

# DUBAI FINANCIAL MARKET (PJSC) INTEGRATED REPORT 2022



2022

## Dubai Financial Market (PJSC)

### Integrated Report 2022

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

Vice President and Prime Minister of the UAE, and Ruler of Dubai

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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, Dubai Financial Market (DFM) launched a new era for the capital markets in Dubai and the UAE.

For over two decades, 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, DFM leverages integrated operations with its subsidiary Dubai Central Clearing and Depository and its sister exchange Nasdaq Dubai to seamlessly connect various market participants locally, regionally, and globally.



## OUR VISION

We believe in accelerating tomorrow and in the potential of people, businesses, ideas and ambitious visions.



## OUR MISSION

We contribute to the growth of the Dubai economy by creating a global financial markets hub, providing seamless accessibility through a smart, fluid ecosystem conducive to growing investments, wealth of individuals and businesses in an accelerated and sustainable way.



## OUR VALUES

**Diligent:** We work with care and rigor. The details make the difference.

**Open:** We are aware that the world is constantly changing around us. We seek out new and different ideas, opinions, and points of view.

**Collaborative:** We are in this together, working hand-in-hand for growth and prosperity, when our clients' businesses thrive, we thrive too.

**Determined:** We approach our work with the end goal in mind and have a relentless spirit that ensures results.

**Proactive:** We take actions intended to cause change, rather than reacting to change.



## OUR PEOPLE

# 145

Total Employees

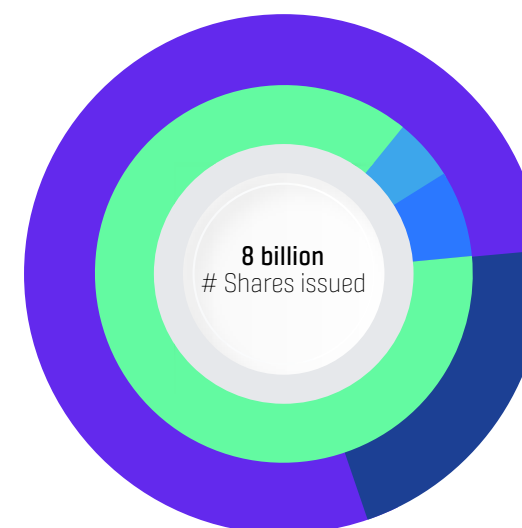
# 52%

Female Employees

# 22%

Female Board Members

## OUR SHAREHOLDERS



# #26,937

## COMPANY SHAREHOLDERS

### By Ownership

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

### By Nationality

- Foreign **3.49%**
- Arab and GCC **2.66%**
- UAE **93.85%**

## OUR MARKETS



## OUR REGULATORS





# 2022 DFM COMPANY HIGHLIGHTS

At DFM, we accelerated our strategy to deliver positive growth and gain momentum during 2022, achieving robust results while positioning the company and our markets for continued growth and success.



**AED 354.6 million**

CONSOLIDATED  
REVENUES



**AED 144 million**

CONSOLIDATED  
NET PROFIT



**AED 12.1 billion**

DFM PJSC MARKET  
CAPITALIZATION ON  
31ST DECEMBER 2022



**AED 1.51**

DFM SHARE PRICE ON  
31ST DECEMBER 2022



**167,332**

NEW INVESTORS



**CONSTITUENT OF  
A GLOBAL INDEX**

FTSE4GOOD INDEX



# OUR MARKETS AT A GLANCE

Dubai is a 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 12** competitive economies.  
IMD World Competitiveness Rankings

Dubai is a **leading** international Islamic Finance center.  
Home of the world’s first commercial Islamic bank and first Islamic Shari’a-compliant financial market

Dubai is a **leading** global fintech and innovation hub.  
Region’s first and biggest fintech accelerator

### DYNAMIC LISTING ACTIVITIES



73

Equity Local & International Listings in Dubai\*



151

Bonds & Sukuk Listed with a Value of over US\$ 117.3 Billion



30

UAE & Regional Individual Equity Futures



3

Index Futures

### HIGH TREND VALUES



AED 582 billion

Total Market Cap (+41.4% year-on-year)



AED 90+ billion

Total Traded Value (+24.5% year-on-year)



