the DFM's market capitalization increased by 20.5% to exceed AED 411 billion in 2021, registering a 10-year CAGR of above 8%. This stellar performance was supported by the continuous improvement of the national economy, the encouraging figures from key economic sectors, such as tourism and real estate, as well as the strong performance of listed companies. These constructive factors were further bolstered by the positive effects of Dubai's strategic plan to develop its financial market, with the aim of increasing the total market capitalization to AED 3 trillion through a number of initiatives, including a program to list 10 government-owned conglomerates.

### Positive performance across the board

Against this backdrop, the DFM outperformed most of the regional equity markets during 2021, posting growth of 28% YOY in the DFM General Index (DFMGI), its highest annual increase since 2013, to reach 3,196 points.

The Financial and Investment Services Sector Index rose by 69.6%, recording the highest increase among the sectors listed in the market, followed by the Real Estate Sector Index by 36.9% and the DFM Shari'a index by 30.8%.

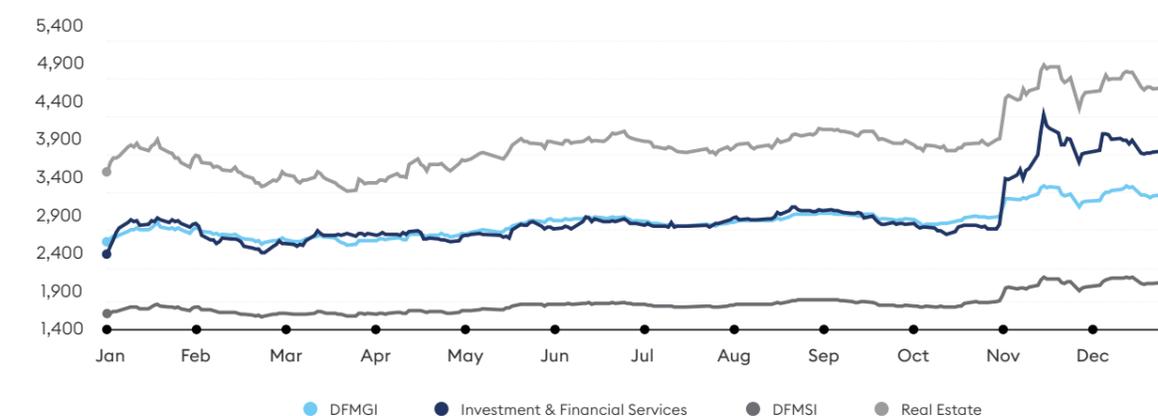
Equity Markets Performance in 2021 (%)



DFM Market Capitalization (AED billion)



DFM Market Indices 2021



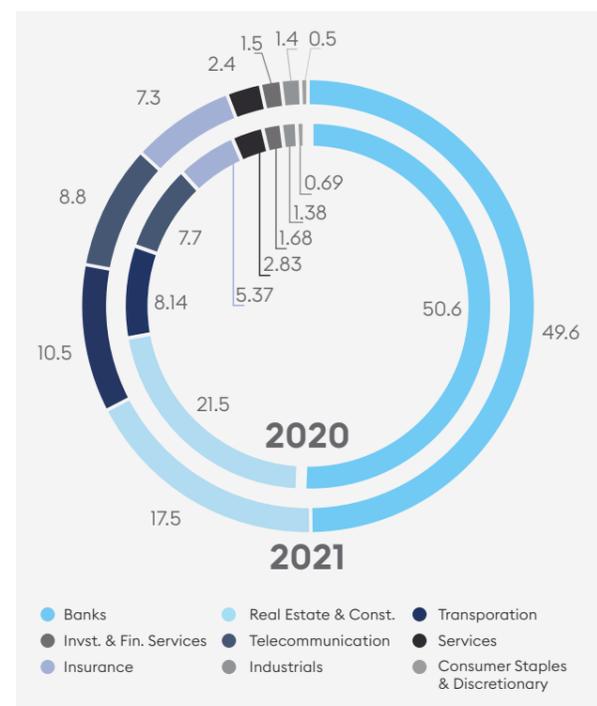
### Sectorial analysis

With regards to the various sectors' contribution to trading volumes, the Real Estate and Construction sector ranked first in terms of traded value at AED 29.8 billion, contributing 41.2% of the total traded value. The Banking sector ranked second at AED 19.1 billion, a 26.4% contribution; followed by the Financial and Investment Services sector at AED 11.7 billion, a 16.2% contribution; and the Transportation sector at AED 4.9 billion, a 6.7% contribution. Meanwhile, the traded value of direct deals stood at AED 1.9 billion, equivalent to a 2.7% contribution. The remaining trading volumes were distributed among the rest of the sectors listed in the DFM in varying proportions. It is worth mentioning that the trading value during the fourth quarter of this year was significantly higher than in the same period of the previous year, posting a growth rate of 125.5% on the back of the government announcements in October.

Total Value Traded 2021 (AED billion)



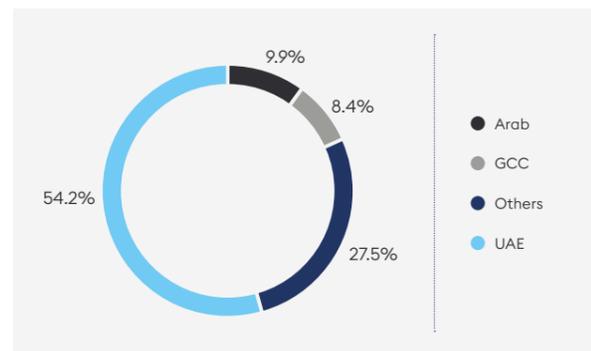
Sector Contribution to Market Capitalization (%)



### Strong foreign investors interest

During 2021, the market attracted 7,342 new investors, bringing the total DFM investor base at the end of the year to 852,212 investors. The market also maintained the distinguished presence of foreign investors, as they accounted for 46% of the total traded value, with net purchase of about AED 1.9 billion. Foreign investors owned 22.5% of the total market capitalization by the end of 2021.

Total Value Traded Breakdown by Nationality 2021



### Nasdaq Dubai market performance

Nasdaq Dubai successfully maintained its position amongst the leading global listing venues of Sukuk, as well as attracting the biggest ever number and value of bond listings. During 2021, Nasdaq Dubai welcomed listings of Sukuk and Bonds worth a total of US\$ 23.1 billion, including US\$ 11.9 billion of Sukuk and US\$ 11.2 billion of bonds.

The number of new listings on Nasdaq Dubai increased to 30 in 2021, compared to 26 listings in 2020. The issuances came from reputable sovereign and corporate issuers, including the Federal Government of the United Arab Emirates, the Government of Indonesia, China Construction Bank, Islamic Development and the Government of the Republic of Maldives, a clear testament to regional and international issuers' confidence in its world-class regulations, infrastructure and services.

With regards to its equities market performance, the FTSE NASDAQ DUBAI UAE 20 INDEX, which tracks liquid stocks listed on UAE exchanges, registered strong growth of 39.9% during 2021, ending the year at 4,284.7 points. As for trading activity, total equities traded value on Nasdaq Dubai reached US\$ 21 million in 2021, while trading volume reached 35 million shares.

# CFO's Review



I am pleased to report on the financial performance of the Dubai Financial Market at the end of another successful year, during which we made many improvements in streamlining accessibility, diversifying products and enhancing services, coupled with a sustained focus on innovation and automation.

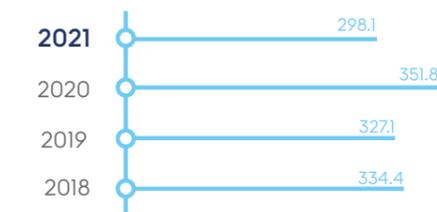
The year ended with a consolidated net profit of AED 99.1 million and a net profit margin of 33.2%. We are now taking the next step to accelerate profitable growth with the announcements of Dubai's 10 government-owned IPOs, for which work has been initiated. This effectively positions the DFM to continue to deliver significant shareholder value.

**Ali Al-Hashimi**  
Chief Financial Officer & Head of Strategy

Over the following pages, we review the consolidated financial results for the Dubai Financial Market PJSC, including those of its subsidiaries, Nasdaq Dubai Limited and Dubai Central Clearing and Depository Holding, for the year ended 31st December 2021.

### Revenues

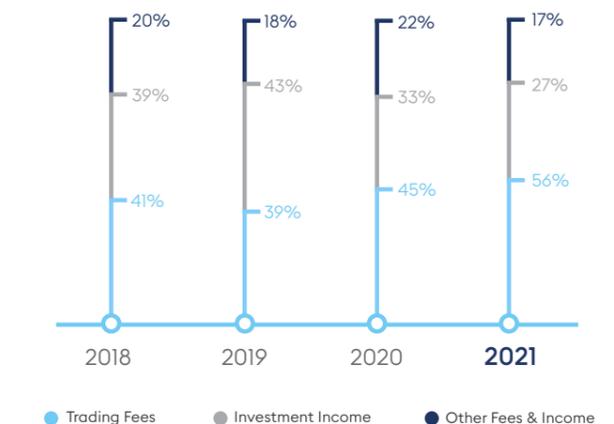
Consolidated Revenues (AED million)



During 2021, the total consolidated revenues amounted to AED 298.1 million. This result came from the increase in the trading commission fees by a 6% YOY, which was offset by the drop in the investment income by 31% due to lower profit rates. Nonetheless, consolidated revenue for the fourth quarter of the year rose by 67% to reach AED 112.4 million, compared to AED 67.2 million in 2020.

Trading revenues constituted 56% of the DFM's total revenues in 2021, while investment revenues accounted for 27%. Other revenues, such as clearing, depository and settlement services, broker services, as well as fees from reports, selling market data, managing dividends on behalf of listed companies and other revenues, in aggregate accounted for 17% of total revenues.

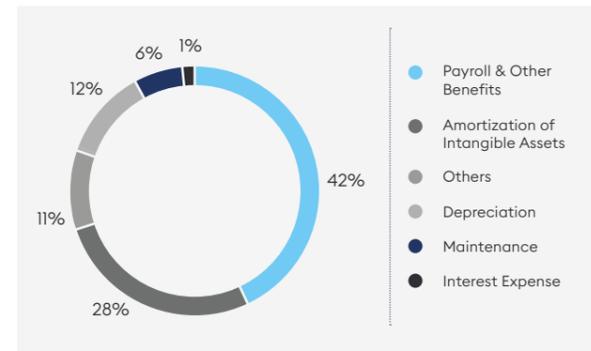
Revenues Breakdown (%)



## Expenses

The DFM's total expenses in 2021 amounted to AED 198.9 million, compared to AED 209.2 million during 2020. The DFM adopts best international practices in maintaining operational efficiency, as demonstrated by a less than 1% CAGR in costs over the period 2011 to 2021.

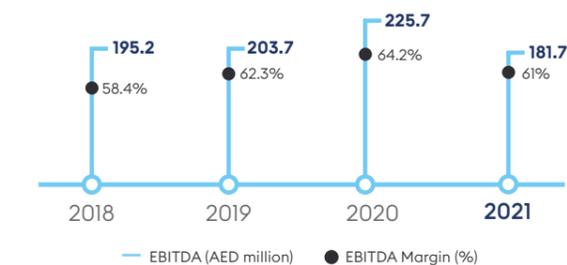
Consolidated Expenses Breakdown (%)



## Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

The DFM's EBITDA reached a total of AED 181.7 million at the end of 2021, compared to AED 225.7 million at the end of 2020. Similarly, the EBITDA margin was 61% at the end of 2021, compared to 64.2% at the end of 2020.

EBITDA



## Net profit

The Dubai Financial Market achieved a consolidated net profit of AED 99.1 million with a net profit margin of 33.2%. Nonetheless, consolidated net profit during the fourth quarter of the year accelerated, following the Dubai government announcement and associated positive investor sentiment, jumping by 295% to AED 64.7 million, compared to AED 16.4 million for the same period during the previous year.

Consolidated Net Profit



## Assets

The total assets of the DFM stood at AED 9,937.7 million at the end of 2021, compared to AED 9,901.3 million at the end of 2020. The DFM's balance sheet is characterized by its financial stability, in terms of low leverage and the ability to pay off liabilities. The ratio of total liabilities to total assets stood at 20% in 2021, compared to 21.2% in 2020.

## Liabilities

The DFM's liabilities stood at AED 1,974.5 million at the end of 2021, compared to AED 2,100.7 million at the end of 2020, representing a decrease of 6% YOY.

# Risk Management

In an increasingly uncertain world, the need to improve trading efficiency, provide real-time information coupled with risk preparedness and state-of-the-art risk management tools are of paramount importance to the success of global markets. Proactive risk management is essential for the Dubai Financial Market in realizing the objectives set out in our strategy designed to drive accelerated growth, increased revenue and shareholder value. Accordingly, the DFM has developed a strategy and implemented policies and procedures designed to measure, manage, monitor and report its risk exposures, and is regularly reviewed by the appropriate management and supervisory bodies.

While implementing its strategy and policies, the DFM has defined its internal control and Enterprise Risk Management (ERM) Framework according to principles and guidelines of the COSO<sup>1</sup>-ERM framework- Aligning Risk with Strategy and Performance, ISO 31000: 2018, and the KPMG ERM Model, all of which define best practices and are geared to achieving the organizations' strategic objectives.

Principles of the DFM ERM Model aligned to our strategic objectives



<sup>1</sup>COSO stands for the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is a joint initiative to combat corporate fraud.

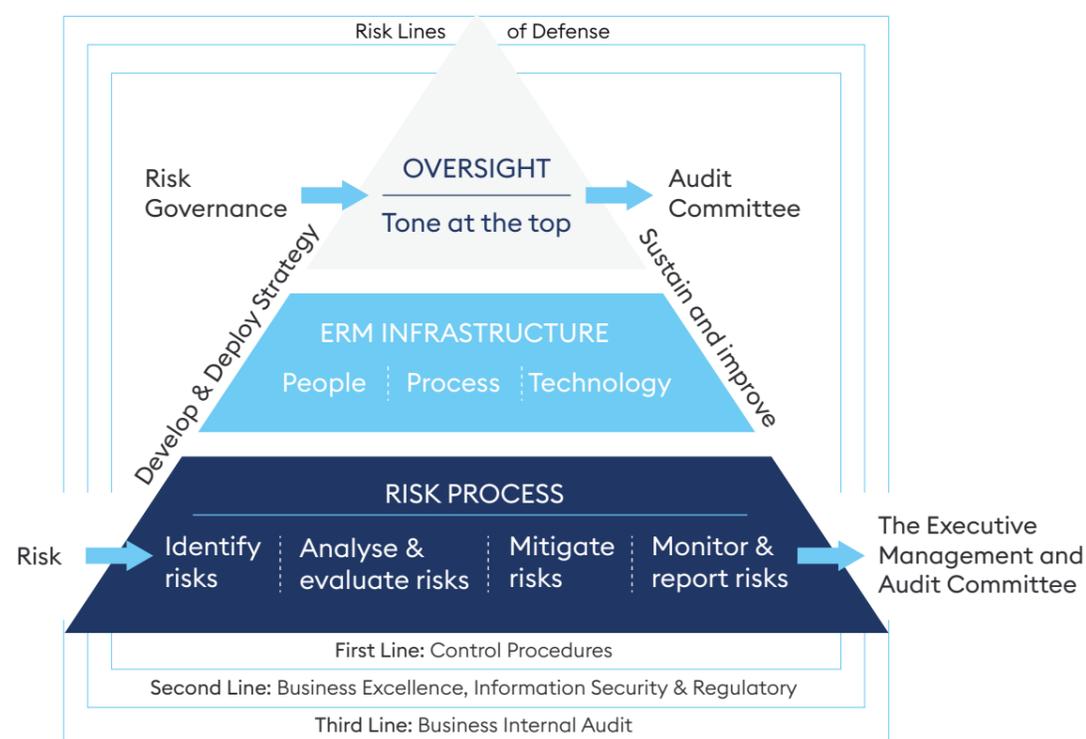
## Risk Management Framework

The ultimate goal of the DFM's risk management framework is to optimize the risk exposure while accepting some degree of risks in the pursuit of DFM's vision, mission and business objectives. The DFM's risk appetite varies according to the undertaken activity and any acceptable risk is always subject to a cost-benefit analysis before approval coupled with established sensible measures to mitigate risks.

Within this framework, the DFM has developed a systematic process to identify, analyze and evaluate the strategic and operational risks it faces while

conducting business. Starting with its employees, a risk-reporting network has been established, this has been implemented through the application of the whistle-blowing policy and the appointment of a risk champion at each market segment. Once the risk has been identified, it is recorded and tracked through the risk register. A specialized team runs the Risk Management and Project Management office and reports to the Audit Committee and the Board of Directors. The DFM continuously develops its risk management framework by providing a series of risk awareness workshops and assigning different roles and responsibilities to risk champions identified in each department. In the diagram below, we depict the overall process of the DFM's risk management.

## Integrated Risk Management framework



## Principal risks at a glance

As any corporation, the Dubai Financial Market faces different types of risks that are divided into strategic risks and manageable business risks. The external environment affects the strategic risks, while the manageable business risks comprise of operational, financial risks and compliance risks all of which are managed by the DFM's operational units on a regular basis. Examples of internal bodies are the Insider Committee, and the Audit Committee.

### The principal risk categories and how DFM manages them are as follows:

	RISK EXPLANATION	RISK MANAGEMENT
STRATEGIC RISKS	Risks that affect the long-term performance of the organization including external factors that jeopardize the ability to execute the strategy and to realize the going concern of the DFM. These include, but are not limited to, market risks, competition risks, geo-political risks, reputational risks, products and services related risks, cyber risks, data leakage and privacy risks.	The DFM manages changes arising from strategic initiatives with prudence; a comprehensive risk assessment to insulate DFM operations from any adverse and unintended consequences from such risks is set in place. The DFM's Board of Directors and the Audit Committee continuously revise the strategy and associated risks to ensure it is up-to-date and that the business divisions are fit to generate economic value. The Board also analyzes the competitive landscape and its implications on the progress of high-impact strategic initiatives.
FINANCIAL RISKS	The DFM is exposed to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The DFM aims, therefore, to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance.	The DFM's risk management policies are designed to identify and analyze these risks, to monitor and set appropriate risk limits and controls. The DFM regularly reviews its risk management policies to accommodate changes in markets, products and emerging best practices. The finance department monitors and manages the financial risks relating to the operations of the market through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk, price risk and profit rate risk), credit risk and liquidity risk.*
OPERATIONAL RISKS	This risk category addresses risks related to the business operations, Information Technology and security, tactical projects and service continuity.	The DFM minimizes operational risks that would lead to settlement or market disruption by implementing robust controls that ensure business continuity, where information technology risks and employee risks are periodically reviewed. The DFM certified with the ISO 22301:2019 testifies to the DFM's keenness in addressing business continuity related risks, as well with ISO 27001:2013 for information security.
COMPLIANCE RISKS	During the course of its work, the DFM is exposed to compliance risk where legal penalties, financial forfeiture and material loss an organization can be incurred when it fails to comply with industry laws and regulations.	The DFM attaches great importance to the risk of non-compliance, so it works closely with all market participants to comply with regulatory and legal requirements. The market maintains strong relationships with regulators, policy makers, such as the Securities and Commodities Authority and the Ministry of Economy, to name a few.
		The DFM also closely monitors new developments in the regulatory framework, while proactively engaging in discussions and consultations with the respective regulatory authorities to propose changes and provide feedback on regulatory reforms and developments in the market on a regular basis.

\* For further details on the financial risks please refer to note 25 of the Consolidated Financial Statements for 2021.

# Business Review

During an eventful year, we continued to accelerate efficiency enhancement, elevate experience, drive innovation and create sustainable value for our business, issuers, investors and shareholders.

Announced in late October, Dubai's planned initial public offerings of 10 government and state-owned companies will be a catalyst for growth, as the Emirate looks to reach a market capitalization of AED 3 trillion and attract additional foreign investment. The move to list government-related entities will broaden sectors of the economy represented on the DFM and increase liquidity, which will in turn boost investors' confidence.

The announcement included Dubai's plans to launch a AED 2 billion market-maker fund to boost trading on its stock market and a AED 1 billion fund to encourage technology companies to list on the bourse. In addition, the Dubai Markets Supervisory Committee and two specialized courts for capital markets will be formed to supervise, monitor and protect the rights of shareholders and investors, as well as settle disputes in an equitable manner when they arise.

These announcements followed new amendments to the UAE Commercial Companies Law of 2015, allowing 100% foreign ownership of companies in certain strategic sectors, along with associated amendments to enhance accessibility and attract foreign investment. In the context of these and other market moves, the DFM witnessed increased activity towards year end and is ideally positioned to accelerate growth in 2022 and beyond.

## Driving investment and growth

In line with our strategy to diversify investment opportunities, the DFM launched new equity futures contracts on individual stocks for three prominent listed companies: Aramex, Air Arabia and Emirates Integrated Telecommunications Company (du). Building on the success of the inaugural equity futures contracts launched in 2020, these new contracts with tenures of 1, 2 and 3 months serve to expand the equity futures market and provide more choice to investors.

In another significant milestone in the execution of our diversification strategy, the DFM inaugurated REITs trading with the listing of Al Mal Capital REIT early in the year. Supported by a robust trading and listing framework in line with international best practices, the introduction of REITs broadens the scope of opportunities offered to local and international investors.

Demonstrating the increased momentum and investor demand for exposure to the Dubai market, Chimera Capital Limited listed an exchange-traded fund (ETF) tracking the performance of liquid UAE listed stocks on the DFM. The liquid, fully fungible, fully tradeable and transparent fund has been designed to track the performance of the S&P UAE BMI Liquid 20/35 Capped Index, an index provided by S&P Dow Jones Indices that includes the largest stocks by capitalization in the UAE.

In a first for the UAE, the UAE Federal Government listed its inaugural bonds on Nasdaq Dubai. The Ministry of Finance issued sovereign bonds package raised AED 15 billion in 3 tranches, achieving the lowest-ever yield for a debut sovereign from the GCC. Oversubscribed 5.6x, the high demand from investors reaffirmed the UAE's strong credit rating and resilient economy, as well as the prominent role of Nasdaq Dubai in supporting the Emirate's economic growth and development.

In terms of foreign government listings during the year, the Government of Maldives listed AED 1,836 million of total Sukuk on Nasdaq Dubai, raising the percentage of foreign (non-UAE) listings to 46%. Meanwhile, the Government of Indonesia, IsDB and China Construction Bank listed a total combined value of AED 16 billion of ESG Sukuk and bonds in 2021, increasing the total value of all ESG listings by year-end to AED 45 billion.

In June, Malabar Gold & Diamonds redomiciled to DIFC and listed on Nasdaq Dubai's Private Market. The move strengthened Malabar's links with investors and provides the company with a transparent, well regulated, efficient and secured solution for its share-related corporate actions.

Reinforcing Dubai's position as a driving force for capital market transformation, Nasdaq Dubai welcomed the dual-listing of 3iQ's 'The Bitcoin Fund', the first listed digital asset-based fund in the MENA region. Further diversifying the DFM's asset class offerings, the listing from Canada's largest digital asset manager offers investors an indirect exposure to Bitcoin by trading its units within a world-class regulated and transparent exchange environment. It also provides the opportunity for long-term capital appreciation, through a convenient alternative to a direct investment in the crypto currency.

