

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

**Review report and condensed consolidated  
interim financial information for the nine month  
period ended 30 September 2014**

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	<u>Page</u>
<b>Review report on condensed consolidated interim financial information</b>	<b>1</b>
<b>Condensed consolidated interim statement of financial position</b>	<b>2</b>
<b>Condensed consolidated interim statement of income (Un-audited)</b>	<b>3</b>
<b>Condensed consolidated interim statement of comprehensive income (Un-audited)</b>	<b>4</b>
<b>Condensed consolidated interim statement of changes in equity (Un-audited)</b>	<b>5</b>
<b>Condensed consolidated interim statement of cash flows (Un-audited)</b>	<b>6</b>
<b>Notes to the condensed consolidated interim financial information</b>	<b>7 - 20</b>



## Review report on condensed consolidated interim financial information

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

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Financial Market (DFM) P.J.S.C. (the 'Company') and its subsidiaries (together referred to as "the Group") as at 30 September 2014 and the related condensed consolidated interim statements of income, comprehensive income for the three-month and nine-month periods then ended, and condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34")". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers  
27 October 2014

Paul Suddaby  
Registered Auditor Number 309  
Dubai, United Arab Emirates

**Condensed consolidated interim statement of financial position  
as at 30 September 2014**

	Note	As at	
		30 September 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	2,399,885	2,446,658
Property and equipment		14,988	11,539
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	7	812,188	587,941
Investment deposits	8	835,358	725,378
<b>Total non-current assets</b>		<b>6,941,293</b>	<b>6,650,390</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	10	33,670	40,935
Investment deposits	8	1,463,101	1,493,429
Cash and bank balances	11	451,829	107,629
<b>Total current assets</b>		<b>1,948,600</b>	<b>1,641,993</b>
<b>Total assets</b>		<b>8,889,893</b>	<b>8,292,383</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
		7,995,636	7,995,636
Investments revaluation reserve - FVTOCI	13	(555,272)	(789,102)
Statutory reserve	13	278,998	278,998
Retained earnings		693,626	449,684
<b>Equity attributable to owners of the company</b>		<b>8,412,988</b>	<b>7,935,216</b>
Non controlling interest		17,820	16,838
<b>Total equity</b>		<b>8,430,808</b>	<b>7,952,054</b>
<b>Non-current liabilities</b>			
Subordinated loan	9	23,023	22,268
Provision for employees' end of service indemnity		11,433	9,838
<b>Total non-current liabilities</b>		<b>34,456</b>	<b>32,106</b>
<b>Current liabilities</b>			
Payables and accrued expenses	14	341,167	238,163
Dividends payable		29,425	19,231
Due to related parties	9	54,037	50,829
<b>Total current liabilities</b>		<b>424,629</b>	<b>308,223</b>
<b>Total liabilities</b>		<b>459,085</b>	<b>340,329</b>
<b>Total equity and liabilities</b>		<b>8,889,893</b>	<b>8,292,383</b>

  
.....  
Chairman

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of income (Un-audited)  
for the nine month period ended 30 September 2014**

	Note	<u>3 month period ended</u>		<u>9 month period ended</u>	
		<u>30 September</u>		<u>30 September</u>	
		2014	2013	2014	2013
		AED'000	AED'000	AED'000	AED'000
<b>Revenues</b>					
Trading commission fees		165,630	103,845	664,616	231,135
Brokerage fees		3,366	3,113	9,954	9,353
Ownership transfer and mortgage fees		8,622	3,566	21,802	17,448
Other fees		4,133	3,195	14,154	10,968
<b>Operating income</b>		<b>181,751</b>	<b>113,719</b>	<b>710,526</b>	<b>268,904</b>
Investment income		13,034	9,635	40,924	35,171
Other income		2,030	-	2,967	307
<b>Total income</b>		<b>196,815</b>	<b>123,354</b>	<b>754,417</b>	<b>304,382</b>
<b>Expenses</b>					
General and administrative expenses		(27,222)	(25,910)	(84,817)	(80,746)
Amortisation of intangible assets	6	(15,591)	(15,591)	(46,773)	(46,773)
Interest expense		(257)	(245)	(755)	(721)
<b>Total expenses</b>		<b>(43,070)</b>	<b>(41,746)</b>	<b>(132,345)</b>	<b>(128,240)</b>
<b>Net profit for the period</b>		<b>153,745</b>	<b>81,608</b>	<b>622,072</b>	<b>176,142</b>
<b>Attributable to:</b>					
Owners of the Company		153,513	82,756	621,090	179,265
Non-controlling interest		232	(1,148)	982	(3,123)
		<b>153,745</b>	<b>81,608</b>	<b>622,072</b>	<b>176,142</b>
<b>Basic/Diluted Earnings per share - AED</b>	15	<b>0.019</b>	<b>0.010</b>	<b>0.078</b>	<b>0.022</b>