AED 134+ billion

Total Funds Raised Since Inception

### DIVERSIFIED INVESTOR BASE



1+ million

Total Market Investors of 212 Nationalities



19%

Foreign Ownership of Market Cap



58%

Institutional Investors' Trading Share



49%

Foreign Investors' Trading Share

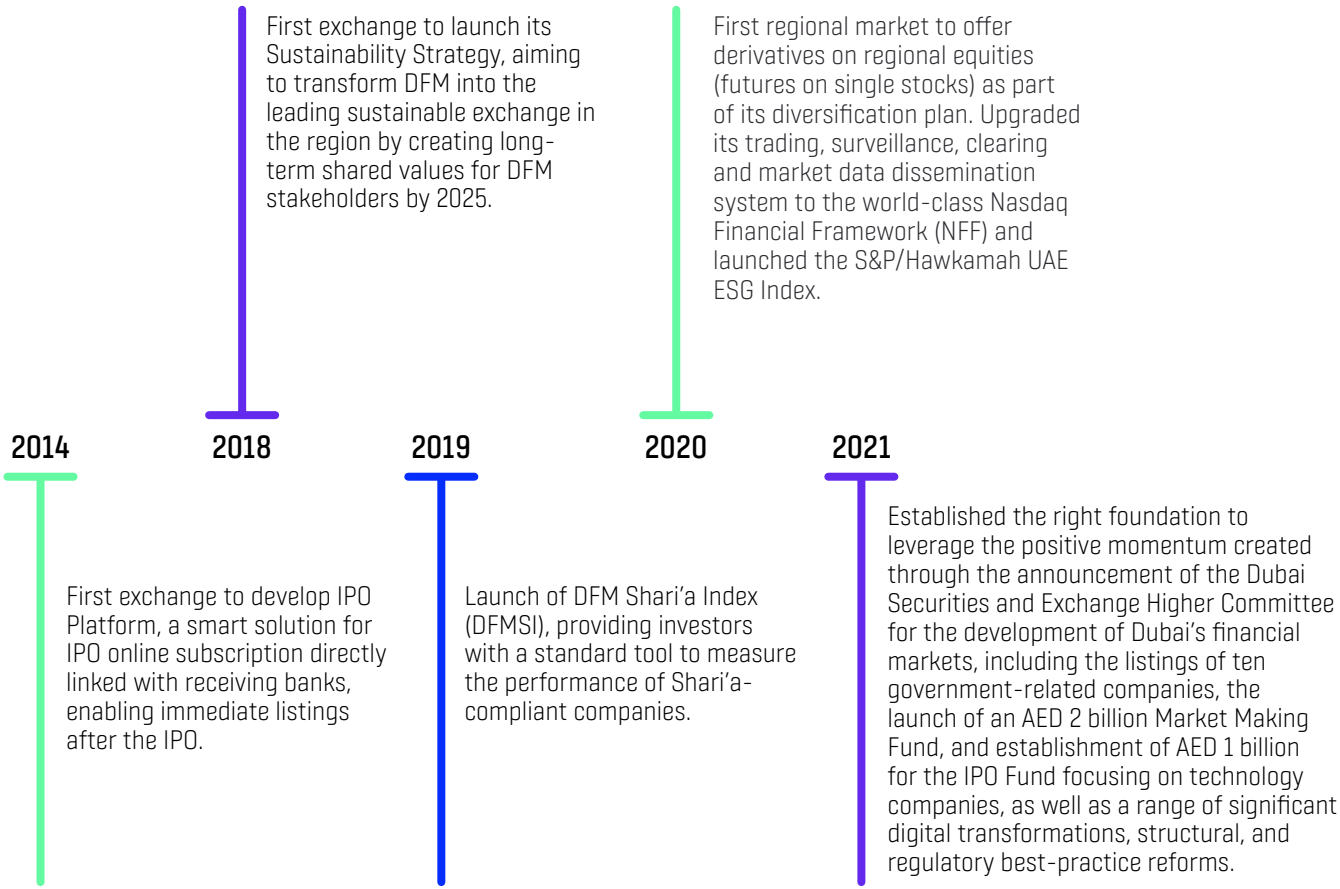
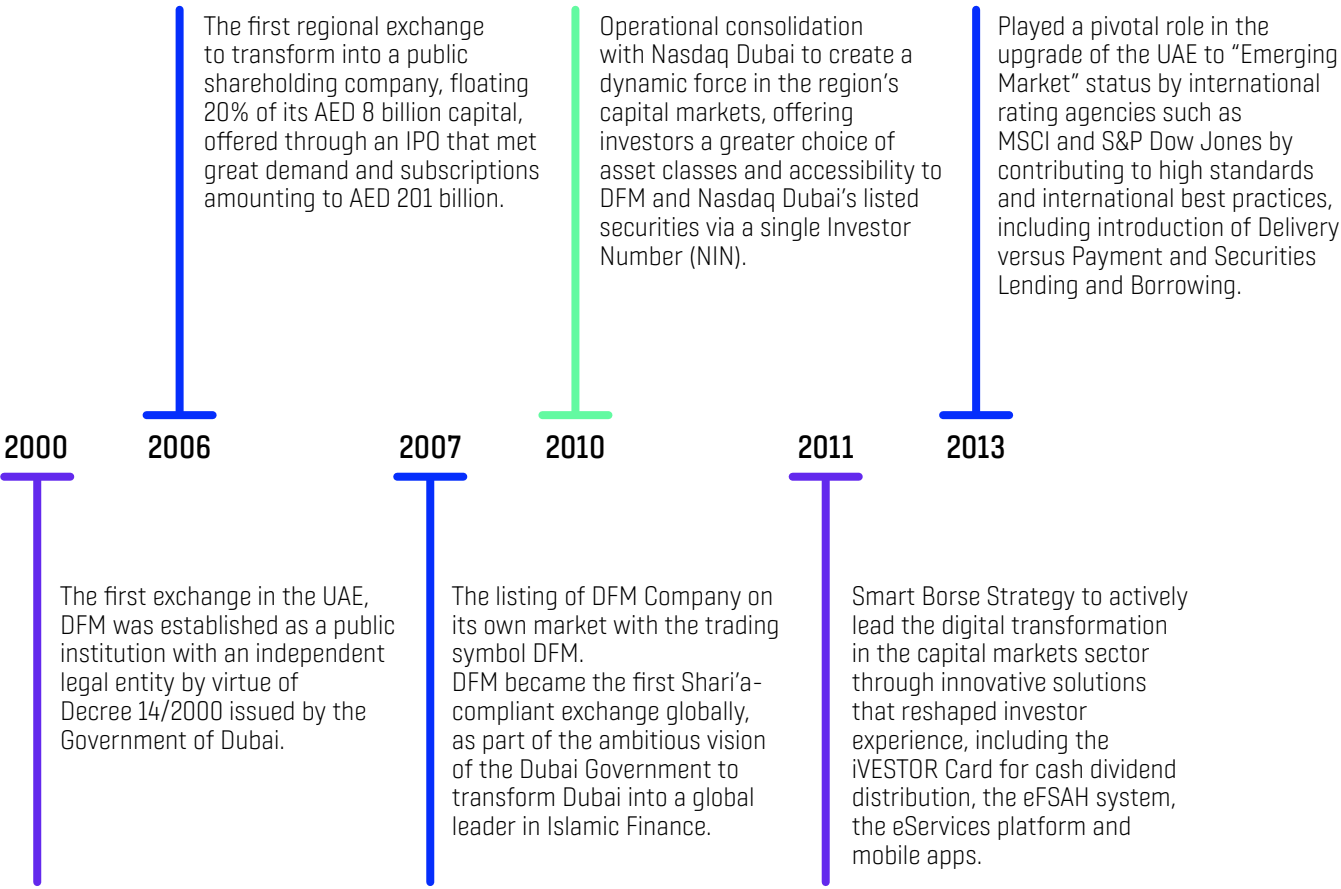
\* Includes DFM and Nasdaq Dubai equity listings.



# OUR STORY

## OVER TWO DECADES OF CONTINUOUS GROWTH AND INNOVATION

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







## 2022 YEAR IN REVIEW

Leveraging the foundation built last year, originally driven by the announcement of the Dubai Securities and Exchange Higher Committee for the development of Dubai's financial markets which included the listing of ten government-related companies, DFM successfully listed 5 new IPOs, launched a new general index, and welcomed further interest from international investors. Our achievements this year include enhanced accessibility, increased market making activity and product diversification, altogether leading to our improved market depth and breadth.



**5 New IPOs**

We proudly listed 5 leading state-owned and private companies. The new issuers have raised a total of AED 31 billion. Additionally, we welcomed the listing of a retail cooperative in a first step of its kind.



**5 Market Markers**

To further enhance market liquidity, DFM licensed xCube as the fifth market maker for listed companies.



**2 New assets**

As an addition to our futures' market, we've launched the Micro Oman Crude Oil Futures as well as welcomed the cross-listing of the 21Shares the world's first physically-backed bitcoin Exchange Traded Product on Nasdaq Dubai.



**Increased Accessibility**

Digital onboarding of new investors drives growth by 23x in 2022 vs. last year.



**Launching a New General Index**

With S&P Dow Jones Indices becoming the calculation agent of the newly developed index, we provide global best practice and greater transparency for investors.



# INVESTMENT CASE

DFM provides companies and investors with a singular opportunity to 'Go Global from Dubai' by capitalizing on DFM's position as the gateway to Dubai's economy.

## POSITIONED FOR ACCELERATING & SUSTAINABLE GROWTH

- Government commitment towards the IPO program.
- Reform of commercial companies law to open foreign ownership limits of 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 DFM and Dubai Financial Services Authority regulates Nasdaq Dubai.
- 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, REITs, etc.

## STRONG FINANCIAL POSITION & SUSTAINABLE PROFITABILITY

- Solid cash position and balance sheet.
- Long track record of dividends.
- Positive Net Profit Margin (38%+ 5-year average).
- Vertically integrated value chain with high operating leverage.





# EXECUTIVE MANAGEMENT



**Mr. Hamed Ali**

**CHIEF EXECUTIVE OFFICER (CEO)**

**Experience and qualifications**

- Progresses the DFM Board’s vision to achieve robust expansion of Dubai’s capital markets. He has been leading Nasdaq Dubai as CEO since 2012 and was previously Deputy CEO at DFM from July 2020 – November 2021. His prior roles saw him as COO of the DIFC Authority and as Executive Director of the Dubai Knowledge & Human Development Authority. He holds an Executive MBA from the London Business School.

**Joined DFM**

- 2020



**Mr. Khalifa Rabba**

**CHIEF OPERATING OFFICER (COO)**

**Experience and qualifications**

- Brings a careful and steady leadership to DFM, having been part of the market since 2002. He has over 20 years of market operations experience including listing and disclosure, and information security having previously held the role of Vice President & Deputy Head of Operations Division for DFM and numerous other leadership roles throughout the market’s history. He holds a Master’s in Financial and Banking Business Administration from the University of Wollongong.

**Joined DFM**

- 2002



**Mr. Jamal Al Khadhar**

**HEAD OF PEOPLE & TALENT MANAGEMENT**

**Experience and qualifications**

- Ensures the best practices and standards are adopted across the organization. Jamal joined Dubai Financial Market since its pre-inception phase in 1998. With a tenure of more than 20 years at DFM, he keeps the foundations solid to allow for strong growth and to support excellence across the team. He holds a Master’s in Quality Management from the University of Wollongong in Dubai.