## Enhancing choice and accessibility

Demonstrating the resilience of Dubai and the exceptional response of the UAE and Dubai in protecting the people, businesses and economy from the impact of the COVID-19 pandemic, the ordinary 10% limit down cap on listed securities daily movement was reinstated in February 2021, reversing the temporary decrease in the cap to 5% put in place in March 2020.



Digital onboarding of investors supported growth in new investors by over 100% in 2021.

As part of our strategy to align with international markets in order to attract increasing investment, the DFM extended its trading hours to five hours daily starting in October. In close coordination with key stakeholders and alignment with SCA's directions, the new initiative is set to solidify the DFM's leading position as a main gateway for investments in the region and a more diverse set of investors globally. This move complements the UAE's

change in workweek, which began on January 1st, 2022, which further aligns the nation and its markets with the global workweek and markets.

Furthermore, the minimum trading commission was waived, as part of the DFM's initiatives aimed at promoting retail investors' participation in the market. By directly reducing transaction costs and consequently maximizing potential returns, the move encourages retail investors to further trade on the market, increasing the number of overall transactions to drive growth for the market and key stakeholders including investors and brokerage houses.

To further support trading activities and enable brokerage firms to provide investors with value-added services, the DFM licensed Al Ramz Capital and Al Ansari Financial Services as short-term margin trading providers. This move lifts the total number of providers on the market to three brokerage firms.

In order to provide capital market access to a wider pool of potential companies, we introduced new rules for small and medium-sized companies (SMEs) and larger free zone companies to list on DFM's Main Market and Nasdaq Dubai Growth Market. This move is designed to catalyze a wave of new investors by enabling them to raise capital for their businesses and enhance their attractiveness in global markets.

Collectively, these initiatives served to attracting investment and drive increased market activity towards the end of the year, combining with the regulatory and IPO pipeline announcements to substantially generate positive momentum heading into 2022.

## Incentivizing private sector IPOs in strategic economic sectors

The DFM announced an unprecedented incentives program to encourage new IPOs and listings from private sector companies.

In line with broader efforts to strengthen Dubai's position as global capital markets hub, the program incentives include financial support for private companies' IPOs on the DFM's Main Market and listing on the Direct Market; post-listing support through participation on the DFM's international roadshows regionally and globally; and a three-year waiver on listing fees, AGM fees and dividend distribution fees. The landmark program focuses on driving growth in key economic sectors that strongly contribute to the Emirate's GDP and strategy for the future. These include:



## Supporting Business Excellence

Across our organization, our talented and experienced team worked with pride and purpose throughout the year to pursue operational excellence, engage stakeholders and generate growth for our business.

## Business Development

During 2021, our Business Development team maintained focus on attracting new listings, increasing the value of investments and forging new partnerships, while continuing to raise awareness and promote deeper understanding of the unique value proposition of the DFM and its markets.

Our annual International Investor Roadshow took place twice in May and in November, successfully reinforcing links between equity and fixed income issuers in Dubai and leading investment institutions in the US, UK, Europe, Asia and MENA region. The event included 175 one-on-one meetings with senior representatives of 81 international institutions managing a range of approximately US\$ 40 billion to US\$ 2.5 trillion of assets. The success of the event reinforced the strong interest and confidence in the prospects of Dubai's capital markets.

We also conducted awareness sessions for a number of Dubai's leading Free Zone Authorities, including JAFZA, TECOM, DMCC AND DAFZA. Bringing together the authorities and many companies and community of advisors from these free zones, we were able to engage audiences and promote the IPO and listing opportunities on the DFM.

In order to connect with broader audiences across the region and around the world, we also delivered capital markets overview and communication sessions in different forms for investors, MBA students and various events and forums worldwide. These included eight online events targeting companies, law firms and investors in China – a key strategic growth market for Dubai's capital markets – including the Dubai Chamber Expo Roadshow and ESG-related forums with ICBC.

Furthermore, in line with our role as an ESG champion for our market and to promote sustainable finance, we took part in a Dubai Sustainable Finance Working Group Webinar for ESG Acceleration. Organized through the Dubai Sustainability Working Group, which includes many of the Emirate's leading organizations. The event included the launch of two ground-breaking ESG guides for Dubai: the ESG investing Guide and the Sustainable Issuance Guide.

A range of additional webinars and briefings were held throughout the year to engage stakeholders and raise awareness on topics including Equity Futures, The Bitcoin Fund, REITs, SME IPOs, Fixed Income investment, and other topics aligned with the activities and goals of the DFM.

## Dubai Central Securities Depository

Dubai CSD continued to fulfill its mandate to provide 'secure, efficient and transparent' central depository services, safekeeping the securities listed on the DFM and Nasdaq Dubai.

During 2021, Dubai CSD successfully distributed AED 8.3 billion of cash dividends on behalf of 32 listed companies on the DFM and Nasdaq Dubai to over 330,000 shareholders. It also onboarded four new private companies for depository and registrar services, raising the total to 14 private companies.

Overall, Dubai CSD saw an increase of over 100% in investor onboarding, with 7,342 new investors in 2021 to reach a total of 852,212. In addition, it witnessed growth of investors using online channels, with a total of over 81,000 investors using its eServices platform, up 12% from 72,346 in 2020.

## Dubai Clear

Dubai Clear, the company set up in 2020 to operate the DFM's central counterparty (CCP) business for securities clearing and settlement, continued to live up to its promise of being 'Your trusted clearing house'.

During 2021, Dubai Clear cleared a total value of over AED 72.3 billion, an increase of 10% from 2020. The average daily margin was over AED 50 million, while Dubai Clear held collaterals of over AED 2.13 billion for Clearing Members in 2021.

Dubai Clear was approved by The Global Association of Central Counterparties (CCPI2) as a regular member this year. A global association of 38 members who operate more than 60 individual CCPs across Europe, the Middle East, Africa the Americas and the Asia-Pacific region, CCPI2 aims to promote effective, practical and appropriate risk management and operational standards for CCPs to ensure the safety and efficiency of the financial markets it represents.

## Digitization & IT

Further highlights included introducing automation in key areas of its operations to increase efficiency. These were mainly focused on the rejection and reversal process for institutional trades and end-of-day settlement runs.

As the requirements of local, regional and global investors and issuers continue to evolve, accelerated by the COVID-19 pandemic, the DFM continues to invest in digitization and IT infrastructure to enhance efficiency and experience for all our stakeholders.

Supporting the strategic initiatives across our organization and operations, our IT team carried out key enhancements in infrastructure, core systems, applications and processes. These included upgrades to key systems and platforms, automation of processes to enhance efficiency and service, and upgrades to infrastructure and channels to further strengthen our proposition to all our stakeholders.

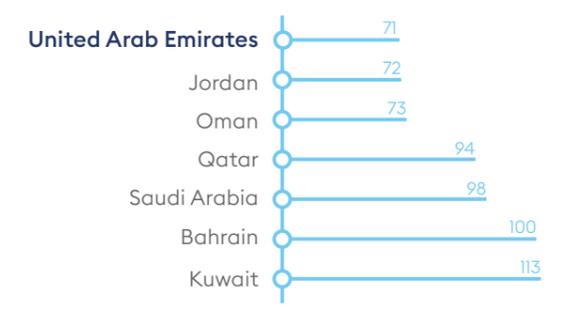


# Sustainability

**The DFM is at the forefront of driving the sustainability agenda among the UAE's capital markets and wider financial services industry. We aim to act as a catalyst for positive environmental, social, and governance (ESG) contribution across the capital markets.**

DFM realizes that creating value for our stakeholders and conducting our business in line with sustainability principles are vital to our long-term growth. We also understand that our responsible exchange plays an important role in supporting sustainable development in Dubai and the whole UAE. DFM's Sustainability Strategy 2025 is consistent with the UAE's objectives and plans, global Sustainable Development Goals (SDGs), the UAE Green Agenda 2015-2030, the country's commitment to the Paris Agreement, and Dubai's Vision 2021. According to the global SDGs Index Report for 2021, the UAE's overall SDGs performance rated 71 out of 175 nations worldwide. Based on this assessment, the UAE continues to rank first in the Gulf Cooperation Council (GCC) standings and outperforms the Arab region.

SDGs Global 2021 Ranking<sup>1</sup>



<sup>1</sup> Sustainable Development Report 2021.

While this section of the annual report includes the 2021 highlights in line with the DFM's ESG Reporting Guide, we aim to publish an in-depth standalone Sustainability Report covering more detailed ESG performance and initiatives related to 2021 over the coming months.

## 03 Sustainability

# 2021 Highlights



## FTSE4GOOD Constituent

After joining the FTSE4Good Emerging Market Index in June 2019, FTSE Russell's May 2021 review confirms that the DFM remains a constituent.



## 2 ESG Guides

As part of the Dubai Sustainable Finance Working Group, the DFM participated in launching two guides for sustainable issuance and investments and extended that to the market participants in a well-attended webinar.

**US\$ 12.15 bn**  
**+ 57% YOY**

Nasdaq Dubai continued to be the most prominent exchange for green bonds, sustainability and ESG issuances and listings in our region, with a total of US\$ 12.15 billion from nine Sukuk and four conventional bonds in 2021.



**83%**

The DFM's listed companies' disclosure of ESG data by 2021, in line with the latest Securities and Commodities Authority (SCA) regulations mandating sustainability reporting.



**60%**

The average Emirati participation in the DFM's workforce over the past five years; we commit to foster local employment.

**+7% YOY**

The DFM's S&P/Hawkamah UAE ESG Index achieved a 7% increase compared to 2020.



**57%**

Female participation in the DFM's workforce; we are a proud standard bearer of gender equality.

## A Stakeholder-oriented Sustainability Strategy

As the capital markets' business model encompasses a broad spectrum of relationships with stakeholders, it requires implementing a diligent approach to cultivate those relationships to be able to create long-term value across each stakeholder group. With this end in mind, the DFM's Sustainability Strategy articulates our commitment to lead as the region's sustainable marketplace by creating long-term shared value for the DFM stakeholders by 2025. The four pillars of the DFM's Sustainability Strategy are; Sustainability Reporting & Disclosures, Sustainable Investment Education, Green Products & Listings, and Gender Balance & Empowering People. The DFM aims to prioritize sustainability in every aspect of its corporate strategy and organizational operations to create this value.

## Engaging with our Stakeholders

At the DFM, we recognize that our continued success relies on delivering value to our diverse stakeholders. We consult and listen to each of our stakeholder groups, so that we understand their evolving needs and incorporate their perspectives into our strategies and actions. This is essential to ensuring the DFM remains relevant, responsive and creates long-term value for our stakeholders. We conduct annual surveys to measure satisfaction of our products and services among our stakeholders. Identifying the ESG factors most material to the DFM helped steer our approach to sustainability with the DFM PJSC Sustainability Framework to ensure we integrate ESG into our strategy, operations and risk management framework.



## Focusing on ESG issues that matter

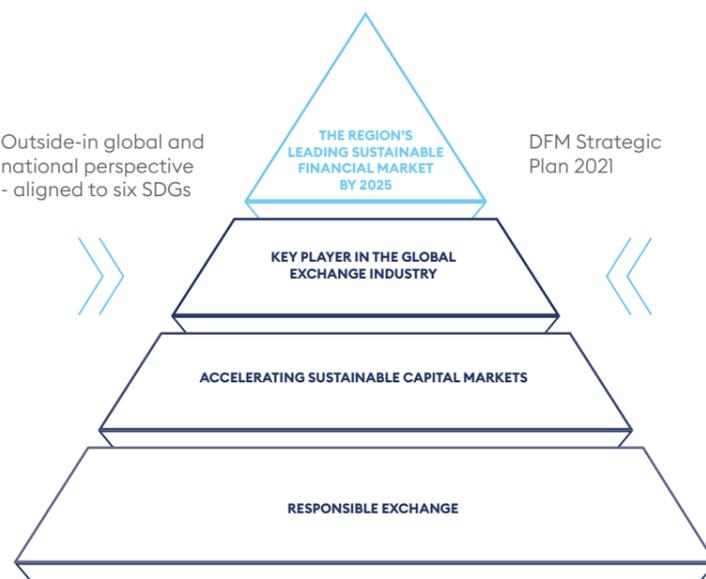
We continue to engage our stakeholders and maintain a consistent and strategic dialogue, ensuring that our operations and sustainability management approach remains relevant and inclusive. This seamless engagement allows us to effectively manage and mitigate any potential material ESG issues that could arise in an ever-changing operational environment. Currently, the DFM prioritizes 20 material ESG issues that matter most to our stakeholders and influence our strategy and operational activities. Naturally for our industry, governance areas such as anti-corruption, anti-bribery, financial stability, and data privacy remain high on our priority list, as indicated by the below matrix. The DFM will review its materiality assessment and, where required, will update our priorities in the 2021 stand-alone Sustainability Report.

## Sustainability Framework

The DFM's sustainability framework reflects our understanding of the sustainability developments of global trends and contexts, as well as our Strategic Plan. Through this framework, the DFM aims to achieve long-term shared value for its stakeholders, establish itself as the region's leading sustainable financial market by 2025, and contribute to national, sectoral, and worldwide sustainability agendas. DFM's sustainability framework builds on our strengths and targets three main areas – being a responsible exchange, accelerating sustainable capital markets and acting as a key player in the global exchange industry. Through this framework and the related sustainability approach we aim to contribute to the below six global SDGs.



Outside-in global and national perspective - aligned to six SDGs



## 1 RESPONSIBLE EXCHANGE

To become the region's sustainable capital market, it is essential that DFM leads by example. We continue to embed leading sustainability practices into our operations and identify opportunities to continuously improve. As a responsible exchange, we are committed to:

- Good governance and transparency
- Financial stability
- Digital innovation
- Developing our people
- Protecting the environment
- Enriching our communities

In the following pages we provide the reader with a summary of our 2021 sustainability achievements in line with our framework and Sustainability Strategy 2025:

- **Responsible exchange;** we highlight the importance of our governance role and how we develop our people and impact our society.
- **Accelerating sustainable capital markets;** shifting focus towards sustainability we will be highlighting sustainability and report disclosures along with our continuing efforts in gender balance and empowering people.

## 2 ACCELERATING SUSTAINABLE CAPITAL MARKETS

We are shifting the marketplace towards sustainability by focusing on four main pillars for DFM and its stakeholders:

- Sustainability Reporting and Disclosures
- Sustainable Investment Education
- Green Products and Listings
- Gender Balance and Empowering People.

## 3 KEY PLAYER IN THE GLOBAL EXCHANGE INDUSTRY

We aim to be a prominent player in the global exchange industry. Through effective partnerships and collaboration, we advocate for and contribute to the growth of responsible investing and sustainable market practices, while driving regional action towards the same outcomes.

- **Key player in the global exchange industry;** we highlight our effective partnerships and initiatives to advocate for the growth of responsible investing.
- **Going forward;** we discuss our general direction, plans and aspirations within the ESG sphere.

# Responsible Exchange

We continue to embed leading sustainability practices into our operations and identify opportunities to continuously improve. As a responsible exchange, we are committed to developing: good governance and transparency, financial performance, digital innovation, developing our people, protecting the environment and enriching our communities.

## 1. Promoting Good Governance & Transparency

Cultivating trust and confidence through good Corporate Governance has been an ongoing focus of our strategy. DFM's corporate governance framework is supported by the UAE Securities and Commodities Authority (SCA), which clearly defines relevant matters and applicable limits. These parameters include those reserved for the Board's approval, and those which the Board may delegate to the Board Committees and Management. Building upon our 2017 Board-approved risk management framework, the DFM continued to update its risk appetite across the business to mitigate risk exposure of strategic, operational, compliance and financial risks and integrated ESG issues into the framework. For further details on DFM's risk management framework please turn to pages 35-37 in this report.

DFM promotes good governance and transparency among its stakeholders encouraging greater transparency of disclosures including financial and non-financial information. In 2021, DFM-listed companies recorded 98% compliance when disclosing quarter three results within the deadline of 45 days from the end of the period. Through its Listing and Disclosure department, DFM ensures that its listed companies disclose the annual governance report and any major changes pertaining to their board members' election, the market also stringently manages operations to prohibit insider trading, and accordingly assigns major penalties.

As a member of the United Nations Sustainable Stock Exchanges (SSE) Initiative, we are committed to supporting the work of exchanges across the world

in promoting ESG. The DFM ESG Reporting Guide, launched in 2019 and to be updated in 2022, supports and encourages listed companies to increase disclosure of ESG information and adopt ESG reporting practices, which reinforces their ability to attract investments, access finance and enter new markets through good governance practices. Currently, 83% of DFM listed companies (including those listed on Nasdaq Dubai) develop sustainability reports for the financial reporting year 2021 in line with the Securities and Commodities Authority (SCA) mandate for ESG disclosure. As such, DFM continues to lead in listed companies' sustainability reporting among regional exchanges.

In recent years, DFM issued a resolution that sees listed companies obligated to enroll board members and board secretaries in governance programs, and to ensure that any board secretaries are DFM certified. DFM continued to collaborate with Hawkamah Institute for Corporate Governance (Hawkamah) in offering a Board Secretary Accreditation Program which is mandatory for all DFM-listed companies and is strongly recommended for non-listed companies.

Beyond financial and non-financial compliance, the DFM is the world's first market to comply with Islamic Shari'a principles, which are well aligned with sustainable development and ethical practices. In line with international best practices and accounting standards, and to meet the needs of ethical and belief-based investing, our Board Committees include the Fatwa & Shari'a Supervisory Board and Audit Committee, which all demonstrate the transparency of the market. As of Q3 2021, 66% of DFM's listed companies were Shari'a-compliant.

### DFM Shari'a-compliant Listed Companies



DFM continued its efforts to support board diversity and inclusion in line with its Sustainability Strategy 2025 on gender balance and empowering people. During 2021, DFM achieved 30% female board representation across its listed companies. This also includes DFM PJSC, which has two female Board Member on its nine-member Board.

This achievement underlines DFM's commitment to adopt international business excellence and quality standards as well as its constant endeavor to further enhance its services in line with international best practices. Furthermore, initiatives from the Audit Committee and subsequent Internal Control procedures allowed us to continue the following ISO accreditations:

-  ISO 27001:2013 Information Security Management System
-  ISO 22301:2012 Business Continuity Management System
-  ISO 9001:2015 Quality Management System

In this Annual Report, we have dedicated a fully-fledged governance report, showcasing our best practices in governance with additional information on our Shari'a-compliant practices, our internal audit achievements, and our Board of Directors. To read further on our corporate governance practices and framework, please turn to pages 56 - 86 in this report

## 2. Financial Stability

During 2021, our efforts to sustain a stable financial performance and to diversify our sources of income included several achievements mainly highlighting the increased diversification in asset classes, increased market accessibility with exciting options for companies in new economic sectors. For further details, please turn to the strategic priorities section on pages 26-27 of this report.

By the end of 2021, the Dubai Financial Market General Index (DFMGI) exhibited a 28.3% YOY growth. With regards to the financial performance during 2021, the DFM PJSC achieved a consolidated revenue for 2021 was AED 298.1 million and a consolidated net profit of AED 99.1 million for further details on the financial performance of DFM, please turn to pages 33 - 34 of this report.

## 3. Digital Innovation

DFM continues to further its leading position as the main driver of capital market development in the UAE and region through its strategy to develop and sustain a solid market infrastructure and technological systems in line with international best practices. Leveraging the migration to the Nasdaq Financial Framework (NFF) trading ecosystem, DFM introduced several platforms for new asset classes such as the ETFs, Equity Derivatives and REITs.

In June 2021, 3iQ Corp., Canada's largest digital asset investment fund manager with more than C\$2.5 billion in assets under management, listed The Bitcoin Fund, (Trading Symbol: QBTC), on Nasdaq Dubai. The regulated Bitcoin-based exchange traded product is the Middle East and North Africa's (MENA) first listed digital asset-based fund. The Fund offers investors an indirect exposure to Bitcoin by trading its units within a world-class regulated and transparent exchange environment as well as the opportunity for long-term capital appreciation through a convenient alternative to a direct investment in the crypto currency.

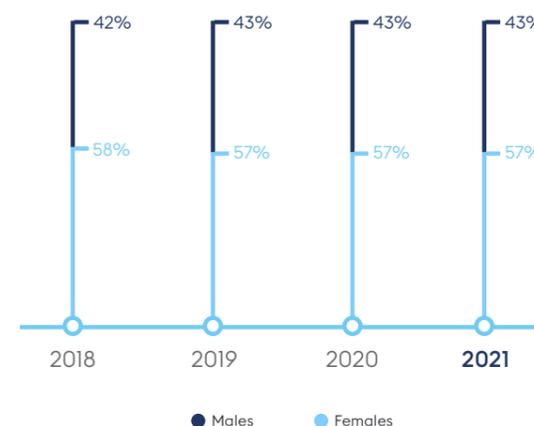
The DFM's strategy of becoming a Smart Borse continued to pay off through deploying advanced Fintech solutions to provide customers with smart and innovative solutions. The various digital initiatives also provide seamless operations to brokers and help provide digital services to their clients.

Furthermore, the newly upgraded IPO Platform provides investors, issuers and receiving banks with a digital advantage during the IPO process enabling swift IPO subscriptions. Moreover, the Electronic Dividend Distribution System (DDS) which provides swift and seamless electronic dividend payments enabled Dubai CSD, a subsidiary of Dubai Financial Market, to successfully distribute AED 8.3 billion of cash dividends on behalf of 32 listed companies through the DFM iVESTOR Card and bank transfers. As part of enhancing market accessibility, we have further enhanced the process of investors' digital onboarding by introducing seamless and facilitated registration process. Upon deployment of which, 44% of new investors joining during 2021, have come through this channel.

## 4. Our People

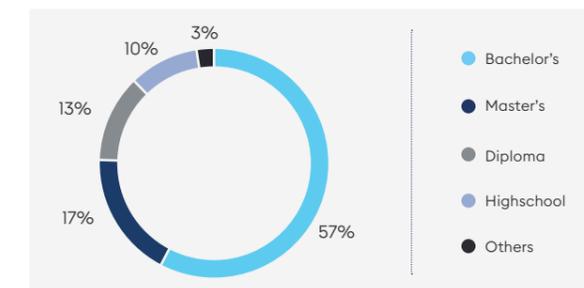
Our people are our greatest asset; the DFM is proud to have a total of 155 employees as of the end of 2021. With 57% of our current workforce being females, we are pioneers in gender equality in the financial sector and we maintain our focus on empowering people and providing an inclusive and healthy work environment that promotes equality.

### Gender Diversity



Recognizing that the strength of the organization is directly linked to its ability to attract and retain the most capable people, DFM focuses on recruiting and retaining top talent. By the end of 2021, those who hold Bachelor's degrees and higher represent 74% of our employees. We offer our employees a well-honed career path with abundant training opportunities, promotions, bonuses, and performance-based pay. During 2021, we have trained 80% of our employees.