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of comprehensive income (Un-audited)  
for the nine month period ended 30 September 2014**

	<u>3 month period ended</u>		<u>9 month period ended</u>	
	<u>30 September</u>		<u>30 September</u>	
	2014	2013	2014	2013
	AED'000	AED'000	AED'000	AED'000
<b>Net profit for the period</b>	<b>153,745</b>	<b>81,608</b>	<b>622,072</b>	<b>176,142</b>
Fair value changes on financial assets measured at fair value through other comprehensive income (FVTOCI)	<b>133,910</b>	<b>46,055</b>	<b>225,983</b>	<b>118,611</b>
<b>Total comprehensive income for the period</b>	<b>287,655</b>	<b>127,663</b>	<b>848,055</b>	<b>294,753</b>
<b>Attributable to:</b>				
Owners of the Company	<b>287,423</b>	<b>128,811</b>	<b>847,073</b>	<b>297,876</b>
Non-controlling interest	<b>232</b>	<b>(1,148)</b>	<b>982</b>	<b>(3,123)</b>
<b>Total comprehensive income for the period</b>	<b>287,655</b>	<b>127,663</b>	<b>848,055</b>	<b>294,753</b>

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

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

5

### Condensed consolidated interim statement of changes in equity (Un-audited) for the nine month period ended 30 September 2014

	Share capital AED'000	Treasury shares AED'000	Investments revaluation reserve FVTOCI AED'000	Statutory reserves AED'000	Retained earnings AED'000	Attributable to owners of the company AED'000	Non-controlling interest AED'000	Total AED'000
<b>As at 1 January 2013</b>	8,000,000	(4,364)	(1,002,816)	250,535	214,516	7,457,871	20,288	7,478,159
Net profit for the period	-	-	-	-	179,265	179,265	(3,123)	176,142
Other comprehensive income for the period	-	-	118,611	-	-	118,611	-	118,611
<b>Total comprehensive income for the period</b>								
Appropriation of non-sharia compliant income (Note 18)	-	-	118,611	-	179,265	297,876	(3,123)	294,753
<b>As at 30 September 2013</b>	<u>8,000,000</u>	<u>(4,364)</u>	<u>(884,205)</u>	<u>250,535</u>	<u>372,779</u>	<u>7,734,745</u>	<u>17,165</u>	<u>7,751,910</u>
<b>As at 1 January 2014</b>	8,000,000	(4,364)	(789,102)	278,998	449,684	7,935,216	16,838	7,952,054
Net profit for the period	-	-	-	-	621,090	621,090	982	622,072
Other comprehensive income for the period	-	-	225,983	-	-	225,983	-	225,983
<b>Total comprehensive income for the period</b>								
Appropriation of non-sharia compliant income (Note 18)	-	-	225,983	-	621,090	847,073	982	848,055
Dividends declared, net of appropriation of non-sharia compliant income (Note 12)	-	-	-	-	(15,697)	(15,697)	-	(15,697)
Realised loss on disposal of investments	-	-	7,847	-	(353,604)	(353,604)	-	(353,604)
<b>As at 30 September 2014</b>	<u>8,000,000</u>	<u>(4,364)</u>	<u>(555,272)</u>	<u>278,998</u>	<u>693,626</u>	<u>8,412,988</u>	<u>17,820</u>	<u>8,430,808</u>

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated interim statement of cash flows (Un-audited)  
for the nine month period ended 30 September 2014**