**Joined DFM**

- 1998



**Mr. Ali Al Hashimi**

**CHIEF FINANCIAL OFFICER (CFO) & HEAD OF STRATEGY**

**Experience and qualifications**

- Drives results across financial management with a consistently high standard of work. He has over 25 years’ experience at the forefront of Banking and Capital Markets. His previous roles include COO of Dubai Bank and roles across Abu Dhabi Islamic Bank, First Gulf Bank and National Bank of Abu Dhabi. He holds an MBA from Baghdad University.

**Joined DFM**

- 2009

# EXECUTIVE MANAGEMENT



**Mr. Eric Salomons**  
**EXECUTIVE VICE PRESIDENT - HEAD OF PRODUCT DEVELOPMENT**

Experience and qualifications

- Leads product and market development initiatives, further expanding the diversification of asset classes. He has worked in derivatives and securities for more than 25 years, across the Netherlands and the UAE. Previously he held a leadership role in the Executive Committee, the Dubai Financial Services Authority (DFSA) Markets Division, IOSCO Committee for Secondary Markets, and a derivatives market maker for Amsterdam Option Traders (now Saxo Bank). He is an alumni of the Oxford Princeton Programme and graduate of the Vrije Universiteit Amsterdam.

Joined DFM

- 2022



**Mr. Tahir Mahmood**  
**SENIOR VICE PRESIDENT - HEAD OF BUSINESS DEVELOPMENT**

Experience and qualifications

- Overseeing diverse products offered by the exchanges, Tahir heads the Business Development of Dubai Financial Market and Nasdaq Dubai. His role revolves around creating and maintaining relationships with key stakeholders such as issuers, regulators, lawyers and bankers, to grow Dubai’s capital market and expand DFM’s offering through new listings and products to the market. Tahir holds a B.Sc in Business Computing from City University, London.

Joined DFM

- 2020



**Mrs. Fatma Al Hammadi**  
**CHIEF MARKETING OFFICER (CMO)**

Experience and qualifications

- Guides the communications strategy, brand and marketing, and the introduction of new products and initiatives. She has over 10 years of experience in corporate communication and brand development, including advising many companies on their IPO communications strategies, building phenomenal equity stories. She studied Business, Management, Marketing and Related Support Services at the Higher Colleges of Technology, Dubai.

Joined DFM

- 2006



**Mr. Muhammad Galsulkar**  
**CHIEF TECHNOLOGY OFFICER (CTO)**

Experience and qualifications

- Guides the development of our digital transformation, technology modernization and innovation. His vast experience in AI, IoT, Advanced Data Analytics, FinTech, MarTech and more are essential to the future resilience and competitiveness of the markets. Prior roles include stints at Dubai World Trade Centre, Dubai Airports, and Daimler Chrysler. Mohammed holds a Master’s in Computer Management from University of Pune.

Joined DFM

- 2022



# 02. STRATEGIC REPORT





# CHAIRMAN'S STATEMENT



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

**The leadership of Dubai continues to build on its strong economic foundation, leveraging its position as a global financial, social, and tourism hub. With our ongoing strategic focus on improving market accessibility, product diversification, digitization and ESG, DFM achieved remarkable performance in 2022. This highlights the enormous opportunities and capabilities for reshaping the financial markets landscape not only in the UAE but also in the wider region.**

## Accelerated Growth in the Economy

Decisions are being made and implemented to enhance Dubai's competitiveness, attract global investments, and accelerate towards a better future for businesses, citizens, residents, and visitors alike. Dubai's GDP grew by 4.6% year-on-year with non-oil trade reaching AED 1.9 trillion despite the challenges faced post-COVID. The tourism industry has also seen significant growth, with overnight visitor numbers reaching 14.36 million in 2022. Foreign Direct Investment (FDI) has also shown strong growth as the number of FDI projects reached 492 in H2 2022, an 80.2% increase year-on-year.

Expo 2020 Dubai was a major catalyst for sustainable economic growth and recovery in the Emirate. It attracted over 24 million visits and boosted business confidence and activity in Dubai.

Alongside this, the Dubai International Financial Centre (DIFC) performance underlines Dubai's ability to accelerate knowledge and innovation-based growth supported by a prosperous and stable ecosystem against a rapidly changing global backdrop. Ranked in the top 10 Global Financial Centre's Index for the first time in 2019, Dubai has taken its place as one of the leading global business hubs and the de facto financial center in the Middle East, Africa, & South Asia (MEASA) region. It provides a broad range of financial services and Islamic financing options for the 3 billion residents in the region operating within a well-regulated environment.

## An Unparalleled Year

With impressive results in 2022, DFM has proven the strength of its operating model. Substantial progress has been made in transforming the business, pursuing new opportunities, and driving the development of UAE capital markets. With state-of-the-art infrastructure, pioneering regulations and

a dynamic business model, DFM is poised to drive sustained growth and establish Dubai as a hub for global financial activity. This year, our relentless focus on the capital markets development strategy bore fruit, making DFM one of the most active markets worldwide for new IPOs and listings, with 5 successful listings for leading government-related and private companies. We also launched a new general index that provides global best practices for indices and greater transparency for investors. DFM has also intensified its efforts to diversify asset classes with the introduction of trading in crude oil contracts (Micro Oman Crude Oil Futures) and the launch of new equity futures, strengthening its position as one of the leading regional markets in terms of diversification of investment opportunities and asset classes.

These strategic initiatives put in place by DFM resulted in impressive growth with a 24.5% year-on-year increase in total traded value and a 41.4% year-on-year rise in market capitalization of listed securities, ending the year with a market value of AED 582 billion. The DFM General Index also saw a 4.4% increase. Foreign investors maintained a strong presence, accounting for 49% of DFM's total traded value with net purchases totalling AED 5 billion; a 3x increase year-on-year. The 167,332 new investors added in 2022 brought the total number of DFM investors to over 1 million, highlighting the success of DFM's digital onboarding journey.

## Environmental, Social and Governance (ESG)

DFM is moving towards becoming the region's leading sustainable financial market in line with its Sustainability Strategy 2025 and is committed to the development and growth of sustainable finance. We have implemented several action points in advance of COP28 and are collaborating with leading institutions and Dubai's broader finance sector to promote best practices of ESG and sustainability. We understand that creating value for our stakeholders and conducting our business in line with sustainability principles are vital to our long-term growth. DFM continues to lead in listed companies' sustainability reporting among regional exchanges.

## Corporate Governance

Cultivating trust and confidence through good corporate governance is at the forefront of our focus and a pivotal part of our long-term strategy, which clearly defines relevant matters and applicable limits and sets the scene for long-term sustainable success.

Our experienced and dedicated Board of Directors operate ethically, which enables us to fulfil our duties and lead as an

example of exceptional governance. The core responsibilities of the Board remain unchanged; 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. The Board is also responsible for monitoring, identifying, and managing risks to achieve the desired objectives.

## 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 2022, we continued to create and deliver value for all our stakeholders, posting a total consolidated revenue of AED 354.6 million and a consolidated net profit of AED 144 million. In view of these results, the Board has recommended a cash dividend for 2022 of AED 0.0168 per share equivalent to a total of AED 134.7 million, which is subject to approval at the Annual General Meeting. A recommendation was also submitted at the AGM to adopt a new fixed dividend policy, stipulating that the Company annually distributes a minimum of 50% of its net profit after deduction of all appropriations & reserves as dividend every year.

## A Bright Future

DFM plays an integral role in the economy and success of Dubai and the UAE. Accordingly, we are committed to reinforce our active participation in the various strategic initiatives and projects, particularly the initiatives of the Higher Committee for the Development of Capital Markets and Exchanges in Dubai, as well as the projects of the Dubai Economic Agenda D33, to strengthen Dubai's status as a global financial and commercial hub.