### Professional Level Distribution in 2021



In addition, the DFM also supports the UAE Government's plans to attract Emirati talent in the financial sector and build strong connections with local universities and colleges to scout the most skilled UAE-based students. For example, in December 2021, the DFM hosted the second cohort of Emirati students from the Federal Youth Authority's Young Economist Program, under the patronage of His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of Dubai Executive Council. The program is a first-of-its-kind in the region and aims to build the capabilities of youth to become future leaders in business and economics. Thanks to our ongoing efforts, we have achieved an Emiratization rate of 59%, thus providing job opportunities for the local community.

### Emiratization Percentage



## 5. Protecting the Environment

As The Dubai Financial Market (DFM) is keen to protect the environment and minimize its environmental footprint, both as a market influencer and as a publicly-listed company, and has continued to undertake a number of initiatives to promote these aims. Our digital innovation initiatives play a key role in helping DFM decrease paper consumption. For example, services available through our mobile applications and website platforms, automated dividend distributions to investors, providing an electronic alternative to cheques through iVESTOR Card and bank transfers.

In line with the drive towards a paperless and sustainable workplace, we implemented several initiatives to reduce our environmental footprint. Since 2015, we have been recycling up to over 12,208 kg of paper per year through the GreenBox program thanks to the introduction of greener practices (e.g. more responsible printing).

Furthermore, using Vblock technology in our data center, DFM's energy savings increased from 66% in 2015 to 82% in 2021. We also reduced electricity consumption by using power-saving LED lights and implementing lights-off rules after office hours.

## 6. Enriching our Communities

In line with our corporate social responsibility (CSR) policy and Sustainability Strategy, the DFM embraces good corporate citizenship to make a positive social impact on local communities. In 2021, we took part in several celebratory days, including the UAE Flag Day, 50th National Day and Martyrs' Day, looking forward in confidence that our country will build upon its successes reinforcing its globally acclaimed position as a key economic powerhouse. Both DFM and Nasdaq Dubai are well-positioned to maintain their dynamic role supporting economic development in Dubai and the UAE.

# Accelerating Sustainable Capital Markets

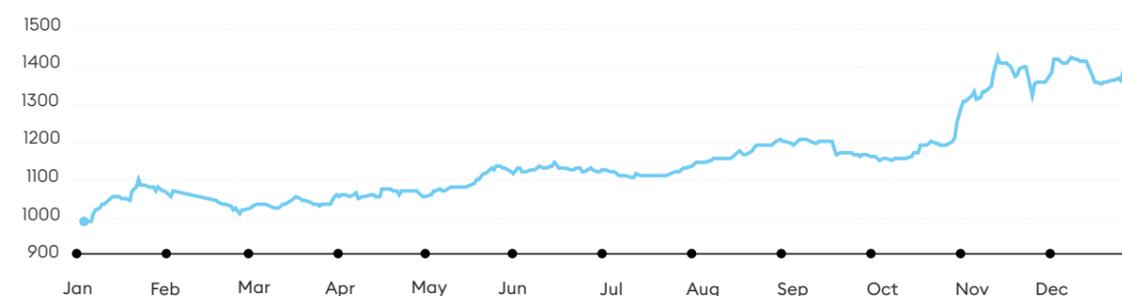
DFM is committed to accelerating sustainable capital markets regionally and globally, and delivering on its Sustainability Strategy 2025 by focusing on four key pillars: sustainability reporting and disclosures, sustainable investment education and awareness, green products and listings, and gender balance and empowerment.

exchanges which are subject to an annual assessment incorporating ESG criteria against which the company's disclosure practices are evaluated by Hawkamah, the S&Ps screening partner in the Middle East. During 2021, the S&P/ Hawkamah UAE ESG index increased by 7%.

### 1. The UAE ESG Index

Since its launch back in 2020, the S&P/Hawkamah UAE ESG index consists of 20 listed companies on the UAE

S&P/Hawkamah UAE ESG Index (Price Index 2021)



Top 10 Constituents by Index Weight (as at 31st December 2021)

Company	Symbol
Dubai Financial Market PJSC	DFM
Emirates Telecommunications Group Company PJSC	ETISALAT
Aramex PJSC	ARAMEX
Abu Dhabi Commercial Bank PJSC	ADCB
Aldar Properties PJSC	ALDAR
First Abu Dhabi Bank PJSC	FAB
National Central Cooling Company PJSC	TABREED
Dubai Investments PJSC	DIC
Abu Dhabi Islamic Bank PJSC	ADIB
Emirates NBD PJSC	ENBD

During 2021, DFM continued its efforts to encourage listed companies to disclose on ESG factors by providing ESG reporting guidance.

## 2. Increasing Sustainable Issuances on Dubai's Capital Markets

To meet the increased investor interest in sustainable finance across Dubai's capital markets and the wider financial services sector, DFM recognizes the importance of sustainable issuances. Notably, Nasdaq Dubai, DFM's

subsidiary, has become the leading exchange in the region in ESG listings with a total value of US\$ 12.15 billion by 2021, a 57% increase compared to 2020, encouraging all issuers to introduce or strengthen compliance with ESG principles to promote beneficial practices and meet the rapidly growing investor demand.

Nasdaq Dubai Sustainable Issuances (as of 1st December 2021)

	Asset Class	Listing Date	Value (US\$ bn)
Government of Indonesia	Sukuk	Mar-2018	1.25
Government of Indonesia	Sukuk	Feb-2019	0.75
Government of Indonesia	Sukuk	Jun-2020	0.75
Government of Indonesia	Sukuk	Jun-2021	0.75
MAF Sukuk	Sukuk	May-2019	0.6
MAF Sukuk	Sukuk	Oct-2019	0.6
Islamic Development Bank	Sukuk	Dec-2019	1.1
Islamic Development Bank	Sukuk	Jun-2020	1.5
Islamic Development Bank	Sukuk	Apr-2021	2.5
China Construction Bank	Bond	Aug-2020	0.5
China Construction Bank	Bond	Aug-2020	0.7
China Construction Bank	Bond	Apr-2021	0.6
China Construction Bank	Bond	Apr-2021	0.55
		<b>Total</b>	<b>12.15</b>

## 3. Continued Sustainable Investment Education

As part of its efforts to increase understanding of the global Sustainable Development Goals, the UAE SDGs, the DFM Sustainability Strategy 2025 and policy, DFM continued to play an active advocacy role during 2021, participating in several virtual ESG industry events and panel sessions highlighting the increasing importance of developing sustainable capital markets, growing sustainable finance, and encouraging sustainability

reporting. These efforts included participating in launch of two ESG guides that were introduced at the Dubai Sustainable Finance Webinar titled "the Dubai Sustainable Finance webinar on ESG Acceleration". Furthermore, liaising with the Industrial and Commercial Bank of China, we delivered an online forum on the role of technologies in empowering the ESG transformation. Finally, in collaboration with our brokers, we organized a series of educational webinars to introduce the derivatives market to our investors.

# A Key Player in the Global Exchange Industry

Through partnerships, memberships, awareness and advocacy, we aspire to play a key role in the global exchange industry. We support and contribute to leading international ESG practices, and are working to drive these practices at the regional and local levels. The DFM is well positioned to make a positive difference, as we connect a diverse community of market participants including UAE and MENA region companies, as well as global investors throughout the investment life cycle.

During 2021, and in line with the UAE Sustainable Development Goals 2030 and Dubai's Strategic Plan 2021, the DFM and the Dubai International Financial Centre (DIFC) continued to carry out the plans of the "Dubai Sustainable Finance Working Group" launched in 2019. The initiative underlines our commitment to collaborate with key stakeholders to reinforce Dubai's position as a leading financial hub and a global capital of Islamic economy.

Bringing together strong support from leading banks, financial institutions, as well as public and private companies in Dubai in order to orchestrate efforts to embed ESG into the financial services sector, the group encompasses 15 members; DFM, DIFC, Nasdaq Dubai, Hawkamah Institute of Corporate Governance, Dubai Electricity & Water Authority (DEWA), Aramex, DP World, Majid Al Futtaim, Emirates National Oil Company (ENOC), HSBC, Emirates NBD, Dubai Islamic Bank, Société Générale, Standard Chartered and Zurich Insurance.

In 2021, the Group members launched two practical guides, a "Sustainable Issuance Guide", which details the steps involved in issuing ESG bonds, Sukuk, equities and other financial products, as well as outlining the need for companies to develop a sustainability strategy. This Guide was prepared by group members Standard Chartered, DFM and Nasdaq Dubai. The other guide titled "Sustainable Investing Guide" was prepared by Emirates NBD and HSBC, which highlights the increasing ESG opportunities for investors as companies and the financial markets pivot towards integrating sustainability into their mainstream activities.

# Going Forward

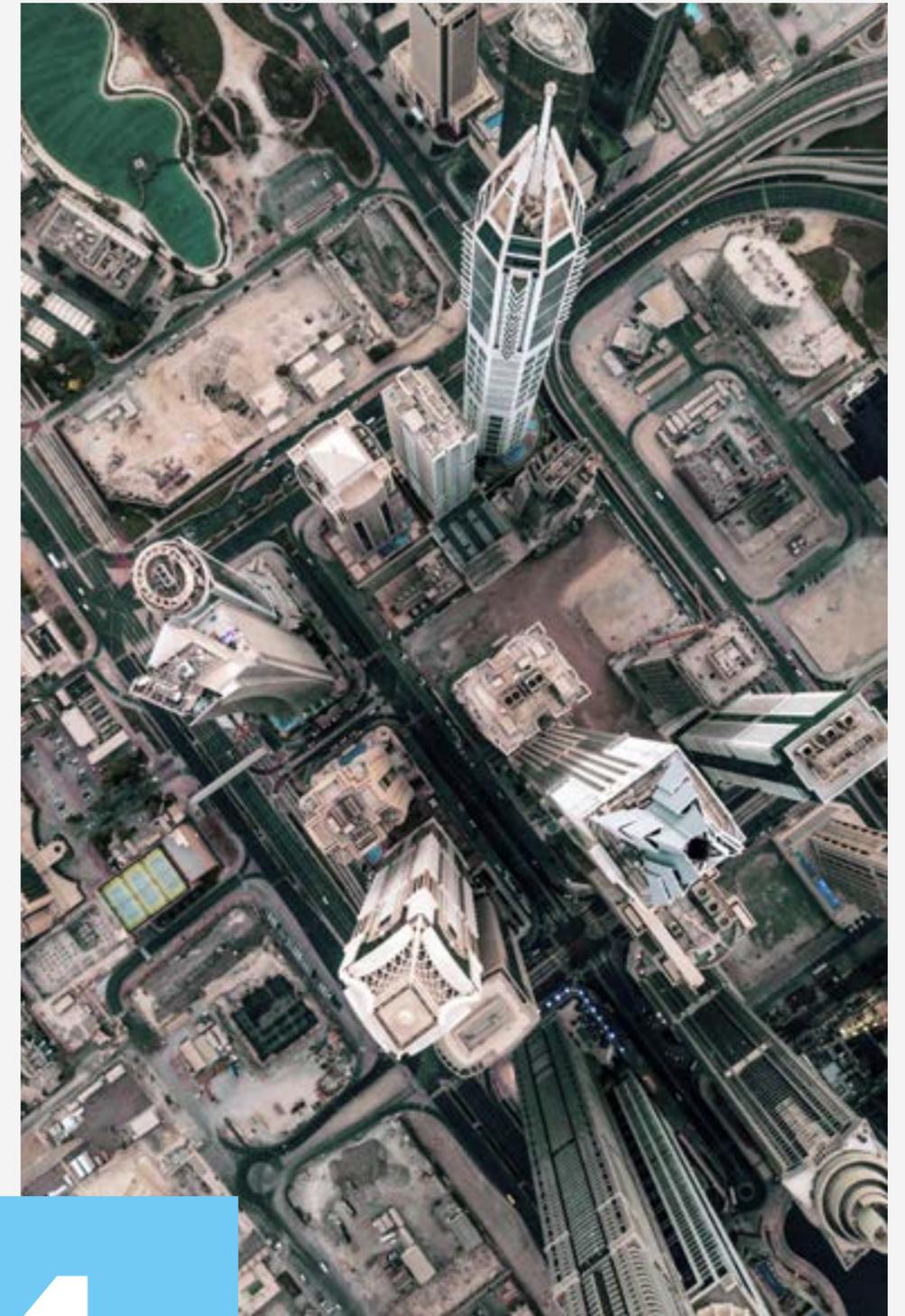
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Throughout this section of the Annual Report, we aimed to summarize DFM's engagement with multiple stakeholders to develop a sustainable capital market. Going forward, we will continue to leverage stakeholders' relationships to create long-term shared value as a public-listed company.

As an influencer, our Sustainability Strategy 2025 seeks to continue our efforts in the following focus areas:

- Develop an enhanced reporting landscape, so that our listed companies embark on a journey of sustainability reporting. The latest Securities and Commodities Authority (SCA) regulations mandating sustainability reporting referenced in section "Promoting Good Governance and Transparency", helps to accelerate the efforts of listed companies to achieve 100% ESG Disclosures by 2025.
- Support the increasing trend towards ESG investing, DFM will continue to drive awareness of ESG best practices and sustainable investing through its efforts as an exchange and among its stakeholder partnerships to develop good Corporate Governance and transparent markets.
- Continue to showcase the sustainable companies listed on UAE Exchanges which are leading in ESG best practices through the S&P/Hawkamah UAE ESG Index and attract investment.
- Encourage the issuance of green listings through Dubai's capital markets and grow our leading position in the region.

DFM believes that it is well underway to become the region's leading sustainable financial market by 2025.



# 04

## Corporate Governance

# Corporate Governance Report

The instructions and regulations issued by the UAE's Securities and Commodities Authority (SCA) in accordance with the international standards outline the importance of adopting Corporate Governance principles and emphasize transparency and accountability.

The Dubai Financial Market's (DFM) Board of Directors (the "Board") performs all of its duties effectively to achieve the interests of investors as well as all stakeholders. The core responsibilities of the Board are: improvement of both operational performance and profitability levels, the institutionalization of sustainable development, the implementation of good governance principles, and providing strategic direction for the organization. Moreover, the Board is responsible for monitoring as well as identifying and managing risks, in order to achieve the desired objectives.

As a part of the UAE economic system, the DFM plays a unique and an essential role in improving Corporate Governance across listed public joint stock companies in accordance with the corporate governance issued regulations. The DFM has continued, in cooperation with Hawkamah, to introduce an accreditation program for board secretaries of the listed companies' boards of directors since 2017. The program aims to improve the efficiency and standardize performance of the board secretaries and board of directors of the public joint stock companies listed at DFM to be on par with the international best practice.

As part of this active role, and in order to keep up to date with the corporate governance best practices, DFM has participated in several courses and seminars related to corporate governance that were organized by the Securities and Commodities Authority (SCA) as well as by other organizations. Furthermore, the DFM regularly participate in drafting corporate governance resolutions, which SCA releases for listed companies.

In the following paragraphs, we review the Board's most important governance practices at DFM, in line

with the requirements of Federal Decree No. 26 of 2020 and SCA Board of Directors' Decision No. (3 /R.M) of 2020 concerning Approval of Joint Stock Companies Governance Guide and its subsequent amendments:

## 1. Procedures implemented to improve Corporate Governance during 2021

In line with the responsibility of the Board towards DFM shareholders, and its duty to protect and promote the value of shareholders' equity, the management of DFM continues to apply the rules and principles of governance effectively and transparently. The DFM has achieved this objective via:

- The Board's commitment to hold more than four meetings during 2021.
- The Board's commitment to the annual disclosure of their independence during 2021, as well as the disclosure of any change that affects their independence, including their membership of other boards. Board Members signed an undertaking of all positions held by them at the end of 2021, in addition to the disclosure statement and independence signed by the Board at the first Board meeting after the Annual General Assembly Meeting during the year 2021.
- The Audit Committee held five meetings and the Nomination and Remuneration Committee held four meetings. Each committee performed their duties and submitted their written reports regarding the results, recommendations and follow-ups on the implementation thereof, to the Board.
- DFM Management's commitment to the disclosure of quarterly and annual financial statements, within the permitted legal timeline.
- Approval of the policies, which is related to the Board and its committees, and ensure the proper implementation.
- Board of Directors to sign off the conflict of interest declaration for each Board meeting.
- Approval of the conflict of interest and related party transactions policy.

## 2. DFM PJSC share ownership and trading transactions of the Board, their spouses and children during 2021

Name	Position / Kinship	Owned shares as of 31st December 2021	Total sale transactions	Total purchase transactions
H.E. Helal Saeed Al Marri	Chairman	15,000	-	-
H.E. Wesam Al Abbas Lootah	Vice Chairman	-	-	-
Mr. Abdulqader Obaid Ali	Member	15,000	-	-
Mr. Abdulwahid Abdulrahim Alulama	Member	-	-	-
Mr. Yuvraj Narayan	Member	-	-	-
Mr. Mohammed Humaid Al Marri	Member	-	10,000	-
Mrs. Moaza Saeed Al Marri	Member	-	-	-
Mr. Saeed Rashid Al Yateem	Member	-	-	-
Mrs. Huda Sabil Mohamed	Member	-	-	-

Prior Board Members during the year 2021:

Name	Position / Kinship	Owned shares as of 31st November 2021	Total sale transactions	Total purchase transactions
H.E. Essa Abdulfattah Kazim	Chairman	5,015,000	-	-
	Spouse	29,281,000	-	-
Mr. Rashid Hamad Al Shamsi	Vice Chairman	-	-	-
Mr. Adil Abdullah Al Fahim	Member	-	-	-
Mr. Ali Rashid Al Mazroei	Member	-	-	-
Mr. Mussabeh Mohammed Al Qaizi	Member	-	-	-

## 3. Composition of the Board of Directors:

A. The Board constitutes of the following Members:

Name	Membership	Executive/Non-Executive	Date of joining	Step down date
H.E. Helal Saeed Al Marri	Chairman	Independent/ Non-Executive	3rd November 2021	
H.E. Wesam Al Abbas Lootah	Vice Chairman	Independent/ Non-Executive	3rd November 2021	
Mr. Mohammed Humaid Al Marri	Board Member	Independent/ Non-Executive	21st April 2010	
Mrs. Moaza Saeed Al Marri	Board Member	Independent/ Non-Executive	14th March 2017	
Mr. Abdulqader Obaid Ali	Board Member	Independent/ Non-Executive	3rd November 2021	
Mr. Abdulwahid Abdulrahim Alulama	Board Member	Independent/ Non-Executive	3rd November 2021	
Mr. Yuvraj Narayan	Board Member	Independent/ Non-Executive	3rd November 2021	
Mr. Saeed Rashid Al Yateem	Board Member	Independent/ Non-Executive	21st December 2021	
Mrs. Huda Sabil Mohamed	Board Member	Independent/ Non-Executive	21st December 2021	

Previous Board Formation:

H.E. Essa Abdulfattah Kazim	Chairman	Independent/ Non-Executive		3rd November 2021
Mr. Rashid Hamad Al Shamsi	Vice Chairman	Independent/ Non-Executive		3rd November 2021
Mr. Adil Abdullah Al Fahim	Board Member	Independent/ Non-Executive		3rd November 2021
Mr. Ali Rashid Al Mazroei	Board Member	Independent/ Non-Executive		3rd November 2021
Mr. Mussabeh Mohammed Al Qaizi	Board Member	Independent/ Non-Executive		3rd November 2021



Name

**H.E. Helal Saeed Al Marri**

Category

Chairman  
Independent Non-Executive

Experience and qualifications

- Helal Almarri holds a Master of Business Administration (MBA) degree from the London Business School (LBS). Almarri is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and previously worked at consulting firms, McKinsey and KPMG.

Period spent as a Board Member

- 2 months

Membership and positions at any other joint-stock companies

- Almarri was recently appointed as chairman of Dubai Financial Market and also serves as a member of the Supreme Committee of the Expo 2020 and board member at the Dubai Chamber of Commerce and Industry, Emaar Properties PJSC and Taaleem PJSC.
- Almarri's mandate spans developing, strengthening and managing the positioning of Dubai as the city to visit (business and leisure), invest in, and to be the hub for global talent to live, study, and work in - across core economic sectors.

Positions in any other important regulatory, government or commercial entity

- His Excellency Helal Saeed Almarri is the Director General of the Department of Economy and Tourism. He is a member of the Executive Council of Dubai, a member of the Board of Directors of the Investment Corporation of Dubai and also the Director General of the Dubai World Trade Centre Authority (DWTCA).



Name

**H.E. Wesam Al Abbas Lootah**

Category

Vice Chairman  
Independent Non-Executive

Experience and qualifications

- Wesam holds a master's degree in Computer Science and Engineering from Pennsylvania State University and a bachelor's degree from Ohio State University. Wesam is also an author with published research in the field of Computer Security and is a renowned speaker on smart cities and digital transformation at top events.

Period spent as a Board Member

- 2 months

Membership and positions at any other joint-stock companies

- Wesam has more than 20 years of strategic leadership experience during which he has leveraged Information Technology to create innovative new channels and a world-class Smart Government infrastructure to improve the quality of public services for citizens, residents, visitors and businesses alike, in Dubai.
- Since becoming CEO in 2014, in record time Wesam has managed to transform technology from being the backbone of Smart Dubai initiative to become a true enabler of digital transformation, with a focus on humanizing technology to influence life's experiences. He pioneered the Smart Dubai strategy and plans related to Artificial Intelligence (AI), and has the distinction of launching the first AI Lab in the Middle East and North Africa region, in addition to launching some of the most impactful initiatives and smart services.
- Whilst spearheading initiatives at Smart Dubai Government Establishment, Wesam has led several breakthroughs in the field of Smart Cities as an early adopter – one such technology being Blockchain. Under his stewardship, the Dubai Blockchain Strategy won several awards and recognitions at both regional and global level. The highlight among all these awards is the Smart City Project Award – bestowed at the Smart Cities Expo & World Congress 2017, standing tall against 308 other projects from 58 countries.
- Prior to his current role, Wesam was the Vice President of Information Technology at World Trade Centre where he led the transformation of IT through a number of initiatives. In the past, he has also served as the Director of Information Technology at Emaar Properties, during which he led the global rollout of sales automation and ERP across Emaar's subsidiaries in Pakistan, Egypt, Saudi Arabia and Canada. Before that, as the Head of Application Services from 2002 to 2007, Wesam led the implementation of unified business process and ERP across Dubai Government entities resulting in one of the largest ERP implementation in the public sector.

Positions in any other important regulatory, government or commercial entity

- Wesam Lootah is the Chief Executive Officer (CEO) of the Smart Dubai Government Establishment, the technology arm of Digital Dubai (previously known as Smart Dubai). Digital Dubai is the government entity entrusted with Dubai's city-wide digital transformation envisioned by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.



Name

**Mr. Abdulqader Obaid Ali**

Category

Board Member  
Independent Non-Executive

Experience and qualifications

- Abdulqader holds a Bachelor of Science in Electronic Engineering Technology from Arizona State University, U.S.A. and a Master of Science in Technology Management from Stirling University, Scotland, U.K. He has successfully completed "The International General Management Program for Executive Development" conducted by International Institute of Management Development (IMD), Switzerland.