	Note	9 month period ended 30 September	
		2014 AED'000	2013 AED'000
<b>Cash flows from operating activities</b>			
Net profit for the period		622,072	176,142
<b>Adjustments for:</b>			
Depreciation of property and equipment		4,726	5,708
Provision for employees' end of service indemnity		2,072	1,499
Amortisation of intangible assets		46,773	46,773
Interest expense		755	721
Income on investment deposits		(32,610)	(30,500)
Dividend income		(8,314)	(4,671)
<b>Operating cash flow before changes in operating assets and liabilities</b>		<b>635,474</b>	<b>195,672</b>
Decrease/(Increase) in prepaid expenses and other receivables		8,333	(77,150)
Increase in due to a related party	9	3,208	326
Increase in payables and accrued expenses		133,493	216,505
<b>Cash generated from operations</b>		<b>780,508</b>	<b>335,353</b>
Employees' end of service indemnity paid		(477)	(418)
<b>Net cash generated from operating activities</b>		<b>780,031</b>	<b>334,935</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(8,175)	(1,134)
Net proceeds from sale and redemption of investments		1,727	181
Net investment deposits (excluding cash and cash equivalents)	8	(207,671)	(29,997)
Investment deposit income received		29,567	32,273
Dividend received		8,314	4,671
<b>Net cash (used in)/ generated from investing activities</b>		<b>(176,238)</b>	<b>5,994</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	12	(343,407)	(138)
Distribution of non-sharia compliant income to shareholders	12,18	(46,186)	-
<b>Net cash used in financing activities</b>		<b>(389,593)</b>	<b>(138)</b>
<b>Net increase in cash and cash equivalents</b>		<b>214,200</b>	<b>340,791</b>
Cash and cash equivalents at the beginning of the period		426,679	232,345
<b>Cash and cash equivalents at the end of the period</b>	11	<b>640,879</b>	<b>573,136</b>

The accompanying notes on pages 7 to 20 form an integral part of this condensed consolidated interim financial information.



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

7

## Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2014

### 1 Establishment and operations

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

The licensed activities of the Company are trading in financial instruments, acting as 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 in all its activities, operations and formalities with the Shari'a rules and principles as applied and interpreted by the Shari'a Supervisory Board and shall invest its entire 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 79.63 % of DFM through Borse Dubai Limited (the "Parent"), a Government of Dubai entity.

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

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

NASDAQ Dubai Limited has the following subsidiary:

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

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

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)**

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

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

This condensed consolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2013 which have been prepared in accordance with IFRS. In addition, results for the nine months ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

The same accounting policies, presentation and methods of computation have been followed in the condensed consolidated financial information as were applied in the preparation of the Group's financial statements for the year ended 31 December 2013.

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

**2.2 New and revised IFRS standards effective for accounting periods beginning 1 January 2014**

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

Amendment to IAS 32, 'Financial instruments: Presentation', require presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off'
- The application of simultaneous realization and settlement
- The offsetting of collateral amounts
- The unit of account for applying the offsetting requirements

There is no impact of these provisions on the interim financial statements of the Group.

Amendment to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' (Effective 1 July 2014): Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

Amendments to IAS 19 'Employee benefits' regarding defined benefit plans (Effective 1 July 2014): The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendments to IAS 24 regarding key management personnel (Effective 1 July 2014): An entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity') is a related party to the reporting entity. It is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)****2 Summary of significant accounting policies (continued)****2.2 New and revised IFRS standards effective for accounting periods beginning 1 January 2014 (continued)**

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

IFRS 8 'Operating Segments' (Effective 1 July 2014) : This standard requires that the disclosure of the judgments made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets required only if segment assets are reported regularly.

Amendment to IFRS 10 'Consolidated Financial Statements', IFRS 12' Disclosure of Interests in Other Entities' and IAS 27 'Separate Financial Statements' relate only to investment entities, therefor will not apply to the Group.

IFRS 13 'Fair Value Measurement' (Effective 1 July 2014): The standard clarifies that (a) issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only) (b) clarify the scope of the portfolio exception in paragraph 52.

The above new standards and amendments to existing standards do not have any significant impact on the Group's condensed consolidated interim financial information.