## Acknowledgements

For such tremendous vision, foresight, and direction, 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. 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, and His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, Deputy Prime Minister, and Minister of Finance. With their guidance and supervision, the Dubai Securities and Exchanges Higher Committee are able to achieve desired objectives, strongly enhancing Dubai capital markets' development and dynamism, creating solid foundations for sustainable growth.



# CEO'S MESSAGE



Hamed Ali  
CEO

Guided by our belief in accelerating tomorrow and in the potential of people, businesses, ideas and ambitious visions, our strategic focus enables Dubai Financial Market to be a central driver of Dubai as a global dynamic capital markets hub. This continues to be achieved by applying international best practices, attracting diversified entities, and consistently meeting the growing needs of local and international investors.

If 2021 was the year DFM set up an infrastructure for success, 2022 was the year we delivered. With the announcement of the Higher Committee for Development of Dubai's financial markets plans, including the listing of ten government-related companies, the launch of a Market Making Fund, and the establishment of an IPO Fund focusing on technology companies, we established a foundation strong enough to leverage the positive momentum we saw in 2022. Our market cap reached AED 582 billion – a remarkable 41.4% growth compared to last year. In addition, we introduced a range of significant structural and regulatory reforms that brought our markets in line with leading international standards and practices.

We have taken advantage of this momentum to drive growth and diversification. Our strategic priorities continue to focus on three main pillars: diversified offerings, enhanced market accessibility, and internal developments.

## Diversified offerings

We have diversified our products to include Equities, Fixed Income Instruments, Derivatives, and Exchange Traded Funds (ETFs).

Adding to the breadth of our market, we have enhanced our equity offering as we welcomed new initial public offerings (IPOs) worth more than AED 31 billion during 2022, bringing the total of our listed companies to 73 including those at Nasdaq Dubai. The 5 IPOs and listings of DEWA (Dubai Electricity and Water Authority), TECOM, Salik, Empower, and Taaleem witnessed remarkable oversubscriptions, as the total value of subscribed amounts reached to AED 672 billion. In line with the Government's decision pertaining to the trading of cooperative societies' shares on financial markets, which aims to strengthen the regulatory environment for the cooperatives sector and reinforce competitiveness, Union Coop listed their shares on DFM as a first for a retail cooperative in the UAE. We have also expanded the equity futures opportunities with

new contracts on individual stocks, bringing the total number of companies with equity futures contracts to thirty. In collaboration with the Dubai Mercantile Exchange, we have also welcomed the listing of Micro Oman Crude Oil Futures, providing retail investors with a unique investment opportunity.

During 2022, we pushed our sustainability strategy among the region's capital markets and wider financial services industry, acting as a force for accelerating awareness and implementation of Environmental, Social and Governance (ESG) criteria. Aligned with Dubai's sustainability drive, DFM is steadfastly moving towards becoming the region's leading sustainable financial market by 2025.

Our green products on Nasdaq Dubai continue to be the most prominent exchange for green bonds, sustainability and ESG issuances and listings in the region, with a total of more than US\$19 billion, of which US\$11.8 billion is Sukuk and US\$7.2 billion is in bonds.

## Attracting New Investors

To continue to attract international investors, it is imperative that we look beyond the borders of Dubai and the UAE. Our vision is global and with that in mind, we continued to host our International Investor Roadshow in the United Kingdom. The event included 162 one-on-one meetings with senior representatives of 56 international funds managing more than US\$2 trillion in assets. International investors are actively participating in our market, maintaining 49% of trading activity and 19% of ownership by the end of 2022.

The success of the roadshow as shown by the volume of meetings, is testament to the robust demand as Dubai accelerates steps to implement its ambitious strategy to develop financial markets. It provides further impetus to our constant efforts to invigorate trading activities and attract more local and international investments. The event reinforced the successes of DFM roadshows that we are committed to organize annually since 2007 in a pioneering step amongst regional financial markets.

The outcome of these market activities is impressive. In 2022, total traded value exceeded AED 90 billion, a 24.5% increase from last year with an Average Daily Traded Value (ADTV) of AED 357.3 million. The ADTV was up 23% compared to the same period last year.

It has been a positive year for Nasdaq Dubai, who welcomed the listing of the first Dirham-denominated treasury bonds (T-Bonds) issued by the UAE Federal Government in May. The following month five-tranche carbon-neutrality-themed bonds worth US\$2.68 billion were issued by the Industrial and Commercial Bank of China branches in Dubai, Hong Kong, London, and Singapore. November saw the listing of Dubai Islamic Bank's sustainable Sukuk valued at US\$750 million. We've also welcomed the listing of the 21Shares' Physically Backed Bitcoin ETP in 2022. Building upon the previous year's successes, Nasdaq Dubai debuted the trading of cryptocurrency in the region with the dual listing of 3iQ's The Bitcoin Fund, the first listed virtual assets fund in the MENA region.

## Market accessibility

An integral part of our growth strategy is to enhance our market accessibility with the implementation of numerous initiatives including the onboarding of new market makers, international trading members through Direct Market Access (DMA), new international General Clearing Members (GCM) as well as the digital onboarding of investors. These tools will enable us to strengthen the competitiveness of the financial markets in Dubai and attract more capital and investors from inside and outside the country. For instance, market makers, such as xCube, will invest in promising stocks and hedge risks, enhancing the confidence of investors to create a more dynamic equities market.

We licensed HSBC as the first international General Clearing Member to cater for the equity needs of the wider regional and international investor’s requirements. In 2022, we adopted a new index methodology calculated by S&P Dow Jones Indices. This step underscores DFM’s commitment to continuously develop our services in line with international best practices and to cater to investors’ growing appetite for diversified opportunities. It provides market participants with world-class investable benchmarks for the DFM equity market. The DFM General Index reached 3,336, an increase of 4.4% from last year.

We saw the total number of investors at DFM surpass the threshold of 1 million, mainly due to the newly introduced investors digital onboarding process. This helped to increase the number of new investors by 167,332, a 23x growth since last year. By developing a digital on-boarding platform we were able to streamline the application process, reduce the need for paperwork, and eliminate the requirement for applicants to travel to our physical locations, all while maintaining compliance.

**Maintaining profitability and accelerating momentum**

DFM posted a consolidated net profit of AED 144 million in 2022, based on a solid net profit margin of 41%, while consolidated revenues reached AED 354.6 million, comprising AED 256.9 million in operating revenues and AED 97.7 million in investment revenues and others. We also retained a stable balance sheet, with low leverage and the ability to pay off liabilities.

**Leadership Excellence**

Our Board of Directors continues to work to the highest standards of corporate governance as the basis for fulfilling its responsibilities towards the company. Each member brings a wealth of experience, the drive and determination to say as well as do, with the best interests of DFM and Dubai as a whole. A very clear path for progress, innovation at the core, and continued engagement with fintech, will be our facilitator for expansion.

Our Board includes two women, reflecting the Board’s keenness to appoint a distinguished cadre of women as a means of empowering diversity in line with UAE leaders’ vision in this respect.

**The year ahead**

As we look to 2023, our commitment to deliver remains our focus and priority. Capitalizing on our world-class infrastructure, governance and technology, and our prominent position as a gateway to the opportunities of Dubai’s economy, we are prepared for growth.

As we conclude a year of significant achievements and advancements, 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 DFM’s strategy with the economic aspiration of Dubai, and to the outstanding colleagues at every level of DFM and Nasdaq Dubai for their hard work and dedication in executing this strategy with purpose and perseverance.

Finally, I would like to thank all 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, 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 0.5% CAGR in costs between 2012 - 2022.

### 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 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 145 employees, 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 reaches 200 years.