**Areas of Expertise:**

- Information Technology
- Innovation
- Internal Audit
- Business Excellence
- Risk Management
- Governance
- Construction
- Fraud
- Human Resources

Period spent as a Board Member

- 2 months

Membership and positions at any other joint-stock companies

- Chief Executive Officer -Smartworld
- Chairman of the Board – UAE Internal Audit Association
- Vice Chairman -Al Noor Training Center for Persons with Disabilities
- Independent Board Member of the Audit Committee- Al Masraf Bank

Positions in any other important regulatory, government or commercial entity

**Previous Engagements and Experiences**

- Chief of Internal Audit for Dubai World Group, the holding company that manages a number of world-class companies such as DP World-UAE Region, Economic Zones World (EZW), Dry Docks World, Nakheel and Istithmar, from August 2005 until October 2014. In this role, he reported initially to the Chairman and then directly to the Audit and Risk Committee of Dubai World on Audit & Fraud related issues covering Dubai World. During his tenure beside Auditing, as a Certified Fraud Examiner he led around 500 fraud cases dealing with different agencies, including special cases in USA and Interpol.
- Dubai Aluminum Company (DUBAL) heading various Departments (IT, Quality, Human Resources). He was involved in Quality Assurance, developing and maintaining ISO standards and certifications and the application for the Dubai Quality Award and chairing the DUBAL Suggestion Program. While serving as the Manager of Organization Development, Abdulqader was responsible for Recruitment and Training and Succession Planning.

**Noteworthy Achievements**

- Founder of Ideas Arabia and assessor for Ideas America.
- First UAE National recipient of the prestigious Wilfred Thesiger Award, where master's degree Scholarship was awarded to him.
- Member of the Jury for the Dubai Quality Award and SKEA, Shaikh Khalifa Excellent Award. Awarded the Qualification in Internal Audit Leadership (QIAL) in 2014, which falls under the umbrella of the Institute of Internal Auditors.
- Certified Fraud Examiner from the Association of Certified Fraud Examiners in the USA and has a Certification in Risk Management Assurance (CRMA) from IIA.



Name

**Mr. Abdulwahid Abdulrahim Alulama**

Category

Board Member  
Independent Non-Executive

Experience and qualifications

- Abdulwahid graduated with a distinction (first in his batch) in his L.L.B. from the UAE University in 1999. In 2000, he was admitted to practice before the UAE courts and was additionally awarded a Chevening scholarship in the same year. He has a L.L.M. degree in Maritime Law and International Trade from University College London (University of London) in 2001.

Period spent as a Board Member

- 2 months

Membership and positions at any other joint-stock companies

- Emirates Post Group – Board Member – Independent
- Dubai Multi Commodities Center – Board Member - Independent

Positions in any other important regulatory, government or commercial entity

- White & Case LLP (Nov 2012 till date): Partner, Global Corporate and Merger & Acquisitions Office Executive Partner, Dubai Office
- Dubai Multi Commodities Center (DMCC): Vice Chairman, Chairman of Remco
- Emirates Post Group: Vice Chairman, Remco Member
- Dubai Financial Services Authority (DFSA): Board Member, Chair of the Remuneration Committee, Member of the Legislative Committee, Member of the Risk Committee
- Al Manara Real Estate Registration Trustee LLC: Owner.



Name

**Mr. Yuvraj Narayan**

Category

Board Member  
Independent Non-Executive

Experience and qualifications

- Mr. Narayan has been named MENA CFO of the Year on four occasions in 2008, 2015, 2016 and 2018. His Finance team has won multiple awards, including Finance Team of the Year in 2015. DP World is also a regular winner of the 'Best Company for Investor Relations, Middle East'.
- Prior to joining DP World, Mr. Narayan held executive positions with ANZ Group as Head of Corporate and Project Finance for South Asia, and Salalah Port Services in Oman as Chief Financial Officer. He has also served as Non-Executive Director of Istithmar World and IDFC Securities. He is a qualified Chartered Accountant.

Period spent as a Board Member

- 2 months

Membership and positions at any other joint-stock companies

- Yuvraj Narayan is the Group Chief Financial, Strategy & Business Officer of DP World, one of the largest global transport and logistics companies with over 120 business units across 60 countries.
- DP World is headquartered in Dubai, UAE, which is home to the group's flagship asset, Jebel Ali Port and Jebel Ali Free Zone, which accounts for approximately 33% of Dubai's GDP.
- Mr. Narayan joined DP World in 2004 and has played a major role in transforming the business from a local port operator to a global logistics company that manages c.10% of global trade. He led DP World's international \$21 billion Initial Public Offering (IPO) in 2007.
- Mr. Narayan has managed the growth and leverage of DP World by accessing financial markets including the use of Bonds and Sukuks. DP World has more than \$10 billion of bonds trading on the Nasdaq Dubai exchange (UAE) which has significantly contributed to Dubai becoming a major financial hub.
- Mr. Narayan has also been instrumental in many acquisitions including the \$3.5 billion purchase of Economic Zones World FZE (EZW), creating the leading integrated port and free zone in the Middle East.

**Other landmark transactions include:**

- The finance facility for the acquisition of CSX and P&O in 2005 and 2006.
- Organising Pre-IPO Sukuk issuance.
- Delivering the divestment of P&O's east coast assets in the United States.
- The first ever 10-year Islamic Sukuk.
- The first ever 30-year Bond in the Middle East.
- Launching the DP World IPO worth \$21 billion.
- The acquisition of DP World Sokhna in Egypt, the Fairview Container Terminal on the west coast of Canada and two ports in Chile.
- The monetisation of assets in Australia, Hong Kong and Canada.
- Acquisition of Unifeeder and P&O Ferries for over \$1 billion to grow DP World's logistics operations.
- Acquisition of Topaz Energy & Marine to build up DP World's marine logistics capability in the energy sector.
- DP World's \$9 billion re-financing.
- Partnership deals with Canadian asset manager, Caisse de Dépôt et Placement du Québec (CDPQ); the Russian Sovereign Wealth Fund; the Russian Direct Investment Fund (RDIF); the India Sovereign Wealth Fund and the National Investment and Infrastructure Fund (NIIF).

Positions in any other important regulatory, government or commercial entity

-



Name

**Mr. Mohammed Humaid Al Marri**

Category

Board Member  
Independent Non-Executive

Experience and qualifications

**Mr. Al Marri has the following professional memberships:**

- Certified Public Accountant since 1990.
- Member of the UAE Accountants and Auditors Association since 1997.
- Member of the Culture and Science Symposium in Dubai since its inception.
- Honored with the Sheikh Rashid Award for Educational Excellence for completing an MBA degree at the American University in Dubai.
- Holds an Institutional Leadership Certificate from the Leadership and Learning Center in Florida, USA.
- NLP practitioner certified by Richard Bandler through McClendon & Associates Institute.
- Holds a Self-Hypnosis Practitioner Diploma from Proudfoot School of Clinical Hypnosis and Psychotherapy.

Period spent as a Board Member

- 11 years, 8 months

Membership and positions at any other joint-stock companies

- Mr. Al Marri is a Financial and Administrative expert with more than 20 years of experience in both public and private sectors. He graduated from Mohammed bin Rashid's Program for Leadership Development, Government Leaders Category.
- He also holds an MBA from the American University in Dubai since 2004 and a Bachelor's degree in Accounting from the United Arab Emirates University in Al Ain since 1990. Mr. Al Marri started his professional career as an employee at the Land Department in 1986 and holds / has held the following positions since then.
- Assistant CEO for Finance and Corporate Support at the Mohammed bin Rashid Housing Establishment since August 2009.
- Founding Partner in Faris & Co. Public Accountants since 1995.
- CFO at the Roads and Transport Authority from June 2006 to August 2009.
- Assistant General Manager of the Dubai Transport Authority from March 2005 to June 2006.
- Member of the Board of Directors of the Dubai Development Board from December 2005 to April 2008.
- CFO and CAO of the Land Department from November 2000 to March 2005.

Positions in any other important regulatory, government or commercial entity

-



Name

**Mrs. Moaza Saeed Al Marri**

Category

Board Member  
Independent Non-Executive

Experience and qualifications

- Moaza holds a Masters of Business Administration in General Business from the American University in Dubai. Through her 20 years career Moaza had garnered diverse experiences from the private, semi government, government sectors and different committees in different sectors, giving her an agile and adaptive approach to multiple sectors requirements.

Period spent as a Board Member

- 4 years and 9 months

Membership and positions at any other joint- stock companies

- Moaza started her career in 1999 at Nestle Middle East, overseeing the Internal Communications for the Middle East and Levant market. After which she moved on to the banking industry joining Emirates NBD in 2009 and took up the positions of Senior Business Marketing & Communication Manager. In January 2014, she moved on to the Government sector joining the Roads & Transport Authority in Dubai as a Marketing and Corporate Communications Director, then she was promoted to become the Executive Director - Chairman & Executive Director Office at the Authority.
- In her present position, Moaza is heading several pivotal committees participating in the comprehensive development in UAE, such as the team responsible of following up Mobility Future Foresight Project; this project is related to following up strategies and initiatives of smart transformation in the mobility sector, as well as re-enforcing RTA pioneering and Dubai in forming mobility future. Moaza heads as well RTA's Women Committee, which enables and empowers women in RTA, this committee announced many distinctive initiatives, and organized varied cultural and sport activities.
- On a personal level, Moaza has won The Middle East Women Leaders Excellence Award in 2015 for Communications and Media excellence, and a Bronze Award from Dubai Lynx.

Positions in any other important regulatory, government or commercial entity

- Moaza Al Marri, is the Executive Director of the Director General's Office at the Roads and Transport Authority. She is a Board Member at the Dubai Financial Market (DFM) and at the Dubai Sports Council serving as the Secretary General of Mohammed bin Rashid Al Maktoum Creative Sports Award and the Head of the Women's Sports Committee.



Name

**Mr. Saeed Rashid Al Yateem**

Category

Board Member  
Independent Non-Executive

Experience and qualifications

- Bachelor of Political Science, Faculty of Economic and Administrative Sciences Industry Political Science United Arab Emirates University, 1995.

Period spent as a Board Member

- 11 days

Membership and positions at any other joint- stock companies

**Experience**

- 2009 until now, Assistant Undersecretary of Budget & Revenue, Ministry of Finance.
- 2002-2009 Director of the Budget Department, Ministry of Finance.
- 2002 Deputy Director of the Investments Department, Ministry of Finance.
- 2001 major administrative in administration Investments- Ministry of Finance.
- 1998-2001 General Director Office Manager of the Dubai Customs Department.
- 1996-1998 Researcher in Research and Studies Department - Dubai Customs Department.

Positions in any other important regulatory, government or commercial entity

**Current position including other board memberships**

- Assistant undersecretary for Resources & Budget. Ministry of Finance.
- Board membership in Arab Fund for Economic and Social Development.
- Board membership in Etihad Rail.
- Board membership of the UAE Council of the Fourth Industrial Revolution.
- Board membership in UAEU.
- Board membership of Emirates Council for Governmental Services.
- Board Member of Federal Tax Authority.
- Board Member of Gulf Investment Corporation.



<b>Name</b>	<b>Mrs. Huda Sabil Mohamed</b>
<b>Category</b>	<b>Board Member Independent Non-Executive</b>
<b>Experience and qualifications</b>	<ul style="list-style-type: none"> <li>Huda graduated from Ajman University of Science and Technology with a Bachelor Degree in Business Administration. She also holds various professional qualifications including Certified Islamic Professional Accountant (CIPA) from Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), Certificate in Management (CIM) from University of Wollongong Dubai and Certified Management Accountant (CMA) from Institute of Management Accountants, USA. Huda has also successfully completed the Essential Leadership Program from London Business School.</li> <li>In recognition of her exemplary leadership, Huda won the 17th Middle East Future Excellence Award for Leadership in the Banking sector category and the Distinguished Woman Award in the Banking and Finance sector from Emirates Institute for Banking and Financial Studies.</li> </ul>
<b>Period spent as a Board Member</b>	<ul style="list-style-type: none"> <li>11 days</li> </ul>
<b>Membership and positions at any other joint-stock companies</b>	<ul style="list-style-type: none"> <li>Huda Sabil Abdulla is the Chief Financial Officer of Emirates Islamic, the Islamic subsidiary of Emirates NBD Group since 2019 where she is responsible in spearheading the finance and strategy function of the organization.</li> <li>Huda is an astute financial services professional with over 26 years of experience in the banking and finance industry spanning across both conventional and Islamic banking. She began her career with Emirates NBD Group 26 years ago and has been growing professionally within the Group with roles spanning across various areas such as HR, Financial Accounting and Control, Business Finance, Performance and Asset Liability Management and investors relations.</li> <li>Huda plays a pivotal role in the organization in various capacity especially in developing tools and systems to provide critical financial and operational information as well as driving the strategic conversation for the organization. Some of her notable contributions include leading the implementation of fund transfer pricing (FTP) roll out which enabled efficient pricing and liquidity management for the organization. Huda also pioneered the establishment of best in class economic profit framework in line with Basel and proven economic profit techniques in the organization.</li> <li>In 2019, Huda became the first Emirati woman to be appointed Chief Financial Officer in the UAE Banking Industry. In her present role, Huda has been an influential and prolific leader in driving Emirates Islamic's financial success through efficient cost management, strategic planning and proactive P&amp;L management resulting in continuous profitability and balance sheet growth at Emirates Islamic.</li> </ul>
<b>Positions in any other important regulatory, government or commercial entity</b>	-

## Prior Board Members during the year 2021

Name	H.E. Essa Abdulfattah Kazim	Mr. Rashid Hamad Al Shamsi
Category	Chairman	Vice Chairman
Length of tenure as a Board Member	14 years	14 years
Current appointments or membership at any other Joint Stock companies	Board Member in Etisalat Company (PJSC).	Not applicable
Experience and qualifications	<ul style="list-style-type: none"> <li>H.E. Kazim began his career as a Senior Analyst in the Research and Statistics Department of the UAE Central Bank in 1988 and then moved to the Dubai Department of Economic Development as Director of Planning and Development in 1993. He was then appointed as Director General of the DFM from 1999 to 2006.</li> <li>H.E. Kazim holds an honorary Doctorate from Coe College, a Master's degree in Economics from the University of Iowa, a Master's degree in Total Quality Management from the University of Wollongong and a Bachelor's degree in Mathematics, Economy, and Science.</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Rashid Hamad Al Shamsi is a founding partner of MEECON, the architecture and engineering consultancy, and owner of Al Shamsi Property Management Company in Dubai.</li> <li>He holds a Bachelor's degree in Civil Engineering from the University of South Carolina, USA (1982).</li> <li>Former Board Member of the Emirates General Transport Company.</li> <li>General Manager of the Emirates General Petroleum Corporation (Emarat) from 2002 to 2008, during which he chaired several Boards of Emarat's joint ventures and subsidiaries.</li> <li>Former Board Member of the Dubai Chamber of Commerce and Industry, between 1991 and 1997.</li> <li>Former Board Member of Dubai Mercantile Exchange.</li> <li>Former CEO of Sama Dubai, the real estate development arm of Dubai Holding.</li> </ul>
Current appointments at any other regulatory, government or commercial entity	<ul style="list-style-type: none"> <li>Deputy Chairman of the Supreme Legislation Committee in Dubai.</li> <li>Member in the Dubai Supreme Fiscal Committee.</li> <li>The Governor of Dubai International Financial Centre (DIFC).</li> <li>Chairman of Borse Dubai Limited.</li> <li>Member of the Higher Board of Directors of the Dubai International Financial Centre (DIFC).</li> <li>Chairman of DIFC Authority Board of Directors.</li> <li>Chairman of DIFC Investments Board of Directors.</li> <li>Board Member of Nasdaq Dubai.</li> <li>Board Member of Nasdaq, Inc.</li> <li>Board Member of Free Zones Council.</li> <li>Member of the Board and Secretary General of the Dubai Islamic Economy Development Center.</li> <li>Board Member of Rochester Institute of Technology.</li> <li>Member of the Board of Governors at Hamdan Bin Mohammed Smart University.</li> <li>Member of the Board of Governors at United Arab Emirates University.</li> </ul>	<ul style="list-style-type: none"> <li>A founding partner of MEECON, the architecture and engineering consultancy, and owner of Al Shamsi Property Management Company in Dubai.</li> <li>Board Member of Nasdaq Dubai.</li> <li>22 years of experience in the marketing and distribution of energy-related products.</li> </ul>

Name	Mr. Mussabeh Mohammed Al Qaizi	Mr. Ali Rashid Al Mazroei
Category	Board Member	Board Member
Length of tenure as a Board Member	7 years	10 years and 8 months
Current appointments or membership at any other Joint Stock companies	Not applicable	<ul style="list-style-type: none"> <li>Board Member of the National Bond Company.</li> <li>Board Member of Emirates Investment and Development Corporation (PSC).</li> <li>Board Member of Taaleem Holding (PSC).</li> </ul>
Experience and qualifications	<ul style="list-style-type: none"> <li>With over 20 years of experience, mainly in the Information Technology sector, Mr. Mussabeh has held a number of positions in which he implemented, supervised or directly managed several multi-task teams and individuals.</li> <li>In 1999, Mr. Al Qaizi joined Dubai Islamic Bank as Head of Cards Unit, which he developed in two years.</li> <li>Head of Information Systems Department, Dubai Islamic Bank, between 2001 and 2008, where he helped develop and support the bank's information systems infrastructure, and gained significant experience in project management across various banking fields.</li> <li>He holds a Bachelor's degree in Computer Information Systems from Arkansas University, USA, in 1991.</li> </ul>	<ul style="list-style-type: none"> <li>In his capacity as Group CEO of Al Bahri and Al Mazroei Group, Mr. Ali Rashid Al Mazroei is responsible for overseeing the financial and administrative affairs of the Group's activities in the fields of trade, real estate, industry and tourism. The Group, which was established in Dubai in 1968 as a general investment group of companies, has grown to become a key player in the UAE economy.</li> <li>Mr. Al Mazroei held several positions at Citibank Group in Dubai between 2000 and 2007, including Head of Commercial Accounts Department, Head of Planning and Analysis Department for the Middle East, Africa and Turkey, and Vice President of the Financial Control Unit.</li> <li>Mr. Al Mazroei holds a Bachelor's degree in Business Administration from the American University in Dubai, and a Master's degree in Business Administration - from Southern New Hampshire University, USA.</li> </ul>
Current appointments at any other regulatory, government or commercial entity	<ul style="list-style-type: none"> <li>Head of e-Banking and IT Services at Dubai Islamic Bank, as well as other leading positions, including member of the Automation Committee of Dubai Islamic Bank, responsible for coordinating and aligning the bank's overall strategy with the latest IT developments.</li> <li>Since 2008, he has worked at the e-Banking Operations Unit, where he focuses on developing communication channels. In recognition of his substantial efforts in this area, his projects have earned several awards in the field of e-banking system development.</li> </ul>	<ul style="list-style-type: none"> <li>CEO of Al Bahri and Al Mazroei Group.</li> </ul>

Name	Mr. Adil Abdullah Al Fahim
Category	Board Member
Length of tenure as a Board Member	10 years, 8 months
Current appointments or membership at any other Joint Stock companies	Not applicable
Experience and qualifications	<p>Mr. Adil Abdullah Al Fahim has held several senior positions in the Dubai Government, and holds a number of academic and professional qualifications.</p> <ul style="list-style-type: none"> <li>He holds a Bachelor's degree in Commerce and is a Certified Public Accountant (CPA), a Certified Financial Consultant (CFC), a Certified Trainer of Audit Command Language (ACL), and Certified Fraud Examiner (CFE).</li> <li>Mr. Al Fahim has extensive experience in several areas including economy, finance, management, auditing/ internal auditing, information systems and the law.</li> <li>He won the MENA Financial Thought Leader of the Year award in 2012.</li> <li>A recipient of the IIA Lifetime Achievement Award (2013).</li> <li>He has written a number of articles and studies addressing vital economic issues that impact the global economy.</li> </ul>
	<p><b>He has held the following positions:</b></p> <ul style="list-style-type: none"> <li>Director General of the UAE Accountants and Auditors Association (2000-2002).</li> <li>Board Member and President of the Conferences Committee of the UAE Accountants and Auditors Association (2002-2004).</li> <li>President of the American Institute of Internal Auditors – UAE branch (2006-2007).</li> <li>Senior Vice President of the US Association of Certified Fraud Examiners – UAE branch.</li> <li>Member and Secretary General of the Committee of Auditors' Registration in the UAE.</li> <li>Financial expert and arbitrator in Dubai Courts' List of Certified Experts.</li> </ul>
	<p><b>He holds a number of professional qualifications and memberships, including:</b></p> <ul style="list-style-type: none"> <li>Certified Public Accountant - USA (CPA).</li> <li>Certified Fraud Examiner - USA (CFE).</li> <li>Certified Financial Consultant – Canada (CFC).</li> <li>Certified Trainer of Audit Command Language – Belgium (ACL).</li> <li>Founding Member of UAE Accountants and Auditors Association.</li> <li>Certified "Law Assistant" in Dubai Courts' Experts List of Technical Consultants.</li> <li>Member of the Information Systems Audit and Control Association – USA.</li> <li>Institute of Internal Auditors – USA.</li> <li>American Society for Quality – USA.</li> <li>Hospitality Financial and Technology Professionals Association.</li> <li>Canadian Association of Financial Consultants.</li> </ul>
Current appointments at any other regulatory, government or commercial entity	<ul style="list-style-type: none"> <li>Member of Dubai Government Supreme Committee for improvement and automation of budgeting.</li> <li>Member of Dubai Government Committee for fiscal Planning.</li> <li>Chief Financial Officer, Dubai Airports.</li> <li>Head of Internal Audit Department, the Ruler's Court, Dubai Government.</li> <li>Vice President, Department of performance control and IT systems audit and training, the Ruler's Court, Dubai Government.</li> <li>Representative of the UAE in the AGCC Committee for E-Commerce.</li> </ul>

## B. Women representation in the Board of Directors during 2021

The current DFM's Board of Directors includes two women among its nine members, reflecting the Board's keenness to appoint distinguished women cadres as a means of empowering women and in line with UAE's vision in this respect.

## C. Board Members' Remuneration and allowances

### 1. Total Remuneration of Board Members paid during 2020

The remuneration of the Board has been disbursed for 2020 in the amount of AED 300,000 for each member, which was approved in the Annual General Assembly Meeting held on 22nd March 2021.

### 2. Board Members' remuneration proposed for 2021

The proposal of disbursing the following amounts to each Board Member for 2021 will be presented at the Annual General Assembly Meeting to be held for approval.

Board Members	2021 Remunerations
H.E. Helal Saeed Almarri	48,493
H.E. Wesam Al Abbas Lootah	48,493
Mr. Abdulqader Obaid Ali	48,493
Mr. AbdulWahid AbdulRahim Alulama	48,493
Mr. Yuvraj Narayan	48,493
Mr. Mohamed Humaid Al Marri	300,000
Mrs. Moaza Saeed Al Marri	300,000
Mr. Saeed Rashid Al Yateem	9,041
Mrs. Huda Sabil Mohamed	9,041
H.E. Essa Abdulfattah Kazim*	251,507
Mr. Rashid Hamad Al Shamsi*	251,507
Mr. Ali Rashid Al Mazroei*	251,507
Mr. Adil Abdulla Al Fahim*	251,507
Mr. Mussabeh Mohammed Al Qaizi*	251,507

\* Board Membership ended on November 3rd 2021.