**2.3 New and revised IFRS standards not effective for accounting periods beginning 1 January 2014 and not early adopted by the Group**

IFRS 9 'Financial instruments' (Effective 1 January 2018): This standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous document is still required but is different to that currently prepared under IAS 39. Early adoption of the standard is permitted. The Group has early adopted the November 2009 classification and measurement version of IFRS 9. Since this adoption was before 1 February 2015, the Group is not required to early adopt the phases pertaining to impairment and hedging issued in July 2014. Accordingly, the Group continues to apply the impairment provisions of IAS 39.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)****2 Summary of significant accounting policies (continued)****2.3 New and revised IFRS standards not effective for accounting periods beginning 1  
January 2014 and not early adopted by the Group (continued)**

IFRS 15 'Revenue from contracts with customers' (Effective 1 January 2017): The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. Earlier application is permitted.

**3 Basis of consolidation**

The condensed consolidated financial information incorporates the interim financial information of the Company and the entities controlled by the Group (its subsidiaries) (together the "Group"). Control is achieved where the Group has the power to govern the financial and operating policies of entities so as to obtain benefits from its activities.

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

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

**4 Estimates**

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

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements as at and for the year ended 31 December 2013.

**5 Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and accordingly, they should be read in conjunction with the Group's annual financial statements as at 31 December 2013.

There have been no changes in the Group's risk management policies since 31 December 2013.

Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)

## 6 Goodwill and other intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000	Relationships with market participants (Brokers) AED'000	Historical trading database AED'000	Total AED'000
<b>Cost</b>					
At 1 January 2013 and 2014	2,878,874	2,824,455	58,744	67,455	5,829,528
At 30 September 2013 and 2014	<u>2,878,874</u>	<u>2,824,455</u>	<u>58,744</u>	<u>67,455</u>	<u>5,829,528</u>
<b>Amortisation</b>					
At 1 January 2014	-	395,423	41,118	67,455	503,996
Charge for the period	-	42,367	4,406	-	46,773
At 30 September 2014	-	<u>437,790</u>	<u>45,524</u>	<u>67,455</u>	<u>550,769</u>
At 1 January 2013	-	338,934	35,244	67,455	441,633
Charge for the period	-	42,367	4,406	-	46,773
At 30 September 2013	-	<u>381,301</u>	<u>39,650</u>	<u>67,455</u>	<u>488,406</u>
<b>Carrying amount</b>					
As at 30 September 2014	<u>2,878,874</u>	<u>2,386,665</u>	<u>13,220</u>	-	<u>5,278,759</u>
As at 30 September 2013	<u>2,878,874</u>	<u>2,443,154</u>	<u>19,094</u>	-	<u>5,341,122</u>
As at 31 December 2013	<u>2,878,874</u>	<u>2,429,032</u>	<u>17,626</u>	-	<u>5,325,532</u>

There was no evidence of impairment of the goodwill or the other intangibles at 30 September 2014 based on the performance of the Company and on the basis that the fair value of the business, based on the Company's quoted market price at 30 September 2014, was in excess of its net assets at that date.

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

	30 September 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
Investment in equity securities	456,922	294,921
Managed funds – Note (a)	355,266	293,020
	<u>812,188</u>	<u>587,941</u>

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)**

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

Investments by geographic concentration are as follows:

- Within U.A.E.	759,378	535,903
- Outside U.A.E.	52,810	52,038
	<u>812,188</u>	<u>587,941</u>

(a) Managed funds include funds of AED 307.32 million (31 December 2013: AED 244.5 million) (Note 9) managed by a related party.

**8 Investment deposits**

	30 September 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
<b>Current:</b>		
Investment deposits maturing in less than three months Note (c)	258,678	508,021
Investment deposits maturing up to 1 year but more than 3 months	<u>1,204,423</u>	<u>985,408</u>
	1,463,101	1,493,429
<b>Non-current:</b>		
Investment deposits maturing above 1 year	<u>835,358</u>	<u>725,378</u>
	<u>2,298,459</u>	<u>2,218,807</u>

(a) Investment deposits are placed with financial institutions in the UAE, and carry profit ranging from 1% to 5.5% (31 December 2013: 1% to 3.1%) per annum.

(b) Investment deposits of AED 136.73 million (31 December 2013: AED 86.73 million) have been pledged as collateral against unutilised overdraft facilities provided to the Group.