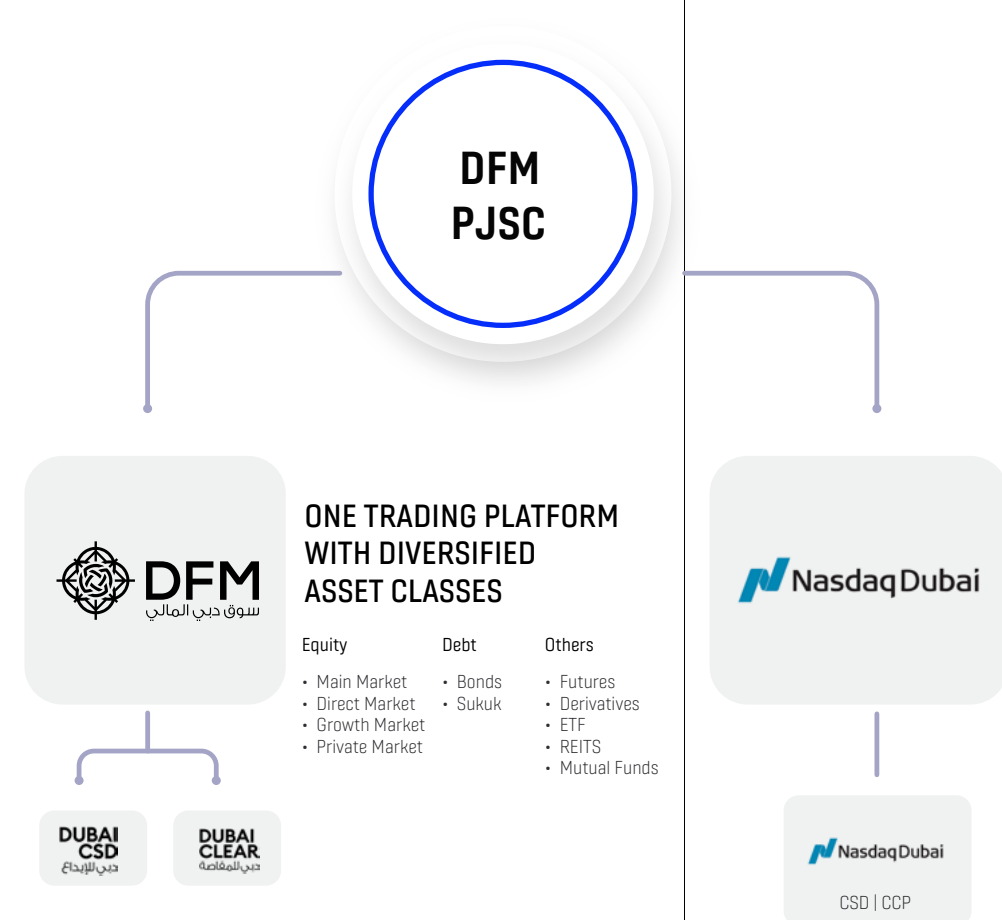
### INTELLECTUAL CAPITAL

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

### COMPREHENSIVE ECOSYSTEM

- 2 Exchanges: Dubai Financial Market and Nasdaq Dubai as 1 capital market.
- 2 regulators: Securities and Commodities Authority and Dubai Financial Service Authority, regulating DFM and Nasdaq Dubai respectively.
- 1 million + Investors.
- 23 Brokers and 5 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

**02 EXCHANGES** **01 Capital Market with Combined Liquidity Pool**

## OUR STAKEHOLDERS

### OUR SHAREHOLDERS

- Strong commitment towards shareholders through a track record of dividends (Cumulative dividends of AED 4.17 billion as of year-end 2022).
- Total market capitalization has appreciated by a CAGR of over 12% since 2012.

### OUR MARKET PARTICIPANTS

- Investors: Our total traded value for 2022 exceeded AED 90 billion (+24.5% year-on-year).
- 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 134 billion as of year-end 2022.
- Brokers: We ensure extensive collaboration with our brokers that includes automated trading services, awareness workshop and training and to performance excellence ratings.
- We drive business excellence, governance and investor relations best practices among our issuers.

### OUR EMPLOYEES

- DFM focuses on motivating our talent base while promoting excellence, creativity and innovation.
- With a solid 52% female workforce as of year-end 2022, 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

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 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.

STRATEGIC PILLAR	INCREASE LISTINGS AND DIVERSIFY PRODUCTS	ENHANCE MARKET ACCESSIBILITY
BRIEF DESCRIPTION	<ul style="list-style-type: none"><li>• Increase IPOs and listings on both DFM &amp; Nasdaq Dubai, leveraging both exchanges flexible and diversified listing options such as:<ul style="list-style-type: none"><li>◦ DFM’s Main Market and Direct Market for private companies.</li><li>◦ Nasdaq Dubai’s Main Market and Growth Market for SMEs and new economy businesses while Nasdaq Dubai’s Private Market offers an efficient and secured CSD solution for share-related corporate actions.</li></ul></li><li>• Diversified product offering that includes Equities, Fixed income instruments, derivatives and ETFs.</li></ul>	<ul style="list-style-type: none"><li>• Increase the number of members providing fintech solutions, General Clearing Members and Market Makers as well as Direct Market Access (DMA).</li><li>• Attract new investors with focus on the youth via digital channels.</li></ul>
2022 ACHIEVEMENTS	<ul style="list-style-type: none"><li>• With the new IPOs, DFM listed 5 new government and private companies, which became a catalyst for growth in the market. We’ve also listed 1 cooperative as the first listing in the UAE.</li><li>• Launched new equity futures contracts on individual stocks for 4 prominent listed companies, bringing the total to 30, while also welcoming the Micro Oman Crude Oil Futures.</li><li>• Further diversification of asset classes, Nasdaq Dubai welcomed the listing of 21Shares’ Physically Backed Bitcoin ETP, and the listing of Dubai Islamic Bank’s first sustainable Sukuk valued at US\$750 million.</li><li>• Added new instruments such as the Dirham-denominated treasury bonds issued by the UAE Federal Government.</li></ul>	<ul style="list-style-type: none"><li>• To boost market accessibility for a greater number of international investors, we’ve applied the direct market access (DMA) and onboarded Swissquote bank.</li><li>• Accredited 2 more market makers xCube and Laval Securities BV, bringing the total to 5.</li><li>• Added HSBC as the first international General Clearing Member.</li><li>• Utilizing the digital onboarding, new investors reached 167,332; an increase of 23x year-on-year.</li></ul>

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:

ADVANCE OPERATIONAL EFFICIENCY	NURTURE TALENT & PERFORMANCE
<ul style="list-style-type: none"><li>• Automation of core post- trade processes.</li><li>• Same day execution of 80% of non-exchange related internal processes.</li><li>• Maintain a robust regulatory and compliance framework for DFM and its subsidiaries.</li></ul>	<ul style="list-style-type: none"><li>• Aligning performance development framework to corporate performance targets.</li><li>• Develop and empower future capital markets specialists.</li></ul>
<ul style="list-style-type: none"><li>• Further automated operations of the Central Counterparty Equity and Derivatives Clearing Company (CCP), as it becomes first regional onshore clearing house to be recognized by the European Securities and Markets Authority (ESMA). Thereby, increasing efficiency and accuracy, mainly focusing on institutional trades and end of day settlement runs.</li><li>• Further enhance our established framework ensuring adherence to applicable legislations, SCA rules including compliance with Licensing requirements, Anti-Money Laundering “AML” obligations, Risk Assessment, and other relevant legislations.</li><li>• DFM continued to invest in digitization and IT infrastructure to enhance efficiency and experience for all stakeholders.</li></ul>	<ul style="list-style-type: none"><li>• All employee’s annual KPIs are derived from DFM strategic objectives with cultural focus on growth.</li><li>• Introduced monthly awareness sessions about DFM products and services “Know Your Market”.</li><li>• Continued to develop talents through financial products training, with some employees earning certifications in different areas.</li></ul>

# ECONOMIC AND REGULATORY OVERVIEW

H.H. Sheikh Mohammed bin Rashid Al Maktoum described 2022 as a Year of Distinction and Precedence. The nation successfully emerged from a challenging COVID-19 pandemic in 2021 and continued its path toward a bright and sustainable future. All of the UAE's macroeconomic indicators improved in 2022. The UAE's economy continues to remain oriented towards sustainable growth and development.