### 3. Board Committees allowances during 2021

Name	Committee	Allowance Value	Number of Meetings
Mr. Rashid Hamad Al Shamsi	Nomination and Remuneration Committee	60,000	4
Mr. Adil Abdulla Al Fahim	Nomination and Remuneration Committee	60,000	4
Mr. Mussabeh Mohammed Al Qaizi	Nomination and Remuneration Committee	60,000	4
Mr. Mohammed Humaid Al Marri	Audit Committee & Dubai Clear Risk Committee	95,000	5
Mr. Adil Abdulla Al Fahim	Audit Committee & Dubai Clear Risk Committee	100,000	5
Mr. Ali Rashid Al Mazroei	Audit Committee & Dubai Clear Risk Committee	100,000	5

### 4. Allowances, salaries, or additional fees paid to the Board Members other than the Board Committees allowances

H.E. Essa Kazim - Previous Chairman of the Board of Directors received an amount of AED 25,000 during 2021, as remuneration against the additional tasks he performed to serve the DFM that exceeded his regular duties as the Chairman.

## D. Attendance at Board meetings

	Date of meeting	Attendees	Attendees by proxy	Absent members
1	2nd February 2021	7	-	-
2	3rd May 2021	7	-	-
3	29th July 2021	7	-	-
4	27th October 2021	6	-	Mr. Rashid Al Shamsi
5	8th November 2021	7	-	-
6	21st December 2021	6	-	H.E. Wesam Lootah

## E. Board resolutions passed by circulation

DFM's Board rarely makes resolutions by circulation according to the Company's Articles of Association unless it is a business requirement. In such cases, all documents related to the resolution and recommendations of the internal committees are shared with the Board accordingly, hence Board Members can review to make an informed resolution. The Board passed 3 resolutions by circulation during 2021 with the following dates:

- 25th May 2021
- 20th September 2021
- 24th November 2021

## F. Duties and functions exercised by the Board or assigned to the Executive Management during 2021

The Executive Management is empowered to perform specific tasks according to the list of authorization approved by the Board. Since this delegation is related to the capacity rather than the individuals occupying that capacity, the period of delegation remains in effect until a resolution to cancel or amend the authority is passed by the Board. The following is a list of the tasks and authorities delegated to the Executive Management:

Authorization	Limit	Authorized Position	Notes
<b>Administrative Affairs</b>			
Update and approve this list	-	Board of Directors	-
Approve policies and systems	-	Board of Directors	According to the responsibilities of Board committees
Approve organization chart and its amendments	-	Board of Directors	-
File cases in the name of DFM / settlement / waiver	-	Chairman	Based on investigation and recommendation from Audit Committee
Represent DFM before court and in its relation with external parties	-	Chairman	Article 27 of AoA Article 155 of Companies Law
Sign severally on behalf of DFM	-	Chairman or any other Board Member delegated by the Board within the stated limits	-
Approve procedures manuals, management decrees and circulars	-	CEO	-
Approve management circulars and job orders within the division	-	Head of Division, or in case of absence, his deputy	-
Approve DFM general strategic plan and objectives	-	Board of Directors	-
Determine the percentage of dividend to be distributed to shareholders	-	Board of Directors proposes for AGM approval	-
Form, change, and dissolve executive committees	-	CEO	-

Authorization	Limit	Authorized Position	Notes
<b>Purchasing and Contracting</b>			
Approving Direct Purchase	Up to AED 50,000	Head of Purchasing and Contracting Department	One offer
	Up to AED 250,000	CFO & Head of Strategy	-
	Up to AED 500,000	CEO	-
	Above AED 500,000	Presented to the Board for approval	-
Approving contracting by biddings	Up to AED 1,000,000	CEO	3 offers to be recommended by purchasing committee
	Above AED 1,000,000	Presented to the Board for approval	-
Approving limited and public tenders	Up to AED 5,000,000	CEO	-
	Above AED 5,000,000	Presented to the Board for approval	-
Tenders selection		Purchasing committee	-
Signing approved contracts	Up to AED 5,000,000	CFO & Head of Strategy	Considering the authority matrix
	Up to AED 50,000,000	CEO	-
	Above AED 50,000,000	Presented to the Board for approval	-
Signing MOUs/limited representation/ sub-depositary/confidentiality agreements	-	CEO	-
Approve, update, and assess vendors	-	Purchasing Committee	-
Verify and collect purchases	Up to AED 50,000	Store in-charge	In addition to a representative from the ordering department
	Above AED 50,000	A temporary receiving committee	Includes ordering department, specialists, and store in-charge
Initial and final approval of jobs and services	-	A technical committee from specialists and experiences staff	May include external experts
Issuing stationary	-	Executive – administration	-
Issuing tools and capital equipments from store	-	Head of Purchasing and Contracting Department	-
Approving transfer of assets outside DFM for business purposes	-	CFO & Head of Strategy	-
Approving annual inventory count results	-	CEO	Based on recommendations of inventory count committee
Disposal of damaged and fully depreciated assets	-	CEO	Based on recommendations of the respective committee
Leasing DFM offices and fixing annual rent	-	CEO	Based on recommendation from purchasing committee
Fixing service fees and penalties and updating the fee list based on circumstances	-	CEO	Notify the Board with any update to service fees
Credit policy	Extend credit period above 30 days and up to 60 days	CFO & Head of Strategy	Managerial Decree No. 57 of 2012
	Extend credit period above 60 days and up to 90 days	CEO	-

Authorization	Limit	Authorized Position	Notes
<b>Purchasing and Contracting</b>			
Discount / Exemption from fees	Based on transaction fees, per transaction:	CEO	Applies to all fees charged by DFM
	✓ Up to AED 500,000 – 10% discount		
	✓ Above AED 500,000 to AED 1 million – 20% discount		
	✓ Above AED 1 million – 30% discount		
	Full exemption pf transfer fees from government entity to another account based on a high order from the ruler	CEO	Managerial Decree No. 16 of 2014
	Full exemption from the nominal fees of applications received from official and supreme authorities	Chief Operating Officer (COO)	-
Market Maker Trading fees	Market making rebate	CEO	As per BOD approved program The market making rebate & performance report presented to the BOD on quarterly basis or in the first BOD meeting.
Fines Cancellation	For the first fine	CFO & Head of Strategy along with the head of the respective division	In the same financial year
	For later fines	CEO	In the same financial year
Write-off receivables and assets with book value	Up to AED 20,000	CFO & Head of Strategy	In the same financial year
	Above AED 20,000	The Board	Based on Audit Committee recommendations

**Investment**

Investment in companies' capital, mergers, shares purchasing	Unlimited	The Board	Based on recommendations from investment committee
Participation in investment portfolios and funds, Islamic Sukuk, and Islamic derivatives	Unlimited	The Board	Based on recommendations from investment committee
Short-term investment deposits	Unlimited	CEO based on recommendations from investment committee	Authorization includes withdrawal of deposit (termination before maturity) taking into account the investment policy
Long-term investment deposits	Up to AED 50,000,000	CEO based on recommendations from investment committee	Authorization includes withdrawal of deposit (termination before maturity) taking into account the investment policy
Encashment of investments	-	The Board	Based on recommendations from investment committee

Authorization	Limit	Authorized Position	Notes
<b>Signing on cheques and bank transfers</b>			
Signing on cheques	Up to AED 50 million	Chairman and defined executives	Joint signatories
	Above that amount	Chairman or Vice Chairman and defined executives	Joint signatories
Signing on clearing & settlement accounts	unlimited	Chairman and defined executives and risk manager of Dubai Clear	Joint signatories
Signing on dividend distributions for listed companies	Up to AED 50 million	Chairman and defined executives	Joint signatories
	Above that amount	Chairman or Vice Chairman and defined executives	Joint signatories
Open and close bank accounts	-	Chairman & Vice Chairman	Joint signatories
Open and close members accounts	-	Defined executive	Joint signatories
<b>Financing</b>			
Borrowing and bank credit facilities	unlimited	Upon BOD approval and delegation	As per Article of Association
Renewal of bank credit facilities	unlimited	CEO	Comply with the main credit terms & conditions
<b>Donation</b>			
Monetary Donation	Shall not exceed 2% of the average net profit of the company during the past 2 fiscal years which monetary donation was offered	-	As per Article of Association
<b>Budget &amp; Financial reports</b>			
Budget approval and amendment		BOD	
Transfer budget provisions	Within different budget groups	CEO	Not exceeding approved limits
	From account to account within the same group	CFO	
Approval of quarterly reviewed & annual audited financial statement		BOD	Subject to audit committee approval
<b>Human Resources</b>			
Approval of Manpower planning of DFM Group	BOD	-	Based on NRC Recommendations
Interviewing & Selecting CEO & his Deputy for DFM Group	NRC	-	Based on the Manpower plan approved by BOD
Signature of Job Offer, employment contract or accepting resignation of DFM CEO or his Deputy	Chairman	-	Based on the approval of BOD
Interviewing, appointing, signing Job offers, Employment contracts, accepting resignation, layoff, promoting or transferring of Head of Divisions, departments or COO	CEO	-	With condition of Chairman approval

Authorization	Limit	Authorized Position	Notes
<b>Human Resources</b>			
Signature of Job Offers, employment contracts, renewal of employment contracts, layoffs or accepting employees resignation for DFM employees except for CEO or his Deputy	CEO	-	Based on Manpower planning approved from BOD following HR policies and procedures
Promoting Employees including degrees, titles or financials	CEO	Head of Concerned Division	Based on Manpower planning approved from BOD following HR policies and procedures
Employees Transfers, changing Grades or titles	CEO	Head of Concerned Division	HR policies and procedures
<b>Fraud and refunds</b>			
Refund of fraud related cases maximum AED 10,000 in a year and 5000 per case	-	CEO	As per procedure and financial services recommendation
Above that amount or refund for same investor more than once	-	BOD	As per procedure and Financial Services recommendation

### G. Related parties' Transactions during 2021

The DFM complies with SCA's rules and regulations regarding the definition of and transactions with related parties. In particular, those related to SCA's Board of Directors Decision No. (3/R.M) of 2020 concerning the approval of Joint Stock Companies Governance Guide and its subsequent amendments.

Stakeholders are defined as, the DFM's Chairman and the Board, the DFM's senior Executive Management

and employees, and the companies in which any of these own 30% or more capital, as well as subsidiaries, sister or affiliated companies.

Related parties' transactions are defined as: transactions, contracts, or agreements signed by DFM outside the normal course of DFM's line of business or that include preferential conditions that DFM does not usually grant to its clients and any other transactions determined by SCA from time to time through decisions, instructions, or circulars.

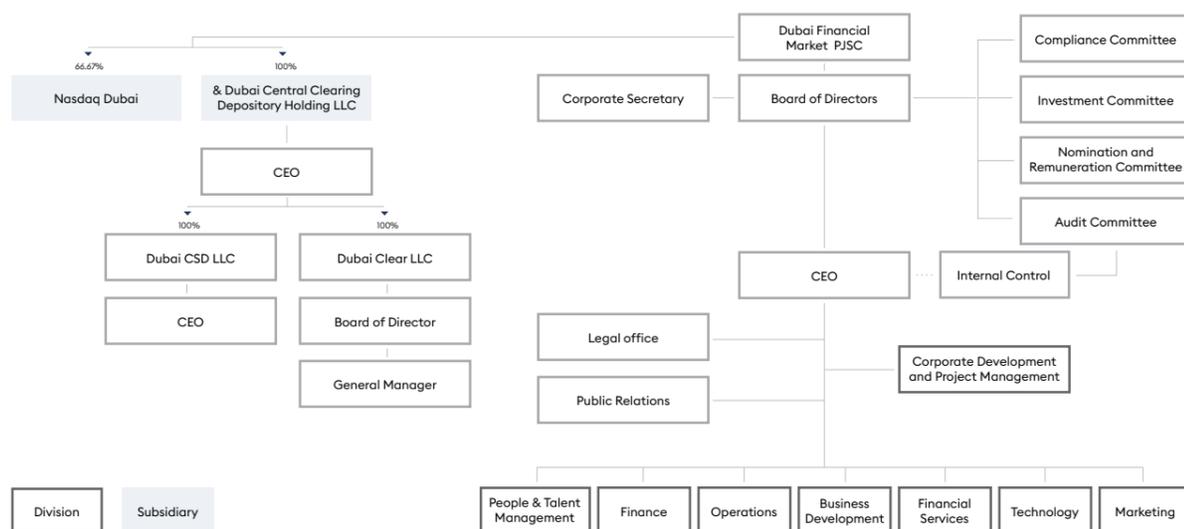
**In light of the above definitions, the DFM did not engage in any transactions with related parties during 2021.**

Related Party	Relationship clarification	Type of transaction	Value of transaction
N/A	N/A	N/A	N/A

In light of SCA's definition of the related parties and related parties' transactions, DFM identifies related parties and continuously monitors their transactions. The Board's approval is obtained for transactions that do not exceed 5% of DFM's share capital. In addition,

the Annual General Assembly Meeting held in 2021 for the year 2020 approved, via a special resolution, related party transactions in excess of 5% and up to 30% of DFM's share capital.

### H. DFM organizational structure



### R. Executive Management's salaries and remuneration details

The DFM Executive Management consists of eight employees. The following table lists their titles, appointment dates and the total amounts they received as salaries and bonuses:

Name	Position	Date of Appointment	Total Salaries and Allowances for 2021 (AED)	Total Paid Bonuses for 2021 (AED)	Total of other Cash/non-Cash Benefits for 2021 (AED)	Total (AED)
Mr. Hamed Ali	Chief Executive Officer (CEO)	27th July 2020	2,525,273.20	-	-	<b>2,525,273.20</b>
Mr. Hassan Al Serkal	Advisor to Chairman	1st June 1999	1,710,090.00	-	-	<b>1,710,090.00</b>
Mr. Khalifa Rabba	Chief Operating Officer (COO), Head of Operations Division	3rd August 2002	785,115.00	-	-	<b>785,115.00</b>
Mrs. Maryam Fikri	CEO of DCCD, CEO of Dubai CSD, Principal Advisor of Dubai Clear	1st June 1999	1,710,090.00	-	-	<b>1,710,090.00</b>
Mr. Jamal AlKhadhar	Executive Vice President - People & Talent Management Division	1st June 1999	1,487,487.56	-	-	<b>1,487,487.56</b>
Mr. Ali Al Hashimi	CFO & Head of Strategy	2nd August 2009	1,210,428.00	-	-	<b>1,210,428.00</b>
Mrs. Fatma Al Hamadi	Vice President - Head of Marketing Division	17th June 2006	549,321.82	-	-	<b>549,321.82</b>
Mr. Khaled Hawas	Senior Vice President-Head of Technology Department	25th July 2010	755,085.00	-	-	<b>755,085.00</b>
Mrs. Fahima Al Bastaki*	Executive Vice President - Head of Business Development Division	22nd May 2004	502,147.92	-	-	<b>502,147.92</b>
Mr. Ahmad Aljaziri**	Executive Vice President - Head of Corporate Services Division	1st June 1999	1,833,896.08	-	-	<b>1,833,896.08</b>

\* Mrs. Fahima has resigned effective 19th May 2021.

\*\* Mr. Ahmed Al Jaziri has resigned effective 1st July 2021.

### 4. The External Auditor

#### a. Brief of the external auditor for Shareholders:

PwC has operated in the Middle East region for more than 40 years. Collectively, our Middle East network employs more than 7,000 people in the region including over 300 partners working from 23 offices (in 22 locations) across 12 countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates.

The firm has experience in industries including aviation, government, energy and utilities, financial services and banking, retail, construction and engineering, manufacturing, entertainment and telecoms. Our clients in the Middle East include prominent public and private companies, governments, banks and family businesses.

It is one of the fastest growing PwC member firms worldwide and the largest professional services firm in the Middle East. Our tailored solutions help clients to meet the challenges and opportunities of doing business in the Middle East market and beyond.

## b. Fees and costs of auditing or other services provided by the external auditor

Name of the external audit office	PwC
Name of the partner auditor	Saad Kadiri
Number of years it served as the company external auditor	2 years
Total audit fees for 2021	AED 360,000 (DFM & the 100% owned subsidiaries)
Fees and costs of other private services other than auditing the financial statements for 2021	AED 4,500 (Appointed PwC to review DFM dividends as per SCA requirements)
Details and nature of the other services	N/A
Statement of other services that another external auditor other than the Company's auditor provided during 2021	N/A

## c. Auditor's qualified opinions included in the interim and annual financial statements for 2021

There are no qualifications that the auditor included in the financial statements for the year 2021.

## 5. The Audit Committee

### a. Mr. Mohamed Humaid Al Marri, previous Chairman of the Audit Committee, acknowledges his responsibility for the committee's framework in the Company and for his review of its work mechanism and ensuring its effectiveness starting from

the beginning of 2021 until the date of the formation of the new Committee. Mr. Abdul Qader Obaid Ali chairs the newly formed Committee and acknowledges his responsibility for the Committee's framework and for his review of its work mechanism and ensuring its effectiveness as of November 3 2021.

### b. Members of the Audit Committee and tasks

All members of the Audit Committee are Non-Executive and Independent and are accounting and financial experts.

Name	Membership	Joining Date	Ended Date
Mr. Abdulqader Obaid Ali	Chairman	3rd November 2021	-
Mr. Saeed Rashid Al Yateem	Member	21st December 2021	-
Mr. Mohammed Humaid Al Marri	Chairman of the Committee until 3rd November 2021 and currently a Member.		
Mr. Adil Abdullah Al Fahim	Member	-	3rd November 2021
Mr. Ali Rashid Al Mazroei	Member	-	3rd November 2021

## The responsibilities and duties of the Audit Committee are as follows:

- Implementing the policy related to contracting an external auditor; monitoring their independence, discussing the nature and scope of auditing, reviewing the statements of the external auditor, and ensuring timely response from the finance department and other executive departments to all inquiries and requirements presented by the external auditor.
- Monitoring the integrity and soundness of the DFM's financial statements and reports (annual,

semi-annual and quarterly), and reviewing them as part of the committee's regular duties. The committee focused on the following aspects:

- Highlighting issues subject to the Board's assessment.
- Key amendments resulting from the audit process.
- Assessing the going-concern assumption.
- Complying with accounting standards as decided by the SCA.
- Complying with the rules of listing and disclosure, as well as other legal requirements related to the preparation of financial reports.

- Holding quarterly meetings with the external auditor to discuss quarterly and annual financial statements together with the external auditor report, prior to submission to the Senior Management.
- Reviewing the DFM's financial control and internal control and risk management systems, and assessing the effectiveness of the Internal Control Department.; assigning required resources and approval of the amended internal audit plan, based on the risk approach related to each division/ department of both DFM and Nasdaq Dubai, and following up with the implementation of the plan on a quarterly basis.
- Reviewing and enhancing financial and accounting policies and procedures, as well as operational risk policy and procedures.
- Coordinating with the Board and the Executive Management, discussing the Internal Control Department's report (such as Dubai Financial Audit Authority, and SCA, etc.) and the Financial Control Department's report, and following up on all corrective actions on a quarterly basis.
- Monitoring the tools and guidelines enabling the DFM's employees to report, with confidentiality, any potential violations in financial reports, internal control or otherwise, in addition to reviewing the steps which will allow independent and fair investigation of such violations. The designated staff for such purposes can be reached by email (whistleblower@dfm.ae) and telephone (+971-4-305-5665); in addition to designating employees to confidential reports in addition to the employees' portal on the DFM's internal network.

- Monitoring the DFM's compliance with the Code of Professional Conduct.
- Monitoring the compliance of the insiders or temporary insiders with the insider trading policy.

## c. The Audit Committee meetings held in 2021

Meeting date	Attendees	Absent Members
17th January 2021	3	-
24th January 2021	3	-
25th April 2021	3	-
25th July 2021	3	-
24th October 2021	3	-

## 6. The Nomination and Remuneration Committee

### a. Mr. Rashid Hamad Al Shamsi, previous Chairman of the Nomination and Remuneration Committee, acknowledges his responsibility for the Committee's framework in the Company and for his review of its work mechanism and ensuring its effectiveness starting from the beginning 2021 until the date of the formation of the new Committee. H.E. Wesam Lootah chairs the newly formed Committee and acknowledges his responsibility for the committee's framework in the Company and for his review of its work mechanism and ensuring its effectiveness on November 3, 2021.

### b. Members of the Nomination and Remuneration Committee, their competencies and duties

The Nomination and Remuneration Committee includes Non-Executive and Independent members as follows:

Name	Membership	Joining Date	Step Down Date
H.E. Wesam Al Abbas Lootah	Chairman	3rd November 2021	-
Mr. Yuvraj Narayan	Member	3rd November 2021	-
Mrs. Moaza Saeed Al Marri	Member	3rd November 2021	-
Mr. Rashid Hamad Al Shamsi	Chairman	-	3rd November 2021
Mr. Adil Abdullah Al Fahim	Member	-	3rd November 2021
Mr. Mussabeh Mohammed Al Qaizi	Member	-	3rd November 2021

### The Committee performed its assigned duties and responsibilities as follows:

- Verified the independence of DFM's Board Members continuously, in accordance with applied laws and regulations.
- Submitted proposals concerning certain amendments on human resources' policies.

### c. Meetings held by the Nomination and Remuneration committee during 2021

Meeting date	Attendees	Absent Members
20th January 2021	3	-
2nd May 2021	3	-
5th May 2021	3	-
23rd September 2021	3	-

### 7. Insider Trading Supervision and Follow-up Committee

**a. Asma Lootah - Chairman of the Insider Trading Committee acknowledges her responsibility for the framework for monitoring and supervising the transactions of insider trading at the DFM and for reviewing its cycle, mechanism and ensuring its effectiveness.**

**b. The Insider Trading Committee, chaired by Asma Lootah, Head of Internal Control Department, includes the following members:**

- Hanan Al Habashi, Market Operation Department
- Haitham AlGibali, Legal Office
- Sumayya Husain Al Blooshi, Dubai CSD
- Khulood Mohammad Al Mutawa, Dubai Clear
- Maryam Ali Murad, People and Talent Department
- Reda Farouk Shehata, Department of Internal Control - Rapporteur of the Committee

### Following are the duties of Insider Trading Committee:

1. Approve received applications from individuals in compliance with the policy. The approval decision is taken by the majority of votes and is communicated through suitable means.
2. Set rules to regulate employees trading in securities issued by the DFM, parent company, affiliates, and sister companies.
3. Monitor, follow up and supervise insider trading, keep records of insiders and their ownerships, and issue regular reports to the Management Committee and Audit Committee.
4. Review and investigate breaches (if any) and submit a report with the decisions and penalties to the human resources for execution.
5. Notify SCA with an updated insiders' list at the beginning of every fiscal year and any amendments thereon during the year.
6. Submit a copy of insiders' list to SCA upon request.
7. Disclose the insiders' list and temporary insiders to SCA on a quarterly basis along with the quarterly financial statements. The disclosure will be in accordance with the template received from SCA in June 2019.
8. Comply with any other requirements as stated by SCA from time to time.