(c) Investment deposits maturing in less than three months include an amount of AED 189 million (31 December 2013: AED 319 million) with original maturities not exceeding three months.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)**

**9 Related party transactions and balances**

Related parties comprise as defined under IAS 24 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 CEO and heads of various divisions. During the period, the Group entered into transactions with related parties in the ordinary course of business. The transactions with related parties and balances arising from these transactions are as follows:

<b>Transactions during the period</b>	<b>9 month period ended 30 September</b>	
	<b>2014 AED'000 (Un-audited)</b>	<b>2013 AED'000 (Un-audited)</b>
Investment income	<b>14,607</b>	14,544
Interest expense	<b>755</b>	721

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

<b>Compensation of key management personnel</b>	<b>9 month period ended 30 September</b>	
	<b>2014 AED'000 (Un-audited)</b>	<b>2013 AED'000 (Un-audited)</b>
Short-term benefits	<b>4,567</b>	5,290
General pension and social security	<b>525</b>	677
Board of Directors		
- Remuneration to the NASDAQ Board	<b>802</b>	901
- Meeting allowances for the Group	<b>721</b>	968
<b>Balances</b>	<b>30 September 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
<b>Due from related parties</b>		
<i>Parent</i>		
Investment deposits	<b>50,452</b>	145,781
Accrued income on investment deposits	<b>294</b>	2,720
<i>Other related parties</i>		
Managed funds (Note 7)	<b>307,315</b>	244,499
Cash and bank balances	<b>248,531</b>	68,561
Investment deposits	<b>1,214,826</b>	912,846

Investment deposits include AED 100 million (31 December 2013: AED 50 million) placed as collateral with related parties.

**Due to related parties**

*Parent*

Expenses paid on behalf of the Group	<b>5,537</b>	2,329
Subordinated loan	<b>23,023</b>	22,268

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2013 (continued)**

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

*Ultimate controlling party*

Dubai Government	48,500	48,500
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The subordinated loan has been provided by the parent, Borse Dubai Ltd., to NASDAQ Dubai Limited (Note 1). The subordinated loan is unsecured and bears interest at 12 month LIBOR plus 3.25% per annum and is subordinated to the rights of all other creditors of the subsidiary.

**10 Prepaid expenses and other receivables**

	30 September 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
Accrued income on investment deposits	9,157	8,089
Accrued trading commission fees	3,347	7,627
Due from brokers	1,315	1,332
Prepaid expenses	9,679	6,400
Other financial assets (central counterparty)	6,627	14,892
Other receivables	3,888	4,687
	<hr/>	<hr/>
Less: allowance for doubtful debts	34,013 (343)	43,027 (2,092)
	<hr/>	<hr/>
	<b>33,670</b>	<b>40,935</b>

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

	30 September 2014 AED'000 (Un-audited)	31 December 2013 AED'000 (Audited)
Opening balance	2,092	2,808
Write off/release for the period	(1,749)	(716)
	<hr/>	<hr/>
Ending balance	<b>343</b>	<b>2,092</b>



**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)**

**11 Cash and bank balances**

	<b>30 September 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Cash on hand	236	326
Bank balances:		
Current accounts	21,497	23,800
Savings accounts	27,227	23,305
Mudarabah accounts	402,869	60,198
	<u>451,829</u>	<u>107,629</u>
Add : Investment deposits with original maturities not exceeding three months (Note 8 (c))	189,050	319,050
	<u>640,879</u>	<u>426,679</u>

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

Dividend payments amounting to AED 17 million (31 December 2013: AED nil) distributed by the Company on behalf of other companies remain unrepresented to the Company's banks as at 30 September 2014.

**12 Share capital**

	<b>30 September 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Authorised, issued and paid up share capital: 8,000,000,000 (31 December 2013: 8,000,000,000 shares) of AED 1 each (31 December 2013: AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>

During the period, the Company has distributed dividends of AED 399.8 million, including non-sharia compliant income of AED 46.2 million (Note 18), representing AED 0.05 per share. The dividends were approved by the shareholders at the Annual General Meeting held on 3 March 2014.