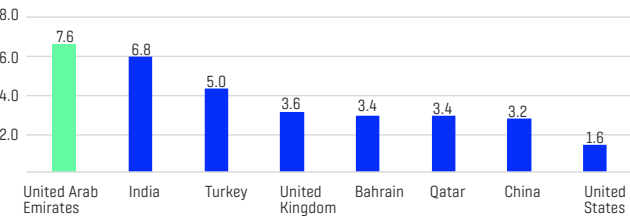
Under his visionary leadership, the country rocketed into 2022 and did not look back. While other world economies were managing inflation and geopolitical instabilities, the UAE remained immune, thriving and stable. Global risk factors that impacted other financial centers in 2022, such as rising inflation and interest rates, labor market phenomena such as quiet quitting, or political instability did not impact the UAE with the same level.

Both the UAE and in particular the Emirate of Dubai will continue to provide safe and predictable economic and financial ecosystems for regional and global investors as well as capital markets stakeholders.

## Economic and regulatory trends

The Central Bank of the United Arab Emirates stated the UAE's real GDP grew by 7.6% in 2022, the highest in 11 years, driven by both the increase in oil revenue - trading volumes as oil averaged US\$99 a barrel in 2022 - and a noticeable improvement in the real non-oil GDP.

Real GDP Growth 2022 (%)<sup>1</sup>

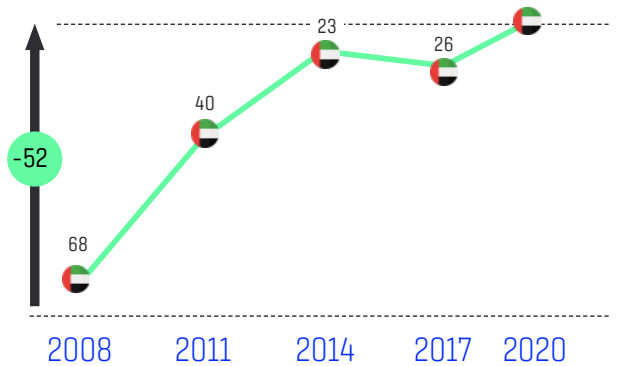


The UAE's non-oil economy continued to rebound and surpassed pre-pandemic levels, maintaining robust growth to further support overall economic growth. Reforms implemented in previous years, such as allowing 100% foreign ownership in strategic sectors, IP and data protection reforms, and new visa and worker protection regulations, improved accessibility and attractiveness to a wider range of foreign investors.

Dubai's economy also grew impressively with real GDP rising 4.6%\* year-on-year in the first nine months of 2022. And with many access restrictions lifted, inbound overnight visitors reached 14.36 million in 2022, a 97% increase compared to 2021.

With an increased "Cultural Interaction" score, a higher standard of living and the city's ability to attract highly skilled professionals, Dubai's Global Power City Index ranking was boosted to reach the 11th position worldwide. In H1 of 2022, the city was ranked as the world's top destination for FDI projects<sup>2</sup>. According to Reuters, Dubai remained the global hub for regional and global players to do business.

EASE OF DOING BUSINESS RANKING PROGRESS - SINCE 2008



Ease of doing business<sup>3</sup>

#1  
MENA

#16  
Global

#1 Global  
Macroeconomic  
Stability

#2 ICT  
Adoption



World Competitiveness Rankings<sup>4</sup>

#12 Global  
Overall  
Competitive  
Economy

#6 Global  
Economic  
Performance

#3 Global  
Government  
Efficiency

#1 in MENA  
for all of the  
above



Corruption Perception Index UAE

#1  
MENA

#24  
Global



The Global Financial Centers Index 2022<sup>5</sup>

#1  
MENA

#17  
Global



FDI Global Cities of the Future 2022

3rd  
Global



International Sukuk listing Venue

89  
Sukuk

US\$78  
billion

Strong Credit Ratings

UAE

S&P Global  
AA/Stable

Moody's  
Aa2

FitchRatings  
AA-

\* Dubai Statistics Center - National Accounts.  
<sup>1</sup> The World Bank Data Base - estimates, except for the UAE figure.  
<sup>2</sup> Government of Dubai - Media Office.  
<sup>3</sup> Latest available update is as of 2021.  
<sup>4</sup> World Competitiveness YearBook 2022.  
<sup>5</sup> The 2022 Global Financial Centres Index 32nd Edition.

### Reforms and Regulations

Several regulatory reforms were implemented in 2022, aimed at bringing Dubai and the UAE’s capital markets in line with leading international standards. Federal Law by Decree No. 32 of 2021 on Commercial Companies (New Companies Law) came into effect on 2 January 2022 across the UAE, bringing important updates such as the introduction of new corporate vehicles, as well as changes for LLCs and PJSCs alike. The law brings clarity to PJSC-related matters such as the appointment of managing directors, PJSC subscription shares, director remuneration and the PJSC’s ability to issue discounted shares. Moreover, the government issued a decision pertaining to the trading of cooperative societies’ shares on financial markets.

### A thriving financial ecosystem for global and regional players alike

Dubai reinforced its attractiveness to regional and global investors in 2022 thanks to its renewed alignment and adherence to global financial standards and best practices. The Emirate’s capital markets remained characterized by transparency and good governance. In practice, this was achieved by:

- Boosting the overall attractiveness of the financial ecosystem through diversified offerings including new IPOs, equities, green bonds, Dirham-denominated treasury bonds, ETFs, and virtual assets;
- Intensifying the activity of the Dubai Securities and Exchange Higher Committee whose role is to provide transparency by supervising, monitoring, and protecting the rights of shareholders and investors while enforcing the law;
- Providing additional support to specialized courts for capital markets in the city that allow for more efficient dispute resolution.

### ESG Acceleration of innovation-driven growth

Dubai and DFM have continued the process of expansion and diversification throughout 2022. This was achieved by emphasizing the high added value, investment opportunities, and benefits of faster ESG convergence, new cryptocurrency investment opportunities, and supporting innovation-driven growth as follows:

- Green bonds and ESG-related issuances were increasingly popular throughout 2022, bringing the total to more than US\$19 billion (US\$11.8 billion Sukuk and US\$7.2 billion bonds) and by pushing DFM’s sustainability strategy;
- Supporting innovation-driven growth through the establishment of the region’s first open finance lab, an initial step towards the ‘Future of Finance’ as the lab supports data-driven business models that generate potential financial innovation;
- Providing investors with crypto-linked investment opportunities.

All these elements underline Dubai’s determination to strengthen its status as a world-class financial center while continuing to provide strong support to capital markets and all their regional and global stakeholders.

# MARKET PERFORMANCE

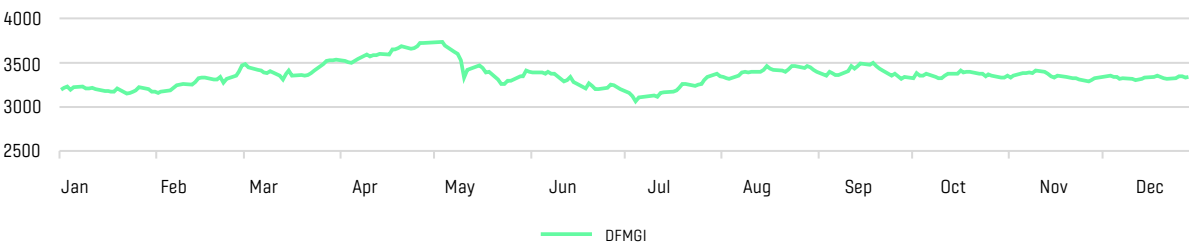
During 2022, DFM demonstrated its strength to deliver growth and generate momentum with a solid performance primarily reflected in a 24.5% growth in the total traded value to exceed AED 90 billion. The average daily traded value reached AED 357.3 million, compared to AED 290.5 million in 2021; an increase of 23% year-on-year.