**c. During 2021, the Insider Committee held eight meetings and discussed all transactions related to insider trading, proposed amendments to the insider trading policy, and possible ways to automate insider trading procedures and supervision. The Committee has submitted quarterly reports to SCA and Dubai Financial Market with the list of insiders/temporary insiders of DFM.**

### 8. Other committees approved by the Board

The newly formed Board of Directors approved the formation of two new Board Committees on 21st December 2021 as follows:

- The Compliance Committee and;
- The Investments Committee

### Internal Control Framework:

**a. The Board of Directors acknowledges its responsibility for the DFM's Internal Control Framework, including reviewing and ensuring its effectiveness through the Audit Committee (a Board Committee) that oversees the Internal Control Department performance. The Internal Control Department acts in compliance with the International Standards for the Professional Practice of Internal Auditing, issued by the US-based Institute of Internal Auditors (IIA). The Internal Control Department submits regular reports to the Board of Directors and the Executive Management, pertaining to its activities and accomplishments. The reports also include assessment of the effectiveness and efficiency of internal control environment and frameworks adopted in different departments.**

The Internal Control Department reports administratively to the Executive Management, and functionally to the Board of Directors through the Audit Committee, in such a manner that ensures its independence. In order to fulfill its duties, the Internal Control Department applies the latest international standards issued by the IIA as well as international best practices, in the following aspects:

- Developing an audit plan based on an objective assessment of risks related to each auditable area in order to prioritize implementation of the plan in higher risk departments. This plan is discussed and reviewed with the CEO and approved by the Audit Committee and the Board of Directors.
- Preparing an audit report that is discussed with the Audit Client, and presented to the CEO and the Audit Committee. The audit report includes:
  - o Audit objectives.
  - o Audit scope.
  - o Audit methodology.
  - o Audit results.
  - o Evaluating observations in terms of risk levels.
  - o A comprehensive assessment of the control environment of audit client according to the assessment matrix.

- Submitting all audit reports to the Audit Committee and Board of Directors, which were either prepared internally by Internal Control Department or by other auditors (e.g. Financial Audit Authority) together with the corrective actions taken by audit clients to enhance internal control measures. These reports enable the Audit Committee and the Board to assess internal controls and make the necessary recommendations and decisions.
- Coordinating with the external auditor, the Financial Audit Authority – Government of Dubai, Quality Auditors and SCA inspectors.
- Offering advisory and insight services with the aim of enhancing and developing work procedures without compromising the independence of auditors, and in accordance with the work charter of the Internal Control Department.
- Updating the internal auditing charter as per the latest revision of IIA standards and approve it from audit committee.

### b. Head of Department, qualifications and date of appointment

**Ms. Asma Lootah:** Head of the Internal Control Department

#### Qualifications:

- Master's degree in Finance from E.Philip Saunder College of Business, Rochester Institute of Technology – May 2011.
- Certified Management Accountant (CMA) – February 2008.
- Certified Quality Auditor in ISO 9001:2000 from IRCA – May 2004.
- Bachelor's degree in Business Administration from the Higher Colleges of Technology – Dubai Women's College – 2001.
- Higher Diploma in Accounting from the Higher Colleges of Technology – Dubai Women's College 2000.
- President of the RIT Dubai Alumni since March 2014.
- Member of the Advisory Board of the Business Administration College at Rochester Institute of Technology Dubai.

**Date of appointment:** Head of the Internal Control Department has been appointed in 2010.

**The Internal Control Department comprises qualified employees, as follows:**

**Reda Farouk Shehata:** Manager – Internal Control Department

**Qualifications:**

- Certified Islamic Banker (CIB) - 2013
- Certified Financial Consultant (CFC) – 2013
- Certification in Risk Management Assurance (CRMA) - 2012
- High studies in Financial Accounting from Ain Shams University - 2003
- Bachelor's degree in Accounting from Ain Shams University - 1998

**Jacob Sebastian:** Manager – Internal Control Department

**Qualifications:**

- Cobit 5.0 Certified Assessors - 2014
- MA in Finance from Bharathidasan University - 2014
- Certified Information Systems Auditor (CISA) – 2012
- ISO 27001 Certified Lead Auditor – 2011
- Certified Information Systems Security Professional (CISSP) - 2011
- Certified Information Security Manager (CISM) - 2010
- BS in Computer Engineering from Cochin University - 2001

**Mohammad Ahmed El Assaleh:** Deputy Manager – Internal Control Department

**Qualifications:**

- Certified Internal Auditor (CIA) – 2020
- Certification in Risk Management Assurance (CRMA) – 2012
- Association of Chartered Certified Accountants (ACCA) - 2009
- Bachelor's degree in Accounting from Yarmuk University - 2003

**c. Compliance officer, qualifications and date of appointment**

The Head of Internal Control Department has been appointed as the compliance officer in 2016.

**d. The Internal Control Department Measures taken about any significant risks at the DFM or those that were disclosed in the annual reports and financial statements**

The DFM was not subject to any significant risks in 2021. However, and in accordance with the Internal Control Department guidelines, the department handles any significant issues that may arise through the following process:

- Identifies and classifies the nature of the problem in terms of the risk level, through determining the scale of the problem and the extent of its negative impact on the DFM.
- Communicates with the concerned departments through the division heads and the CEO to discuss actions to contain and resolve the problem, followed by the necessary recommendations.
- Reports the problem and the proposed relevant recommendations to the Audit Committee, which in turn, after discussion and evaluation, submits it to the Board of Directors.
- Follows-up on the implementation of its recommendation by ensuring that the Board of Directors resolutions in this regard are implemented.
- Communicates with the external auditor, if necessary.
- Updates the risk register and related controls and disclose the same in annual reports.

**e. Reports issued by the Internal Control Department to the DFM's Board of Directors.**

The internal control department completed 34-audit engagements and issued the following reports during 2021:

- 13 reports for compliance with rules, regulations, policies, procedures;
- 8 reports for information security, and information technology;
- 1 Shari'a audit report.

**10. Violations committed in 2021, their causes, treatment and avoidance of recurrence**

The DFM didn't commit any violations during 2021 or during the previous years.

**11. DFM's contributions to the development of local communities and to environmental protection during 2021**

The DFM didn't make any cash or in-kind contributions during 2021.

**12. General Information**

The following is an overview of the DFM's most significant share trading information:

**a. DFM PJSC share price (closing price, highest and lowest price) at the end of each month of fiscal year 2021**

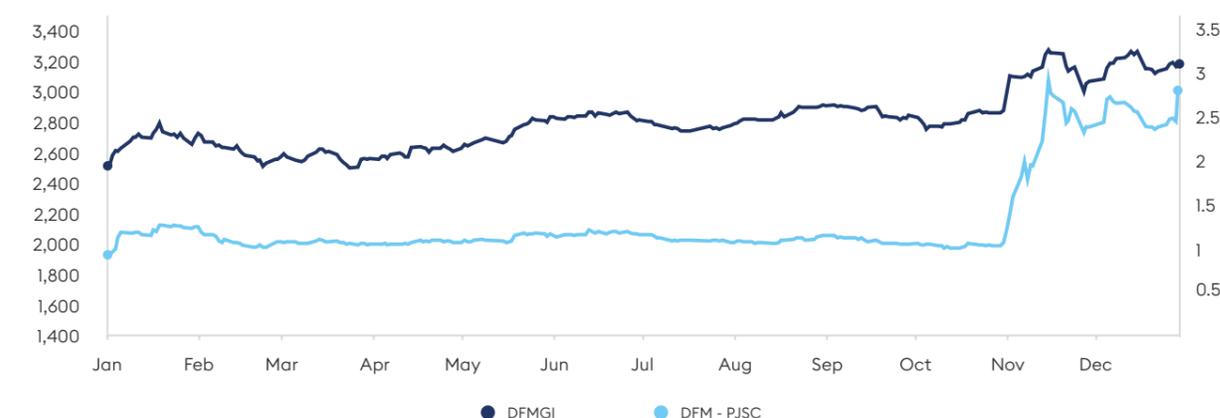
Month	Highest price during the month (AED)	Lowest price during the month (AED)	Closing price at the end of the month (AED)	DFM General Index (Index figure)	Investment & Financial Services Index (Index figure)
January	1.290	0.920	1.22	2,654.06	2,740.05
February	1.250	0.994	1.06	2,551.54	2,477.77
March	1.110	1.010	1.03	2,550.23	2,625.19
April	1.100	1.030	1.06	2,605.38	2,541.52
May	1.200	1.050	1.13	2,797.52	2,711.25
June	1.230	1.120	1.16	2,810.56	2,785.75
July	1.160	1.060	1.09	2,765.71	2,782.90
August	1.130	1.000	1.13	2,902.97	2,939.03
September	1.150	1.030	1.04	2,845.49	2,775.98
October	1.070	0.980	1.02	2,864.21	2,706.20
November	3.050	1.050	2.40	3,072.91	3,714.60
December	2.990	2.310	2.84	3,195.91	4,016.53

DFM PJSC Share Price Movement 2021

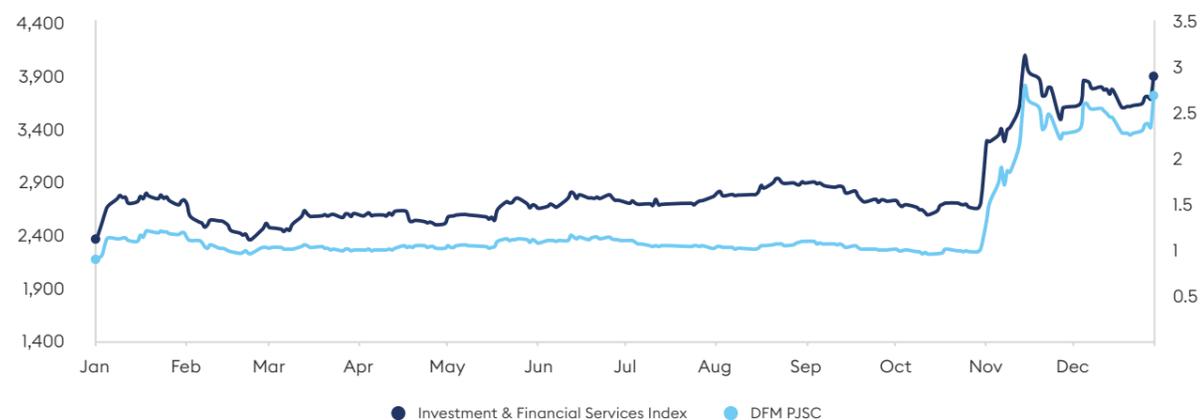


**b. DFM PJSC share performance compared to DFM General Index and Sector Index during 2021**

DFM PJSC Share Price Performance Compared to DFM Index during 2021



## DFM PJSC Share Price Performance Compared to Financial Sector Index during 2021



**c. Distribution of shareholder equity according to percentage of ownership on 31st December 2021 (individuals, companies, governments) classified as follows: Local, Arab, and Foreign**

Shareholder classification	Percentage of Ownership*			
	Individuals	Companies	Government	Total
Local	8.71%	84.84%	0.09%	93.65%
Arab**	1.89%	0.70%	-	2.59%
Foreign	0.94%	2.82%	-	3.77%
<b>Total</b>	<b>11.54%</b>	<b>88.36%</b>	<b>0.09%</b>	<b>100 %</b>

\* Sum of percentages might not add up due to rounding.

\*\* The shareholders' classification in the Arab category combines shareholders' nationalities of both the GCC and the Arabs.

**d. Shareholders who hold 5% or more of DFM's capital as on 31st December 2021 are as follows:**

Name	No. of Owned Shares	Percentage of Owned Shares of DFM Capital
Borse Dubai	6,453,000,000	80.6625%

**e. Distribution of shareholder's equity according to share ownership size as on 31st December 2021 is as follows:**

Share Ownership	No. of Shareholders	No. of Owned Shares	Ownership Percentage of Capital*
Less than 50,000	24,267	135,375,738	1.692%
50,000 to less than 500,000	1,989	283,269,938	3.541%
500,000 to less than 5,000,000	351	448,739,181	5.609%
More than 5,000,000	47	7,132,615,143	89.158%
<b>Total</b>	<b>26,654</b>	<b>8,000,000,000</b>	<b>100.00%</b>

\*Sum of percentages might not add up due to rounding.

**f. Investor Relations**

DFM was the first company to place great importance on investor relations since 2008. It established a dedicated division for Investor Relations, DFM also created a dedicated webpage for this purpose, where it publishes information related to its strategy, share price analysis, the Board of Directors information, news and events, analysts' list, financial reports, governance reports, unclaimed dividends, Zakat shares, and Investor Relations Officer contact details. In a move to enhance communication with investors, DFM also launched a smartphone application for investor relations.

**For further information, please contact Investor Relations Officer:**

**Mrs. Haneen Nashashibi**

Tel.: +971 4 305 5650

E-mail: IR@dfm.ae

Or visit DFM Website at

[www.dfm.ae/dfm-investor-relations](http://www.dfm.ae/dfm-investor-relations)

**g. Significant special resolutions presented in the Annual General Assembly Meeting held during 2021 and implemented procedures.**

The General Assembly for the year 2020 held on 22nd March 2021 approved the special resolution of entering into transactions with related parties (companies subject to ownership or government participation) provided that such deals do not exceed 30% of the DFM's capital and that these transactions are presented to the General Assembly in the future for approval.

**h. Board Secretary.**

**Mr. Haitham Mohamed El Gebali**

- Appointment Date: Appointed as a Board Secretary 15th December 2019

**Qualifications and experience:**

- He holds a BA in public law and a Master's degree in Private Law, in addition to high diploma in Economics and Public Finance from Egypt universities, licensed as Compliance Manager from the Securities and Commodities Authority, and a member of the Chartered Institution for Securities and Investment, UK. London.
- Mr. Gebali is a lawyer and legal consultant with more than 20 years' experience in the field of law and legal advice. Prior to joining the Dubai Financial Market, Mr. Haitham served as Group General Counsel of Tital Investment Group, and from 2010 to 2018 Legal and Compliance Counsel to SHUAA Capital (PJSC), and from 2006 to 2010 General Counsel for Al-Ramz Corporation PJSC (formally Al Ramz Securities).
- Mr. Gebali, has extensive legal experience in the capital markets, as well as his experience in the field of arbitration and litigation in the United Arab Emirates and the Gulf region.

**i. The DFM did not face any event that could be described as material/significant during 2021.**

**j. Emiratization percentage in DFM is as follows:**

Year	Emiratization %
2019	58%
2020	57%
2021	59%

**k. Innovative projects and initiatives during 2021**

The DFM carried out several innovative projects and initiatives during 2021, mostly focusing on diversifying products and services as well as increasing market accessibility.

### The following are the delivered projects during 2021:

- a. Launch of short-term margin trading.
- b. Listing investment funds for trading in the Dubai Financial Market.
- d. Dubai Clear obtains the main membership in the International Federation of Central Clearing Companies CCPI2.
- e. The Dubai Financial Market launched a program to stimulate public offerings in order to attract private sector companies from various economic sectors.



Signature of the Board Chairman	Signature of Audit Committee Chairman	Signature of the Nomination and Remuneration Committee Chairman	Signature of the Head of Internal Control Department
			
Date: 02/03/ 2022	Date: 02/03/ 2022	Date: 02/03/ 2022	Date: 02/03/ 2022

# Fatwa and Shari'a Supervisory Board Report

## Accomplishments of Fatwa and Shari'a Supervisory Board during 2021

### Market products

The Fatwa and Shari'a Supervisory Board reviewed the mechanism of the new products that were raised during 2021, and provide the related Shari'a advice to be compliant with the Shari'a Standards.

### Shari'a Auditing

The Fatwa and Shari'a Supervisory Board reviewed the reports prepared by the Shari'a Auditing Section. The Board also gave its recommendations on these reports before their approval.

### Fatwas

The Fatwa and Shari'a Supervisory Board commented on all Shari'a-related inquiries that were raised during 2021, whether by DFM management or from external parties.

### Classification of Listed Companies

The Fatwa and Shari'a Supervisory Board reviewed and adopted the classifications of companies listed on both the Dubai Financial Market and Nasdaq Dubai, according to their Shari'a compliance. The classification is prepared by the Shari'a Auditing Section in accordance with DFM Standard on Issuing, Acquiring and Trading Shares.

## Review of 2020 Zakat Calculation

The Fatwa and Shari'a Supervisory Board has reviewed and approved the calculation of Zakat for DFM PJSC, payable for 2020, which was prepared by the Shari'a Auditing Section, in light of DFM Zakat balance sheet. Subsequently, the Board has invited DFM shareholders to pay the Zakat during the Annual General Assembly Meeting held in 2021.

## Calculation of non-Shari'a-compliant income for 2020

The Fatwa and Shari'a Supervisory Board reviewed and approved the total amount of non-Shari'a-compliant income for 2020 and the proportion of each share.

### Dr. Abdullah Salem Al Taha

Chairman of Fatwa and Shari'a Supervisory Board  
Dubai Financial Market



# 05

## Consolidated Financial Statements

# Independent Auditor's Report to the Shareholders of Dubai Financial Market P.J.S.C

### Report on the audit of the consolidated financial statements

#### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dubai Financial Market P.J.S.C. (the "Company" or "DFM") and its subsidiaries (together the "Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### Our audit approach

##### Overview

##### Key Audit Matter

Impairment of goodwill and other intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of

the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of goodwill and other intangible assets</b></p> <p>We considered goodwill and other intangible assets of AED 2.9 billion and AED 2 billion, respectively, as at 31 December 2021 to be a key audit matter because of their significance and the judgement involved in testing such items for impairment. Together they account for 49% of the total assets of the Group and any impairment charge could have a material impact on the reported financial performance of the Group and on their carrying values in the consolidated statement of financial position.</p> <p>In accordance with International Accounting Standards (IAS) 36, goodwill is required to be tested annually for impairment. If impairment indicators are identified, its carrying amount is reduced to its estimated recoverable amount which is defined under IAS 36 as the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. Management has determined that the fair value less cost to sell exceeded the carrying amount.</p> <p>For other intangible assets, at the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired or if there is a change in the estimated useful life.</p> <p>Management of the Group have carried out impairment assessments of goodwill and other intangible assets. In the case of goodwill, management considers the Group to comprise only one cash generating unit as defined by IAS 36.</p>	<p>Goodwill was tested by management for impairment as at 31 December 2021, by comparing the net assets of DFM at that date to the fair value less cost to sell of DFM, based on its quoted market price of DFM as at 31 December 2021. We performed the following audit procedures on goodwill included in the Group's consolidated financial statements for the year ended 31 December 2021.</p> <ul style="list-style-type: none"> <li>• We re-performed management's impairment assessment of goodwill including the review of the underlying assumptions.</li> <li>• We assessed management's identification of DFM as a single cash generating unit based on our understanding of the Group's business and the requirements of IFRS.</li> <li>• We reviewed management's estimate of the useful economic life of the stock exchange license, which is the most significant component of other intangible assets. Our review was based on the analysis of relevant factors relating to the expected period over which the stock exchange license is expected to generate cash inflows to the Group. We also compared the appropriateness of the useful life of the stock exchange license to similar licenses of other stock exchanges.</li> <li>• We assessed the consolidated financial statement disclosures to ensure compliance with IAS 36.</li> </ul>

Refer to Notes 4.2, 4.3, 5 and 6 to the consolidated financial statements for details.

## Other information

Management is responsible for the other information. The other information comprises the Chairman's Statement and the Group's Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Chairman's Statement and the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of management and those charged with governance for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

Further, as required by the UAE Federal Law No. (2) of 2015, as amended, we report that:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended;
- iii) the Group has maintained proper books of account;
- iv) as disclosed in note 25.5 to the consolidated financial statements the Group has purchased or invested in shares during the year ended 31 December 2021;
- v) note 15 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;
- vi) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended or in respect of the Company, its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2021; and
- vii) as disclosed in Note 29 to the consolidated financial statements, the Group has not made any material monetary social contributions during the year ended 31 December 2021.

**PricewaterhouseCoopers**  
**31 January 2022**



**Rami Sarhan**

Registered Auditor Number 1152  
Place: Dubai, United Arab Emirates

# Consolidated Statement of Financial Position

as at 31 December 2021

	Notes	2021 AED'000	2020 AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	1,977,120	2,033,609
Property and equipment	7	335,257	351,858
Financial assets measured at fair value through other comprehensive income (FVOCI)	8	813,221	800,635
Investment at amortised cost	9	296,071	166,075
Investment deposits	10	222,225	241,054
<b>Total non-current assets</b>		<b>6,522,768</b>	<b>6,472,105</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	11	124,775	157,005
Investment deposits	10	3,031,117	2,851,501
Cash and cash equivalents	12	258,990	420,675
<b>Total current assets</b>		<b>3,414,882</b>	<b>3,429,181</b>
<b>Total assets</b>		<b>9,937,650</b>	<b>9,901,286</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
		7,995,636	7,995,636
Investments revaluation reserve – FVOCI	14	(742,729)	(841,395)
Statutory reserve	14	478,445	468,062
Retained earnings		211,322	152,964
<b>Equity attributable to owners of the company</b>		<b>7,942,674</b>	<b>7,775,267</b>
Non-controlling interest		20,458	25,275
<b>Total equity</b>		<b>7,963,132</b>	<b>7,800,542</b>
<b>Non-current liabilities</b>			
Subordinated loan	15	31,837	30,490
Lease liabilities	16	7,570	17,156
Provision for employees' end of service benefits	17	22,277	25,545
<b>Total non-current liabilities</b>		<b>61,684</b>	<b>73,191</b>
<b>Current liabilities</b>			
Payables and accrued expenses	18	1,798,671	1,545,561
Dividends payable	15, 19	103,087	469,588
Due to related parties	15	11,076	12,404
<b>Total current liabilities</b>		<b>1,912,834</b>	<b>2,027,553</b>
<b>Total liabilities</b>		<b>1,974,518</b>	<b>2,100,744</b>
<b>Total equity and liabilities</b>		<b>9,937,650</b>	<b>9,901,286</b>

These consolidated financial statements were approved on 31 January 2022 by the Board of Directors and signed on its behalf by:



Chairman

The notes on pages 99 to 123 form an integral part of these consolidated financial statements. The independent auditor's report is set out on page 89-92.

# Consolidated Statement of Income

for the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000
<b>Income</b>			
Trading commission fees		168,078	157,905
Brokerage fees		14,571	15,518
Clearing, settlement and depository fees		18,205	43,128
Listing and market data fees		9,813	10,212
Other Fees		5,139	5,335
<b>Operating income</b>		<b>215,806</b>	<b>232,098</b>
Investment income		72,208	104,870
Dividend income	20	6,857	9,998
Other income		3,196	4,867
<b>Total income</b>		<b>298,067</b>	<b>351,833</b>
<b>Expenses</b>			
General and administrative expenses	21	(139,533)	(149,292)
Amortisation of other intangible assets	6	(56,489)	(56,489)
Interest expense	15, 16	(2,904)	(3,453)
<b>Operating expenses</b>		<b>(198,926)</b>	<b>(209,234)</b>
<b>Net profit for the year</b>		<b>99,141</b>	<b>142,599</b>
<b>Profit attributable to:</b>			
Owners of the company		103,840	137,900
Non-controlling interest		(4,699)	4,699
		99,141	142,599
<b>Basic and Diluted Earnings per share – AED</b>	22	<b>0.013</b>	<b>0.017</b>

The notes on pages 99 to 123 form an integral part of these consolidated financial statements. The independent auditor's report is set out on page 89-92.