**13 Reserves**

*Statutory reserve*

In accordance with the U.A.E. Federal Commercial Companies Law Number 8 of 1984, as amended, the Group has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the nine month period ended 30 September 2014, as this will be affected at year end based on the Company's results for the year ending 31 December 2014.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)**

**13 Reserves (continued)**

*Investments revaluation reserve - FVTOCI*

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

**14 Payables and accrued expenses**

	<b>30 September 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Dividends payable on behalf of companies listed on the DFM	99,200	75,850
Investor cards	68,934	41,402
Members' margin deposits	117,084	20,159
Other financial liabilities (central counterparty)	6,627	14,892
Accrued expenses and other payables	9,764	17,252
Unearned revenue	8,005	7,209
Brokers' retention	18,718	18,583
Due to the Securities and Commodities Authority of U.A.E	12,835	12,327
Non-Sharia compliant income (Note 18)	-	30,489
	<u>341,167</u>	<u>238,163</u>

**15 Earnings per share**

	<b>3 month period ended 30 September</b>		<b>9 month period ended 30 September</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net profit for the period attributable to owners of the Company (AED '000)	<u>153,513</u>	<u>82,756</u>	<u>621,090</u>	<u>179,265</u>
Authorized, issued and paid up share capital ('000)	8,000,000	8,000,000	8,000,000	8,000,000
Less: Treasury shares ('000)	(4,364)	(4,364)	(4,364)	(4,364)
Number of shares issued ('000)	<u>7,995,636</u>	<u>7,995,636</u>	<u>7,995,636</u>	<u>7,995,636</u>
Earnings per share – AED	<u>0.019</u>	<u>0.010</u>	<u>0.078</u>	<u>0.022</u>

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)**

**16 Commitments**

	<b>30 September 2014 AED'000 (Un-audited)</b>	<b>31 December 2013 AED'000 (Audited)</b>
Commitments for the purchase of property and equipment	<u>4,035</u>	<u>7,927</u>

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

**17 Segment reporting**

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

**18 Non-Sharia compliant income**

Non-Sharia compliant income as approved by the Company's Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings for distribution by the Group to its shareholders towards disbursement by the shareholders for charitable purposes. Based on the ruling of the Sharia and Fatwa Supervisory Board, it is the sole responsibility of the individual shareholders to donate their respective shares of this amount for charitable purposes. Non-Sharia compliant income of AED 46.2 million relating to the following years has been distributed by the Company to the shareholders in 2014 (Note 12).

<b>Year</b>	<b>AED '000</b>
2011	9,487
2012	21,002
2013	15,697
	<u>46,186</u>

Non-Sharia compliant income of AED 15.7 million relating to 2013 has been appropriated from the retained earnings for the current year and that relating to 2011 and 2012 was appropriated in prior years.

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)****19 Fair value of financial instruments**

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

There were no changes in valuation techniques during the period.

**Notes to the condensed consolidated interim financial information  
for nine month period ended 30 September 2014 (continued)**

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

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2014 and 31 December 2013.

	30 September 2014			Total AED'000
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	447,985	-	8,937	456,922
- Managed funds	-	346,636	8,630	355,266
<b>Total</b>	<b>447,985</b>	<b>346,636</b>	<b>17,567</b>	<b>812,188</b>
	31 December 2013			Total AED'000
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
<i>Financial assets at fair value through other comprehensive income</i>				
- Equities	286,248	-	8,673	294,921
- Managed funds	-	281,946	11,074	293,020
<b>Total</b>	<b>286,248</b>	<b>281,946</b>	<b>19,747</b>	<b>587,941</b>

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

*Reconciliation of Level 3 fair value measurement of financial assets at fair value through other comprehensive income*

	30 September 2014 AED'000	31 December 2013 AED'000
Opening balance	19,747	60,436
Transfer from level 3 to level 2	-	(35,013)
Disposals during the period/year	(3,449)	-
Unrealised gains/(losses) in other comprehensive income	1,269	(5,676)
<b>Closing balance</b>	<b>17,567</b>	<b>19,747</b>

**Notes to the condensed consolidated interim financial information  
for the nine month period ended 30 September 2014 (continued)**

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

The interim condensed consolidated financial information for the nine month period ended 30 September 2014 as approved by the Board of Directors and authorized for issue on 27 October 2014.

**21 Reclassifications**

Certain corresponding figures have been reclassified, where necessary, to conform to the current period presentation. Management believes that the current period presentation provides more meaningful information to the users of the interim condensed consolidated financial statements.