Similarly, DFM’s market capitalization increased by 41.4% to reach AED 582 billion in 2022, registering a 10-year CAGR of above 12%. This stellar performance was due to 5 successful new IPOs of government and private companies 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.

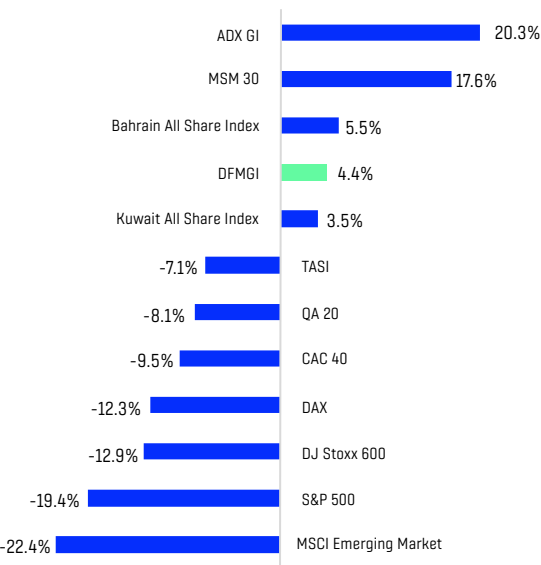
### Positive Performance

Against this backdrop, DFM outperformed several regional and international equity markets during 2022, posting growth of 4.4% year-on-year in the DFM General Index (DFMGI) to reach 3,336.07 points.

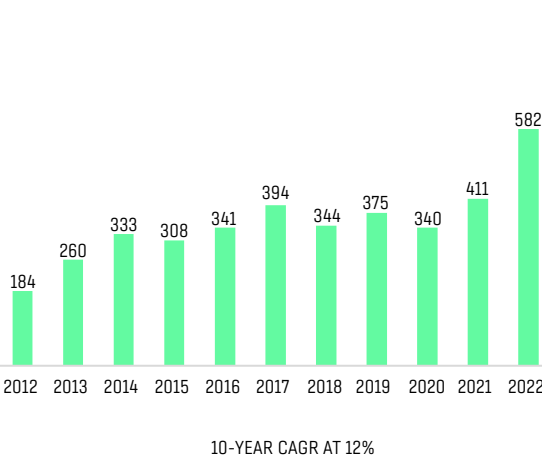
### DFM Index General Index (DFMGI) 2022



### Equity Markets Performance in 2022 (%)



### DFM Market Capitalization (AED billion)





Sectorial analysis

With regards to the various sectors’ contribution to trading volumes, the Financial sector ranked first in terms of traded value at AED 34.3 billion, contributing 38% of the total traded value. The Real Estate sector ranked second at AED 34.1 billion, a 37.7% contribution; followed by the Industrial sector at AED 10 billion, a 11.1% contribution; and the Utilities sector at AED 9.2 billion, a 10.2% contribution. Meanwhile, the traded value of direct deals (mega deals executed outside of the Trading Floor) stood at AED 496 million, equivalent to a 0.6% contribution. The remaining trading volumes were distributed among the rest of the sectors listed in DFM in varying proportions.

Strong foreign investors interest

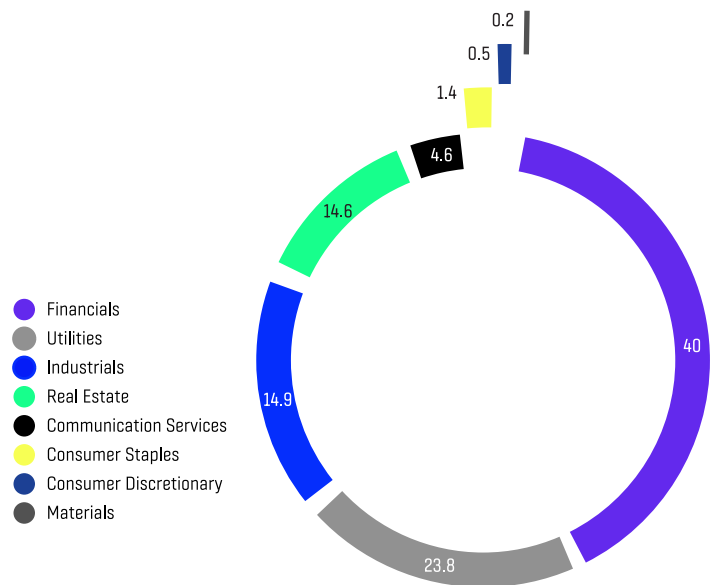
During 2022, the market attracted 167,332 new investors, bringing the total DFM investor base at the end of the year to more than 1 million investors. The market also maintained the distinguished presence of foreign investors, as their trading accounted for 49% of the total traded value, with net purchase of more than AED 5 billion; an increase by 3x compared to last year. Foreign investors owned 19% of the total market capitalization by the end of 2022.

Nasdaq Dubai market performance

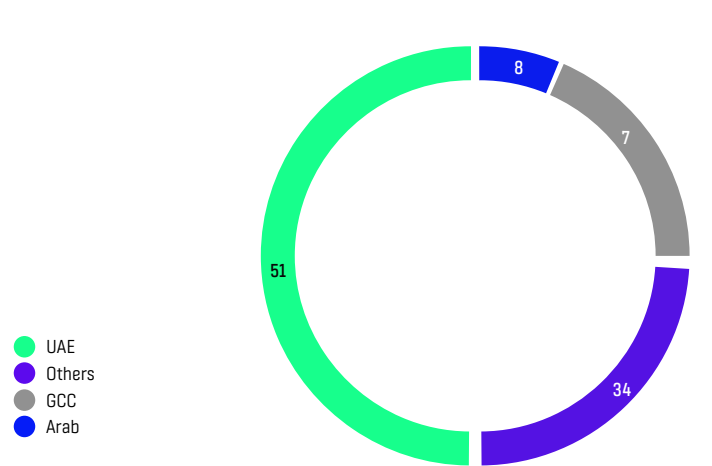
Nasdaq Dubai successfully maintained its position amongst the leading global listing venues of Sukuk, as well as attracting the biggest ever number and value of bond listings. During 2022, Nasdaq Dubai continued to expand its crypto currencies offering as it welcomed the listing of the 21Shares’ physically backed Bitcoin Exchange Traded Product.

The number of new listings on Nasdaq Dubai increased to 32 in 2022, compared to 31 listings in 2021. The debt issuances came from sovereign and corporate issuers, including the Federal Government of the UAE, the Government of Indonesia, Islamic Development Bank, and the Industrial and Commercial Bank of China, a clear testament to the confidence that regional and international issuers have in its world-class regulations, infrastructure, and services.

Sector Contribution to Market Capitalization 2022 (%)



Total Value Traded Breakdown by Nationality 2022 (%)



CFO’S REVIEW

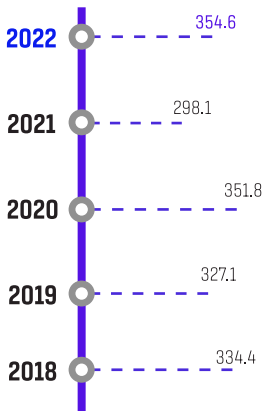


Mr. Ali Al Hashimi  
Chief Financial Officer  
& Head of Strategy

I am pleased to report on the financial performance of DFM at the end of 2022 which ended with a net profit of AED 144 million, based on a net profit margin of 40.6%, thanks to the 5 new government and private IPOs that took place and the many improvements in streamlining accessibility, diversifying products and enhancing services, coupled with a sustained focus on innovation and automation.