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2021

	2021 AED'000	2020 AED'000
Net profit for the year	99,141	142,599
<i>Other comprehensive income</i>		
<b>Items that will not be reclassified to profit or loss</b>		
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	94,756	(58,294)
<b>Total comprehensive income for the year</b>	<b>193,897</b>	<b>84,305</b>
<b>Attributable to:</b>		
Owners of the Company	198,596	79,606
Non-controlling interest	(4,699)	4,699
	<b>193,897</b>	<b>84,305</b>

The notes on pages 99 to 123 form an integral part of these consolidated financial statements. The independent auditor's report is set out on page 89-92.

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Share Capital AED'000	Treasury shares AED'000	Investments revaluation reserve FVOCI 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 2020</b>	8,000,000	(4,364)	(803,542)	454,272	224,424	7,870,790	20,576	7,891,366
Net profit for the year	-	-	-	-	137,900	137,900	4,699	142,599
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	(58,294)	-	-	(58,294)	-	(58,294)
Total comprehensive income for the year	-	-	(58,294)	-	137,900	79,606	4,699	84,305
<i>Transactions with owners of the Company</i>								
Dividends declared, net of appropriation of non-sharia compliant income (Note 19)	-	-	-	-	(152,554)	(152,554)	-	(152,554)
Appropriation of non-sharia compliant income (Note 24)	-	-	-	-	(22,539)	(22,539)	-	(22,539)
Transfer to statutory reserve (Note 14)	-	-	-	13,790	(13,790)	-	-	-
Realised loss on disposal of investments	-	-	20,441	-	(20,441)	-	-	-
Zakat	-	-	-	-	(36)	(36)	-	(36)
<b>As at 31 December 2020</b>	8,000,000	(4,364)	(841,395)	468,062	152,964	7,775,267	25,275	7,800,542
<b>As at 1 January 2021</b>	<b>8,000,000</b>	<b>(4,364)</b>	<b>(841,395)</b>	<b>468,062</b>	<b>152,964</b>	<b>7,775,267</b>	<b>25,275</b>	<b>7,800,542</b>
Net profit for the year	-	-	-	-	103,840	103,840	(4,699)	99,141
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	94,756	-	-	94,756	-	94,756
Total comprehensive income for the year	-	-	94,756	-	103,840	198,596	(4,699)	193,897
<i>Transactions with owners of the Company</i>								
Dividends declared, net of appropriation of non-sharia compliant income (Note 19)	-	-	-	-	-	-	-	-
Appropriation of non-sharia compliant income (Note 24)	-	-	-	-	(30,914)	(30,914)	-	(30,914)
Transfer to statutory reserve (Note 14)	-	-	-	10,383	(10,383)	-	-	-
Realised loss on disposal of investments	-	-	3,910	-	(3,910)	-	-	-
Zakat	-	-	-	-	(36)	(36)	-	(36)
Other	-	-	-	-	(239)	(239)	(118)	(357)
<b>As at 31 December 2021</b>	<b>8,000,000</b>	<b>(4,364)</b>	<b>(742,729)</b>	<b>478,445</b>	<b>211,322</b>	<b>7,942,674</b>	<b>20,458</b>	<b>7,963,132</b>

The notes on pages 99 to 123 form an integral part of these consolidated financial statements. The independent auditor's report is set out on page 89-92.

# Consolidated Statement of Cash Flows

for the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000
<b>Cash flows from operating activities</b>			
Net profit for the year		99,141	142,599
<b>Adjustments for:</b>			
Depreciation of property and equipment	7	23,194	23,154
Provision for employees' end of service benefits	17	2,774	2,449
Amortisation of other intangible assets	6	56,489	56,489
Interest expense		2,904	3,453
Investment income		(72,208)	(104,870)
Dividend income	20	(6,857)	(9,998)
Provision for expenses		2,905	-
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>108,342</b>	113,276
(Increase)/ decrease in prepaid expenses and other receivables		(810)	34,325
Increase in payables and accrued expenses		238,158	239,457
(Decrease) / increase in due to a related party		(1,329)	6,439
<b>Cash generated from operations</b>		<b>344,361</b>	393,497
Employees' end of service benefits paid	17	(6,042)	(104)
<b>Net cash generated from operating activities</b>		<b>338,319</b>	393,393
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	7	(6,567)	(30,148)
Movement in investment deposits (excluding cash and cash equivalents & non cash transactions)		(160,787)	(44,122)
Redemptions of investments measured at FVOCI and amortised cost		215,637	21,712
Investments in sukuk and other financial assets measured at FVOCI		(261,536)	(55,646)
Investment deposit income received		82,562	127,377
Dividends received	20	6,857	9,998
<b>Net cash (used in) / generated from investing activities</b>		<b>(123,834)</b>	29,171
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	15,19	(366,500)	(196,806)
Lease liabilities	16	(9,670)	(14,184)
<b>Net cash used in financing activities</b>		<b>(376,170)</b>	(210,990)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(161,685)</b>	211,574
Cash and cash equivalents at the beginning of the year		420,675	209,101
<b>Cash and cash equivalents at the end of the year</b>	12	<b>258,990</b>	420,675

During the year ended 31 December 2021, the principal non-cash transactions relate to the recognition of right-of-use assets amounting to AED 18 million (31 December 2020: AED 26 million) and lease liabilities amounting to AED 18 million (31 December 2020: AED 26 million) respectively. (Refer to Note 16)

The notes on pages 99 to 123 form an integral part of these consolidated financial statements. The independent auditor's report is set out on page 89-92.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2021

## 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 6 February 2007, and is subject to the provisions of the UAE Federal Law No. (2) of 2015 (Companies Law). The Company received its registration under Federal Law No. 4 of 2000 with the Securities and Commodities Authority (“SCA”) on 4 November 2000.

The licensed activities of the Company are trading in financial instruments, acting as a commercial, industrial and agricultural holding and trust company, financial investment consultancy, and brokerage in local and foreign shares and bonds. In accordance with its Articles of Association, the Company complies with the provisions of Islamic Shari’a in all its activities and operations and invests its funds 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 80.66% (31 December 2020: 80.66%) of DFM through Borse Dubai Limited (the “Parent”), a Government of Dubai entity.

These consolidated financial statements comprise DFM – (P.J.S.C.) and its subsidiaries (together referred to as “the Group”). Details of the subsidiaries as at 31 December 2021 and 2020 are as follows:

Company name	Activity	Country of incorporation	Ownership held
Dubai Central Clearing and Depository Holding LLC*	Holding Company	U.A.E	100%
Nasdaq Dubai Limited**	Electronic Financial Market	U.A.E	67% ***

\*Dubai Central Clearing and Depository Holding LLC has the following subsidiaries:

Company name	Activity	Country of incorporation	Ownership held
Dubai Clear LLC	Securities Central Clearing Service	U.A.E	100%
Dubai Central Securities Depository LLC	Securities Depository Services	U.A.E	100%

\*\*Nasdaq Dubai Limited has the following subsidiary:

Company name	Activity	Country of incorporation	Ownership held
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 23).

The Group is required, for the year ended 31 December 2021, to be in compliance with the provisions of the UAE Federal Law No. 2 of 2015, as amended.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 (“Companies Law”) was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015. The company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No 32 of 2021.

## 2. Basis of preparation

The Group has consistently applied the following accounting policies to all years presented in these consolidated financial statements.

### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting standards (“IFRS”) as issued by International Accounting Standard Board (“IASB”), and applicable requirements of the UAE Federal law No. 2 of 2015, as amended.

### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income (FVOCI).

### (c) Functional and presentation currency

The consolidated financial statements are 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.

### (d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are disclosed in note 5.

### (e) Impact of COVID-19

Since early January 2020, the COVID-19 outbreak has spread across the globe and is causing ongoing disruption to business and economic activity, resulting in substantial government and central bank relief actions and support measures in many countries to protect the economy. There has not been any material

impact on the Group’s business performance as of 31 December 2021, however the Group will continue to monitor the situation as it evolves in order to assess any potential financial impact.

## 3. Application of new and revised International Financial Reporting Standards (“IFRS”)

### (a) New and revised IFRS applied on the consolidated financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in these consolidated financial statements. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior years.

- **Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – interest rate benchmark (IBOR) reform** - The Phase 2 amendments that were issued on 27 August 2020 address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. For instruments to which the amortised cost measurement applies, the amendments require entities, as a practical expedient, to account for a change in the basis for determining the contractual cash flows as a result of IBOR reform by updating the effective interest rate using the guidance in paragraph B5.4.5 of IFRS 9. As a result, no immediate gain or loss is recognised. This practical expedient applies only to such a change and only to the extent it is necessary as a direct consequence of IBOR reform, and the new basis is economically equivalent to the previous basis. Insurers applying the temporary exemption from IFRS 9 are also required to apply the same practical expedient. IFRS 16 was also amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of IBOR reform (for example, where lease payments are indexed to an IBOR rate).

The Group has an approach to oversee the LIBOR transition in coordination with international developments. The transition has implications for the Group’s borrowing and its stakeholders ranging from legal, financial, technical and operational

considerations. The Group expects to finalize the impact assessment process and implementation of changes necessary for a smooth transition away from LIBOR over the course of 2022.

- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions** - As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment does not have a material impact on the consolidated financial statements of the Group.

### (b) New and revised IFRS in issue but not yet effective and not early adopted

The Group has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

- **Narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 9 and IFRS 16 (Effective date 1 January 2022)** - Amendments to IFRS 3, ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 9, ‘Financial instruments’, and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities (Effective date 1 January 2023)** - These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (Effective date 1 January 2023)** - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The Group is currently assessing the impact of these standards, interpretations and amendments on the future consolidated financial statements and intends to adopt these, if applicable, when they become effective.

There are no other applicable new standards and amendments to published standards or International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations that have been issued but are not effective for the first time for the Group’s financial year beginning on 1 January 2021 that would be expected to have a material impact on the consolidated financial statements of the Group.

## 4. Summary of significant accounting policies

### 4.1 Consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. 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 financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group applies the acquisition method to account for business combinations. The consideration given for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration given includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred except if related to the issue of debt or equity securities.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of income.

Goodwill is initially measured as the excess of the aggregate of the consideration given and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of income.

Income and expenses of subsidiaries acquired or disposed off during the year are included in the consolidated statement of income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest ("NCI") and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### **4.2 Other intangible assets**

Other intangible assets acquired by the Group which have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the consolidated statement of income.

The estimated useful lives for current and comparative periods are as follows:

License to operate as a Stock Exchange	<b>50 years</b>
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Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### **4.3 Goodwill**

Goodwill represents the excess of the consideration transferred over interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### **4.4 Property and equipment**

Property and equipment are measured at cost less accumulated depreciation and any identified impairment loss. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group

The carrying amount of the land is its initial fair value together with any incidental costs. Subsequent to the initial recognition, the land is carried at historical cost less accumulated impairment and is not depreciated. Subsequent costs are included in the land's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the consolidated statement of income. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Computers and information systems	3-5
Leasehold improvements	7
Furniture and office equipment	3-10
Motor vehicles	4
Right-of-use assets	3-5

Depreciation method, useful lives and assets' residual values are reviewed at each reporting date and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated statement of income.

Capital work in progress is stated at cost and is transferred to the appropriate asset category when it is available for use and is depreciated in accordance with the Group's accounting policy.

### **4.5 Cash and cash equivalents and investment deposits**

Cash and cash equivalents and investment deposits are initially recognised at fair value and measured subsequently at amortised cost using the effective interest method. Impairment of amounts due from financial institutions and investment deposits is assessed as outlined in the accounting policy on financial assets.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, current, saving and mudarabah accounts with banks and investment deposits with an original maturity of less than three months.

### **4.6 Financial instruments**

#### *(i) Recognition and initial measurement*

Financial assets and financial liabilities are recognised when they are originated and the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### *(ii) Classification and subsequent measurement*

##### *(a) Financial assets*

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Group management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial

assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Subsequent measurement and gains and losses:**

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the consolidated statement of income. Any gain or loss on derecognition is recognised in the consolidated statement of income.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated statement of income. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of income.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of income (Note 20) unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the consolidated statement of income.

**Derecognition of financial assets:**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

**Impairment of non – derivative financial assets**

The Group recognises loss allowances Expected Credit Loss ("ECL") on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI;

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

#### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

#### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

#### **(b) Financial liabilities**

All financial liabilities are initially recognised at fair value and in the case of loans, at fair value of the consideration received less directly attributable transactions costs and subsequently measured at amortised cost using the effective interest method. Financial liabilities comprise payables, dividends payable, due to a related party, subordinated loan and non-current lease liabilities.

Interest expense and foreign exchange gains and losses are recognised in the consolidated statement of income. Any gain or loss on derecognition is also recognised in the consolidated statement of income.

#### **Derecognition of financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated statement of income.

#### **4.7 Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **4.8 Impairment on non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **4.9 Employees' end of service benefits**

Provision is made for the employees' end of service benefits in accordance with the UAE labour law for their periods of service up to the financial position date. In addition, in accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at the reporting date, using the projected unit credit method, in respect of employees' end of service benefits payable under the UAE Labour Law.

The expected liability at the date of leaving the service has been discounted to net present value using an appropriate discount rate based on management's assumption of average annual increment/promotion costs. The present value of the obligation as at 31 December 2021 is not materially different from the provision computed in accordance with the UAE Labour Law. The provision relating to end of service benefit is disclosed as a non-current liability.

U.A.E. National employees in the United Arab Emirates are members of the Government-managed retirement pension and social security benefit scheme. As per Federal Labour Law No. 7 of 1999, the Group is required to contribute between 12.5% - 15% of the "contribution calculation salary" of U.A.E. payroll costs to the retirement benefit scheme to fund the benefits.

U.A.E. National employees are also required to contribute 5% of the "contribution calculation salary" to the scheme. The only obligation of the Group with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to the consolidated statement of income.

The Group provides for staff terminal benefits based on an estimation of the amount of future benefit that employees have earned in return for their service until their retirement. This calculation is performed based on a projected unit credit method.

#### **4.10 Provisions**

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the consolidated statement of profit or loss when the changes arise.

#### 4.11 Share capital

##### Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

##### Treasury shares

When shares recognised as equity are unallotted, these are recognised as a deduction from equity. Unallotted shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

#### 4.12 Revenue recognition

##### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Trading commission fees	Trading commission fees represents the fees charged by DFM on each trade (both buy and sell) undertaken by the brokers as per laws & regulations of SCA.	Trading commission fees are recognised at the time when the underlying trade has been consummated.
Brokerage fees	Invoices are issued to broker based on annual/daily subscriptions and are payable on presentation.  Brokerage revenue comprises of various license and services provided to the broker.	Revenue is recognised at the time when the broker utilises the services provided by DFM i.e over the period of the annual subscriptions.  Revenue for one-time services are recognised at the time when the service is provided to the broker.
Listing and market data Fees	Listing fee is charged to companies that list their stocks on DFM.  Market data fees is charged for the use of DFM's market data.  The listing and market data fee is applicable for one year or monthly basis and is payable on presentation of the invoice.	Revenue is recognised over the period of the listing and the period for which the customer has access to the market data feed as per the contract period.
Clearing, settlement and depository fees	These services are subscribed by a customer on daily/annual basis which is payable on presentation of the invoice.	Revenue is recognised at the time when the underlying service is provided to the customer/company.
Other fees	Invoices are issued based on customer/companies request and are payable on presentation of the invoice.	Revenue is recognised at the time when the underlying service is provided to the customer/company.

#### 4.13 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange

gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

#### 4.14 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

##### As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined the Group's incremental borrowing rate.

Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of income if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets in 'property and equipment' and non-current lease liabilities in the statement of financial position and current lease liability in payables and accrued expenses.

##### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 5. Critical accounting estimates and judgments

In the application of the Group's accounting policies, which are described in Note 4 to these consolidated financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical accounting estimates and judgments, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

### Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments, net asset value of the investee company / funds or other valuation models.

### Estimated useful lives of other intangible assets

Management has estimated the useful economic lives of the other intangible assets based on analysis of relevant factors relating to the expected period over which the other intangible assets are expected to generate cash inflows to the Group in the foreseeable future. Management assesses the estimated useful lives on a periodic basis.

### Impairment for goodwill and other intangible assets

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the

recoverable amount which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed. Refer to note 6 for estimates and judgments.

On an annual basis, the Group determines whether goodwill is impaired. This requires an estimation of the recoverable amount using higher of fair value less costs to sell or value in use of the cash generating units to which the goodwill is allocated. The Group has considered DFM as a single cash generating unit ("CGU") for impairment testing purposes considering it is managed as one unit which is engaged in a single segment of operating stock exchanges and related clearing house. Estimating the fair value less costs to sell requires the Group to make an estimate for the control premium in order to calculate the fair value less costs to sell. Estimating the value in use requires the Group to make an estimate for expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Other intangible assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairment of other intangible assets are reviewed for possible reversal at each reporting date.

### Impairment of land

On an annual basis, the Group determines whether land is impaired. This requires an estimation of the recoverable amount using higher of fair value less costs to sell or value in use of the land.

The fair value less costs to sell of the land is estimated using an independent third party valuer. The value in use calculation requires the Group to make an estimate of the expected future cash flows from the land and the discount rate to be used to calculate the present value of those cash flows.

### Depreciation of property and equipment

The cost of property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, which depends on operational factors. The management has not considered any residual value as it is deemed immaterial. Management assesses the estimated useful lives on a periodic basis.

### Impairment loss on trade receivables

At each reporting date, the Group assesses on a forward-looking basis the expected credit loss associated with financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the

simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to Note 25.3 for detailed assessment of credit risk.

### Provision for end of service benefits

The Group provides end of service benefits for its expatriate employees in accordance with U.A.E. Labour Law. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension and national insurance contributions for the U.A.E. citizens are made by the Group in accordance with Federal Law No. 2 of 2000.

## 6. Goodwill and other intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000
<b>Cost</b>		
At 1 January 2020 and 2021	2,878,874	2,824,455
<b>Amortisation</b>		
At 1 January 2021	-	790,846
Charge for the year	-	56,489
<b>At 31 December 2021</b>	<b>-</b>	<b>847,335</b>
At 1 January 2020	-	734,357
Charge for the year	-	56,489
At 31 December 2020	-	790,846
<b>Carrying amount</b>		
<b>At 31 December 2021</b>	<b>2,878,874</b>	<b>1,977,120</b>
At 31 December 2020	2,878,874	2,033,609

### Impairment testing of goodwill

Determining whether goodwill is impaired requires an estimation of recoverable amount of the cash generating units to which goodwill has been allocated. DFM as a standalone market institution is considered a single cash generating unit ("CGU") for impairment testing purposes. Management assesses the recoverable amount of the CGU using the higher of value in use ("VIU") model and fair value less costs to sell. Management has concluded the fair value less costs to sell of the CGU exceeded its carrying amount as at 31 December 2021 (2020: fair value less costs to sell exceeded the carrying amount). To arrive at the fair

value less costs to sell for the CGU to which goodwill is allocated, the management has used the closing quoted market price of DFM as at 31 December 2021 and a control premium (net of costs to sell) of 15% (2020: 15%) to calculate the recoverable amount.

The estimated recoverable amount of the CGU is AED 26,128 million as at 31 December 2021 which exceeds its carrying amount of AED 7,963 million by approximately AED 18,165 million (31 December 2020: AED 756 million) as at that date. Management of the Group, therefore does not believe that there is any impairment of goodwill as at the reporting date.

**The following key assumptions were used in 2021:**

Closing quoted market price as at 31 December 2021	<b>AED 2.84 / share</b>
Control premium - net of costs to sell	<b>15%</b>

This fair value less costs to sell measurement would be considered as level 2 in the fair value hierarchy.

**7. Property and equipment**

Management has identified that any reasonable possible change in the two key assumptions would not cause the carrying amount to exceed the recoverable amount.

The Board of the Group believe that the key assumptions are appropriate as at 31 December 2021 and 2020 and there is no impairment of the goodwill as at that date.

	Capital work-in-progress								Total AED'000
	Computers and information systems AED'000	Right-of-use assets AED'000	Leasehold improvement AED'000	Furniture and office equipment AED'000	Motor vehicles AED'000	Others AED'000	Building under construction AED'000	Land AED'000	
<b>Cost</b>									
At 31 December 2019	125,993	47,005	23,252	28,633	137	16,197	33,333	231,306	505,856
Additions	658	-	91	212	-	7,592	22,587	-	31,140
Disposals	(123)	-	(501)	(9)	-	-	-	-	(633)
Transfers	23,064	-	1	21	-	(23,086)	-	-	-
At 31 December 2020	149,592	47,005	22,843	28,857	137	703	55,920	231,306	536,363
Additions	4,101	-	169	372	-	1,565	360	-	6,567
Disposals	(45,732)	-	-	(2,293)	-	-	-	-	(48,025)
Transfers	901	-	-	-	-	(901)	-	-	-
<b>At 31 December 2021</b>	<b>108,862</b>	<b>47,005</b>	<b>23,012</b>	<b>26,936</b>	<b>137</b>	<b>1,367</b>	<b>56,280</b>	<b>231,306</b>	<b>494,905</b>
<b>Accumulated depreciation</b>									
At 31 December 2019	116,165	9,719	16,466	18,524	119	-	-	-	160,993
Charge for the year (Note 21)	8,925	9,719	1,624	2,868	18	-	-	-	23,154
Disposals	(123)	-	(209)	(8)	-	-	-	-	(340)
Adjustment	698	-	-	-	-	-	-	-	698
At 31 December 2020	125,665	19,438	17,881	21,384	137	-	-	-	184,505
Charge for the year (Note 21)	9,480	9,719	1,648	2,347	-	-	-	-	23,194
Disposals	(45,767)	-	-	(2,284)	-	-	-	-	(48,051)
<b>At 31 December 2021</b>	<b>89,378</b>	<b>29,157</b>	<b>19,529</b>	<b>21,447</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,648</b>
<b>Carrying Amount</b>									
At 31 December 2021	19,484	17,848	3,483	5,489	-	1,367	56,280	231,306	335,257
At 31 December 2020	23,927	27,567	4,962	7,473	-	703	55,920	231,306	351,858

**8. Financial assets measured at fair value through other comprehensive income (FVOCI)**

	2021 AED'000	2020 AED'000
<b>Designated as equity instruments</b>		
Investment in equity securities	257,564	199,194
Managed funds - Note 8.1	275,711	241,321
Investment in sukuk- Note 8.2	279,946	360,120
	<b>813,221</b>	800,635

The Group has made an irrevocable election to designate investment in equity securities, managed funds and investment in Tier 1 Bank sukus as FVOCI at initial recognition as per IFRS 9 and subsequent changes in fair value are presented in Other

Comprehensive Income ("OCI"). These are strategic investments not held for trading and the Group considers this classification to be more relevant. All investments have been assessed and were classified as equity instruments in the underlying entities. The underlying entities were not subject to classification as equity merely because of the puttable exemption in IAS 32.

**Investments by geographic concentration are as follows:**

	2021 AED'000	2020 AED'000
- Within U.A.E.	734,050	773,619
- Outside U.A.E.	79,171	27,016
	<b>813,221</b>	800,635

- 8.1** Managed funds include funds of AED 258 million (31 December 2020: AED 218 million) (Note 15) managed by a shareholder of the Parent.
- 8.2** The investments in sukuk are perpetual instruments, callable at the option of the issuers and are measured at fair value through other comprehensive income. The sukuk carries profit rates ranging from 3.375% to 5% per annum (31 December 2020: 4.625% to 6.75% per annum), which are payable at the discretion of the issuers.

to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,010 million (31 December 2020: AED 1,050 million), investments at amortised cost of AED 100 million (31 December 2020: AED 37 million) and mudarabah and current accounts of AED 41 million (31 December 2020: AED 270 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies (refer to Note 18.1). Until this obligation is discharged, the Group recognises the profit on these investments in its statement of income.

**9. Investments at amortised cost**

	2021 AED'000	2020 AED'000
Investments in sukus	296,071	166,075

Investments in sukuk in the U.A.E mature in 1-8 years and carry fixed profit rates ranging from 3.2% - 5.112% per annum (31 December 2020: 4.50% - 5.112%) per annum.

**10. Investment deposits**

	2021 AED'000	2020 AED'000
<b>Current:</b>		
Investment deposits maturing in less than 3 months	371,117	186,730
Investment deposits maturing up to 1 year but more than 3 months	2,660,000	2,664,771
	<b>3,031,117</b>	2,851,501
<b>Non-current:</b>		
Investment deposits maturing after 1 year	222,225	241,054
	<b>3,253,342</b>	3,092,555

- 10.1** Investment deposits are placed with financial institutions in the UAE, and carry profit rates ranging from 1.20 % to 1.65% (2020: 1.50% to 2.90%) per annum.
- 10.2** Investment deposits of AED 136.73 million (2020: AED 136.73 million) have been pledged as collateral against unutilised bank overdraft facilities provided to the Group.
- 10.3** Dividends received from and payable on behalf of companies listed on DFM held in myAccount and iVESTOR card balances as at 31 December 2021 aggregate AED 1,151 million (31 December 2020: AED 1,357 million), which is available for the Company

- 10.4** Dividend declared and payable by Group to the Parent Company amounting to AED 100 million (31 December 2020: AED 467 million) has been invested in investment deposits by the Company, pending distribution to the Parent Company.
- 10.5** Investment deposits of AED 430 million have been placed on behalf of a related party. Refer to Notes 15.1 and 18.2.

**11. Prepaid expenses and other receivables**

	2021 AED'000	2020 AED'000
Accrued income on investment deposits	19,518	34,606
Central counterparty balances (Note 11.1)	92,340	109,815
Prepaid expenses	5,948	5,883
Accrued trading commission fees	1,003	1,062
Other receivables	2,542	3,005
Due from brokers	1,998	738
VAT receivable on capital expenditure	2,641	2,634
	<b>125,990</b>	157,743
Less: allowance for doubtful debts	(1,215)	(738)
	<b>124,775</b>	157,005

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

	2021 AED'000	2020 AED'000
Opening balance	738	93
Provision for the year	477	645
Closing balance	<b>1,215</b>	738

**11.1** These balances relate to Dubai Clear LLC and Nasdaq Dubai Limited which act as central counterparties for all trades which are usually settled on a T+2 basis. The balance represents receivable from brokers against unsettled trades at year end. The corresponding payable balance of the same amount has been recorded as a liability at year end (note 18).

**11.2** The Group does not hold any collateral over prepaid expenses and other receivables.

## 12. Cash and cash equivalents

	2021 AED'000	2020 AED'000
Cash on hand	140	148
Bank balances:		
Current accounts	97	209,694
Savings accounts (Note 12.1)	2,165	10
Mudarabah accounts (Note 10.3, 12.2 & 15.1)	156,583	112,823
	<b>158,985</b>	322,675
Add: Investment deposits with original maturities not exceeding three months	100,005	98,000
Cash and cash equivalents	<b>258,990</b>	420,675

**12.1** The average rate of return on savings accounts is 0.30% per annum (31 December 2020: 0.40 % per annum).

**12.2** The average rate of return on mudarabah accounts is 0.09% per annum (31 December 2020: 0.35% per annum).

**12.3** At 31 December 2021 and 31 December 2020, the Group has assessed the recoverability of its cash and cash equivalents and considered provision for expected credit loss to be immaterial.

## 13. Share capital

	2021 AED'000	2020 AED'000
Authorised, issued and paid up share capital: 8,000,000,000 shares (31 December 2020: 8,000,000,000 shares) of AED 1 each (31 December 2020: AED 1 each)	8,000,000	8,000,000

## 14. Reserves

### Statutory reserve

In accordance with the UAE Federal Law No. 2 of 2015 (Companies Law), 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.

	Statutory reserve AED'000
Balance as of 31 December 2019	454,272
Transfer from net profit for the year 2020	13,790
Balance as of 31 December 2020	468,062
Transfer from net profit for the year 2021	10,383
<b>Balance as of 31 December 2021</b>	<b>478,445</b>

### Investments revaluation reserve - FVOCI

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

## 15. Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

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. Key management personnel include the heads of various divisions. During the year, the Group entered into transactions with related parties in the ordinary course of business. These transactions were carried out at market rates. The transactions with related parties and balances arising from these transactions are as follows:

Transactions during the year	2021 AED'000	2020 AED'000
<i>Fellow subsidiaries and associates of the Group</i>		
Investment income	26,481	50,570
Interest expense	1,347	1,392
Dividend income	6,706	8,754
Lease payments and other related expenses	8,930	8,951
Interest on lease	1,290	1,676

### Compensation of key management personnel

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

Salaries and short-term benefits	10,279	8,470
General pension and social security	873	960
Board of Directors		
- Remuneration to the Nasdaq Dubai Board	793	907
- Meeting allowance for the Group	648	634
- DFM board remuneration	2,100	2,100
<b>Balances</b>		
<i>Fellow subsidiaries and associates</i>		
Managed funds managed by a shareholder of the Parent (Note 8)	257,986	218,271
Other financial assets measured at FVOCI (Note 8)	352,957	432,655
Investments at amortised cost (Note 9)	208,654	116,283
Investment deposits (Note 10)	584,273	1,245,550
Cash and cash equivalents (Note 12)	155,521	321,691

Investment deposits include AED 100 million (31 December 2020: AED 100 million) placed as collateral with a related party.

	2021 AED'000	2020 AED'000
<i>Due to related parties</i>		
Dubai World Trade Centre – lease liability	14,316	21,457
Member margin deposits (Notes 15.1& 18.2)	450,000	-
<b>Parent</b>		
Expenses paid on behalf of the Group	11,076	12,404
Subordinated loan (Note 15.2)	31,837	30,490
Dividends payable	100,000	466,500

**15.1** Member margin deposits comprise of investment deposits of AED 430 million and mudarabah account of AED 20 million placed on behalf of a related party (refer Note 18.2).

**15.2** The subordinated loan has been provided by Borse Dubai Limited, to Nasdaq Dubai Limited. The subordinated loan is unsecured, has no fixed repayment date and bears interest at market rate and is subordinated to the rights of all other creditors of the subsidiary. The Parent has agreed not to call for the subordinated loan from its subsidiary for at least 1 year from the date of issuing the financial statements for the year ended 31 December 2021.

The Group has not provided any loans to its directors during the year ended 31 December 2021 and 2020.

The Group obtains approval from the shareholders with regards to the transactions with related parties in order to comply with the provisions of the UAE Federal Law No. 2 of 2015, as amended (Companies Law).

The Group has applied partial exemption allowed under IAS 24 to Government owned entities and has disclosed the nature and amount of each individually significant transaction and for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of its extent. The ultimate parent and controlling party is the Government of Dubai which owns 80.66% (2020: 80.66%) of Dubai Financial Market P.J.S.C. through Investment Corporation of Dubai, a Government of Dubai entity. The Group in the usual course of operating Dubai stock exchange incur expenses and receives fees based on the standard terms applicable in the market from Government related entities. In addition the Group carries out investment activities with Government related entities on its own behalf. There are no other transactions that are individually or collectively significant.

## 16. Leases

### Leases as lessee (IFRS 16)

The Group leases office premises. The leases typically run for a period of 3-5 years, with an option to renew the lease after that date. Lease payments are renegotiated every 3-5 years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The property leases were entered into as combined leases and renewed on an annual basis.

Information about leases for which the Group is a lessee is presented below.

#### i. Right-of-use assets

Right-of-use assets related to leased office premises are presented in property and equipment (Note 7).

#### ii. Lease liabilities

	2021 AED'000	2020 AED'000
Non-current lease liabilities	7,570	17,156
Current lease liabilities	9,945	8,470
	17,515	25,626

#### iii. Amounts recognised in the consolidated statement of income

	2021 AED'000	2020 AED'000
Interest on lease liabilities	1,557	2,060

#### iv. Amounts recognised in the consolidated statement of cash flows

	2021 AED'000	2020 AED'000
Total cash outflow for lease liabilities	9,670	14,184

### 17. Provision for employees' end of service benefits

	2021 AED'000	2020 AED'000
Balance at the beginning of the year	25,545	23,200
Charged during the year	2,774	2,449
Paid during the year	(6,042)	(104)
<b>Balance at the end of the year</b>	<b>22,277</b>	<b>25,545</b>

### 18. Payables and accrued expenses

	2021 AED'000	2020 AED'000
Dividends payable on behalf of companies listed on the DFM ("MyAccount") (Note 18.1)	820,010	1,004,189
iVESTOR cards (Note 18.1)	330,921	352,374
Members' margin deposits (Note 18.2)	468,073	18,572
Non-sharia compliant income	30,914	-
Brokers' retention	21,917	22,573
Accrued expenses and other payables	14,540	18,650
Central counterparty balances (Note 11.1)	92,340	109,815
Due to U.A.E. Securities and Commodities Authority	315	6,071
Unearned revenue	4,377	2,567
Zakat	1,048	1,012
Current lease liabilities (Note 16)	9,945	8,470
VAT payable	4,271	1,268
	<b>1,798,671</b>	<b>1,545,561</b>

**18.1** Dividends received from and payable on behalf of companies listed on DFM held in myAccount and iVESTOR card balances as at 31 December 2021 aggregate AED 1,151 million (31 December 2020: AED 1,357 million), which is available for the Company to invest at its discretion in income earning assets such as investments in short term deposits of AED 1,010 million (31 December 2020: AED 1,050 million), investments at amortised cost of AED 100 million (31 December 2020: AED 37 million) and mudarabah and current accounts of AED 41 million (31 December 2020: AED 270 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies (refer to Note 18.1). Until this obligation is discharged, the Group recognises the profit on these investments in its statement of income.

**18.2** Clearing members are required to provide margins in respect of their clearing and settlement obligations to the Group. Margins are held in segregated accounts in the name of DFM at clearing banks. Margins provided by clearing members are used by the Group towards discharging the clearing members' obligations to the Group in the event of default by the clearing member in connection with trade settlements. Refer to Notes 10.5 and 15.1.

### 19. Dividends payable

- 19.1** The Company has not declared any dividends for 2020 but has appropriated non-sharia compliant income of AED 30.9 million for 2020. Dividends declared for 2019 were AED 200 million, representing AED 0.025 per share, including non-sharia compliant income of AED 22.5 million for the year ended 31 December 2019 and AED 24.8 million for the year ended 31 December 2018 (Note 24).
- 19.2** Unpaid dividends for shareholders other than the Parent company is AED 3 million (31 December 2020: AED 3 million).

### 20. Dividend income

For the year ended 31 December 2021, dividends received from financial assets measured at FVTOCI amounting to AED 6.9 million (31 December 2020: AED 9.9 million) were recognised as dividend income in the consolidated statement of income.

### 21. General and administrative expenses

	2021 AED'000	2020 AED'000
Payroll and other benefits	84,414	90,142
Depreciation (Note 7)	23,194	23,154
Maintenance expenses	12,799	11,023
Telecommunication expenses	6,692	7,217
Professional expenses	2,347	5,529
iVESTOR expenses	2,661	2,803
Other expenses	7,426	9,424
	<b>139,533</b>	<b>149,292</b>

### 22. Earnings per share

	2021	2020
Net profit for the year attributable to the owners of the Company (AED'000)	103,840	137,900
Authorised, 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	0.013	0.017

### 23. Commitments

	2021 AED'000	2020 AED'000
Commitments for the purchase of property and equipment	1,179	11,848

In 2010, the Company entered into an agreement with Borse Dubai Limited to acquire the remaining 33% (2020: 33%) shareholding of Nasdaq Dubai Limited against a consideration of AED 148 million (31 December 2020: AED 148 million). The exercise and completion of this acquisition is contingent upon the mutual agreement of the Company and Borse Dubai Limited and on a date to be mutually agreed between the Company and Borse Dubai Limited.

### 24. Non sharia compliant income

Non-sharia compliant income 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.

Year	AED'000
2018	24,801
2019	22,539
2020	30,914

Non Sharia compliant income of AED 30.9 million relating to 2020 (2020: AED 22.5 million relating to 2019) as approved by the Company's Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings during the year period ended 31 December 2021 and will be distributed by the Group to its shareholders towards disbursement by the shareholders for charitable purposes.

## 25. Financial risk management objectives

### 25.1 Financial risk factors

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks. The Group regularly reviews its risk management policies to reflect changes in markets, products and emerging best practice.

The Group's finance department monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign exchange risk, price risk and profit rate risk), credit risk and liquidity risk.

### 25.2 Market risk

#### (a) Foreign exchange risk

The Group's activities are not exposed to the financial risks of changes in foreign currency exchange rates because substantially all the financial assets and liabilities are denominated in United Arab Emirates Dirhams (AED) or US Dollars to which the AED is pegged.

#### (b) Price risk

The Group is exposed to equity price risk arising from quoted equity investments. Equity investments are held for strategic rather than trading purposes and the Group does not actively trade in these investments. The Group limits equity price risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Group actively monitors the key factors that affect stock

and market movements, including analysis of the operational and financial performance of investees. The Group as at 31 December 2021 has an equity investment portfolio measured at FVOCI amounting to AED 813 million (31 December 2020: AED 801 million).

#### Equity price sensitivity analysis

The sensitivity analyses below has been determined based on the exposure to equity price risk at the reporting date.

If equity prices had been 5% higher/lower:

- Investment revaluation reserve would increase/decrease by AED 41 million (31 December 2020: AED 40 million) as a result of the changes in fair value of the equity investments.

#### (c) Profit rate risk

Profit rate risk is the risk that the value of the future cash flows for the financial instruments will fluctuate due to changes in market profit rates. The principal risk to which financial assets and liabilities are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market profit rates. The Group's long term financial assets and liabilities are priced generally on a floating rate basis, which tracks the changes in market interest rates.

Financial assets which potentially subject the Group to profit rate risk consist principally of investment deposits, balances with banks and other financial institutions, sukuks measured at amortized cost and sukuks measured at FVTOCI. A shift of +/- 50bps in the yield curve would result in an increase/ decrease in investment income and equity by AED 16.4 million (31 December 2020: AED 17.4 million).

### 25.3 Credit risk

The Group is exposed to credit risk, which is the risk that the counterparty will cause a financial loss to the Group by failing to discharge an obligation. Financial assets which potentially subject the Group to credit risk consist principally of investment deposits, investments at amortised cost, cash and cash equivalents and other receivables.

The maximum exposure to credit risk for the components of the consolidated statement of financial position is as follows:

	2021 AED'000	2020 AED'000
<b>Financial assets</b>		
Investments at amortised cost (Note 9)	296,071	166,075
Investment deposits (Note 10)	3,253,342	3,092,555
Other receivables (Note 11)	116,186	148,488
Cash and cash equivalents (Note 12)	258,990	420,675
<b>Total financial assets</b>	<b>3,924,589</b>	<b>3,827,793</b>

#### Cash and cash equivalents and investment deposits

The Group held cash and cash equivalents of AED 258 million as at 31 December 2021 (31 December 2020: AED 421 million) and current investment deposits of AED 3,031 million (31 December 2020: AED 2,851 million) with banks and financial institution counterparties, which are rated P1 or P2, based on Moody's and Fitch ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore no ECL has been recognised.

The rating of the banks as per Moody's and Fitch and the respective balances are:

	2021 AED'000	2020 AED'000
<b>Bank Rating</b>		
P1	36,730	36,730
P2	3,253,237	3,085,298
Unrated	-	150,000
<b>Total</b>	<b>3,289,967</b>	<b>3,272,028</b>

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

#### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### Debt securities at amortised cost

The Group limits its exposure to credit risk by investing only in debt securities issued by reputed UAE financial institutions and government owned entities.

For rated entities, the Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings by supplementing it with the with available press and regulatory information about issuers. For unrated entities the Group evaluates the financial performance of the issuers periodically to monitor changes in credit risk and further supplements with available press and regulatory information about issuers.

12-month and lifetime probabilities of default are based on historical data supplied by Moody's and Fitch ratings. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 27% for reputed UAE financial institutions and 40% for other entities except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

The following table presents an analysis of the credit quality of debt securities classified as investment at amortised cost and long term investment deposits with counterparties other than banks. It indicates whether assets measured at amortised cost were subject to

a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

The following tables explain the impairment and loss allowance for the year ended 31 December 2021:

Credit rating	12-month ECL	At amortised cost 31 December 2021 Lifetime ECL – not credit-impaired	Lifetime ECL - credit-impaired
<i>In thousands of AED</i>			
Gross carrying amounts (amortised cost before impairment)	208,654	256,131	287,746
Impairment	-	(13,493)	(257,865)
Loss allowance	-	(447)	(57)
Carrying amount	208,654	242,191	29,824

The following tables explain the impairment and loss allowance for the year ended 31 December 2020:

Credit rating	12-month ECL	At amortised cost 31 December 2020 Lifetime ECL – not credit-impaired	Lifetime ECL - credit-impaired
<i>In thousands of AED</i>			
Gross carrying amounts (amortised cost before impairment)	116,195	267,764	284,847
Impairment	-	(9,195)	(252,067)
Loss allowance	-	(451)	(52)
Carrying amount	116,195	258,118	32,728

The Group did not have any debt securities that were past due but not impaired at 31 December 2021 and 31 December 2020.

The Group has no collateral in respect of these investments and there was no movement between stages during the years ended 31 December 2021 and 31 December 2020.

The amount of impairment allowance at 31 December 2021 for long term investment deposit and investment at amortised cost is AED 503 thousand (2020: AED 503 thousand).

## 25.4 Liquidity risk

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the remaining contractual maturities at the date of the consolidated statement of financial position. The liquidity profile of financial liabilities is as follows:

31 December 2021	Within 3 months AED'000	3 to 6 months AED'000	6 to 12 months AED'000	1 to 5 Years AED'000	Over 5 years AED'000	Total AED'000
<b>Financial liabilities</b>						
Payables and accrued expenses	1,794,294	-	-	-	-	1,794,294
Lease liabilities	-	-	-	7,570	-	7,570
Subordinated loan	-	-	-	33,287	-	33,287
Due to a related party	-	-	11,076	-	-	11,076
Dividends payable	103,087	-	-	-	-	103,087
<b>Total financial liabilities</b>	<b>1,897,381</b>	<b>-</b>	<b>11,076</b>	<b>40,857</b>	<b>-</b>	<b>1,949,314</b>

31 December 2020	Within 3 months AED'000	3 to 6 months AED'000	6 to 12 months AED'000	1 to 5 Years AED'000	Over 5 years AED'000	Total AED'000
<b>Financial liabilities</b>						
Payables and accrued expenses	1,542,994	-	-	-	-	1,542,994
Lease liabilities	-	-	-	17,156	-	17,156
Subordinated loan	-	-	-	31,837	-	31,837
Due to a related party	-	-	12,404	-	-	12,404
Dividends payable	469,588	-	-	-	-	469,588
<b>Total financial liabilities</b>	<b>2,012,582</b>	<b>-</b>	<b>12,404</b>	<b>48,993</b>	<b>-</b>	<b>2,073,979</b>

## 25.5 Fair value of financial instruments

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

The Group's financial assets and financial liabilities comprise of cash and cash equivalents, investments at amortized cost, investment deposits, accrued income on investment deposits, accrued trading commission fees, central counterparty balances, due from brokers, other receivables, broker's retention, due to U.A.E Securities and Commodities Authority, dividends payable on behalf of companies listed on the DFM, iVESTOR cards, members' margin deposits, due to related party and accrued expenses and other payables. whose maturity is short term. Long term investment deposits carry market rates of return. Consequently, their fair value approximates the carrying value, after taking into account impairment, 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).
- 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 of 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 inputs 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 year ended 31 December 2021.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2021 and 2020.

	31 December 2021			
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>Financial assets measured at fair value through other comprehensive income</b>				
- Equities	251,137	6,427	-	257,564
- Managed funds	-	275,711	-	275,711
- Investments in Sukuk	279,946	-	-	279,946
<b>Total</b>	<b>531,083</b>	<b>282,138</b>	<b>-</b>	<b>813,221</b>

	31 December 2020			
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>Financial assets measured at fair value through other comprehensive income</b>				
- Equities	193,872	5,322	-	199,194
- Managed funds	-	241,321	-	241,321
- Investments in Sukuk	360,120	-	-	360,120
<b>Total</b>	<b>553,992</b>	<b>246,643</b>	<b>-</b>	<b>800,635</b>

There are no transfers between Level 1 and Level 2 during the year ended 31 December 2021 (31 December 2020: AED Nil).

The Group has purchased or invested in shares during the year ended 31 December 2021 amounting to AED 1 million (31 December 2020: AED Nil).

The following table summarises the amortised cost and fair value of the sukuk at 31 December 2021, all of which are classified as level 2 in fair value hierarchy:

	Carrying amount AED'000	Fair value AED'000
<b>Investment at amortised cost</b>		
Investment in sukuk	296,071	304,092

The following table summarises the amortised cost and fair value of the sukuk at 31 December 2020:

	Carrying amount AED'000	Fair value AED'000
<b>Investment at amortised cost</b>		
Investment in sukuk	166,075	168,734

## 26. Financial assets and liabilities

### Financial assets by category

	2021 AED'000	2020 AED'000
<b>Assets as per consolidated statement of financial position</b>		
Financial assets measured at fair value through other comprehensive income (FVOCI) (Note 8)	813,221	800,635
<b>Financial assets at amortised cost</b>		
Investments at amortised cost (Note 9)	296,071	166,075
Investment deposits (Note 10)	3,253,342	3,092,555
Cash and cash equivalents (Note 12)	258,990	420,675
Other receivables (Note 25.3)	116,186	148,488
	<b>3,924,589</b>	<b>3,827,793</b>

### Financial liabilities by category

	2021 AED'000	2020 AED'000
<b>Liabilities as per consolidated statement of financial position</b>		
<b>Financial liabilities at amortised cost</b>		
Subordinated loan (Note 15)	31,837	30,490
Due to a related party (Note 15)	11,076	12,404
Dividends payable (Notes 15,19)	103,087	469,588
Payables and accrued expenses (Note 18)	1,794,114	1,542,994
Lease liabilities	7,750	17,156
	<b>1,947,864</b>	<b>2,072,632</b>

## 27. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## 28. 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 assessing 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 stock exchanges and related clearing house.

## 29. Social contributions

The Group has made no material monetary social contributions during the year ended 31 December 2021.

## 30. Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements as at and for the year ended 31 December 2021.



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