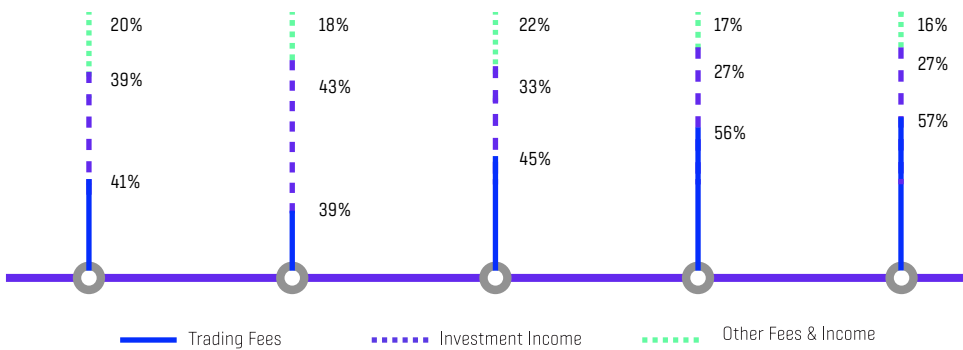
Over the following pages, we review the consolidated financial results for Dubai Financial Market PJSC, including those of our subsidiaries, Nasdaq Dubai Limited and Dubai Central Clearing and Depository Holding, for the year ending 31st December 2022.

Consolidated Revenues



- During 2022, the total consolidated recurring revenues amounted to AED 354.6 million, reflecting a 19% increase compared to 2021, mainly driven by an increase of 24.5% year-on-year in DFM’s total traded value.
- Trading revenues constituted 57% of DFM’s total revenues in 2022, 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 16% of total revenues.

Consolidated Revenues Breakdown (%)



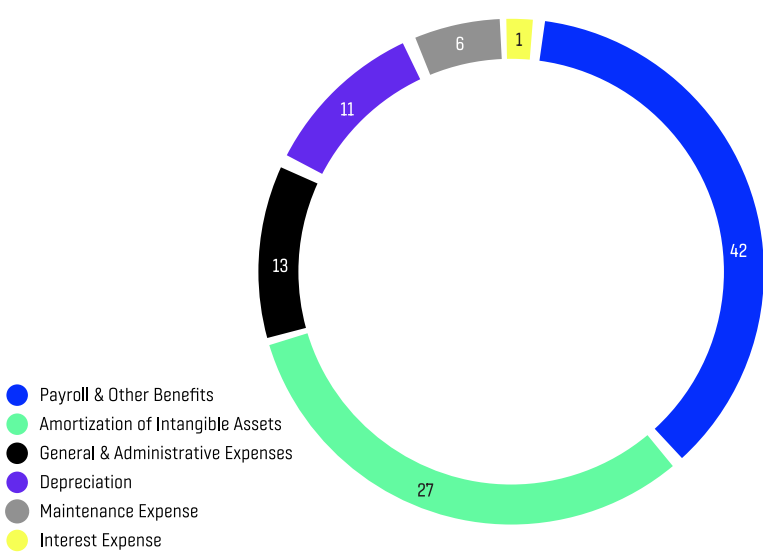
Expenses

The DFM’s total expenses in 2022 amounted to AED 210.7 million, compared to AED 198.9 million during 2021. The DFM adopts best international practices in maintaining operational efficiency, as demonstrated by a less than 0.5% CAGR in costs over the period 2012 to 2022.

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

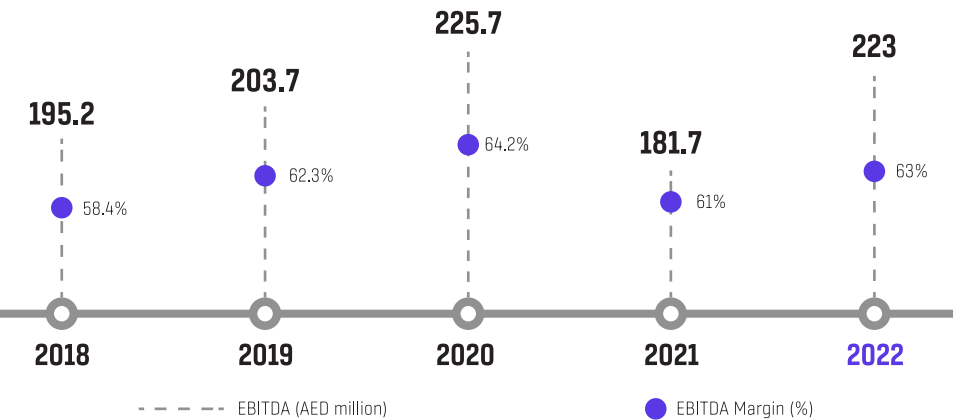
DFM’s EBITDA reached a total of AED 223 million at the end of 2022, compared to AED 181.7 million at the end of 2021. Similarly, the EBITDA margin was 63% at the end of 2022, up from 61% at the end of 2021.

Consolidated Expenses Breakdown 2022 (%)\*



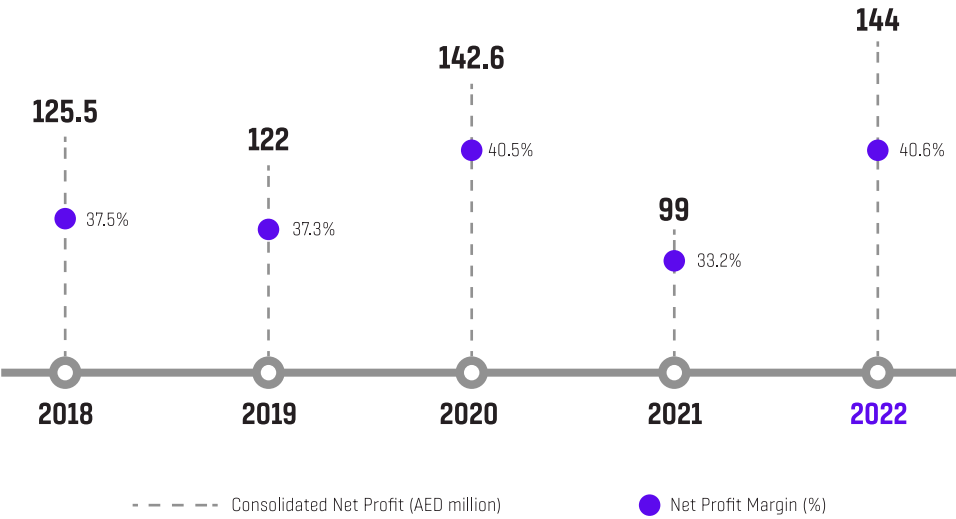
\*The above breakdown excludes 2022 non-operating profit expense.

EBITDA



Consolidated Net profit

Dubai Financial Market achieved a consolidated net profit of AED 144 million for 2022 and a net profit margin of 40.6% in 2022.



Assets

The total assets of DFM stood at AED 9,494 million at the end of 2022, compared to AED 9,937.7 million at the end of 2021. 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 16.3% in 2022, compared to 20% in 2021.

Liabilities

DFM’s liabilities stood at AED 1,546 million at the end of 2022, compared to AED 1,974.5 million at the end of 2021, representing a decrease of 22% year-on-year.



# 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 Dubai Financial Market in realizing the objectives set out in our strategy designed to drive accelerated growth, increased revenue and shareholder value. Accordingly, 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, 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;
- The KPMG ERM Model.

All of these frameworks define best practices and are geared to achieving the organization’s 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 which is a joint initiative to combat corporate fraud.

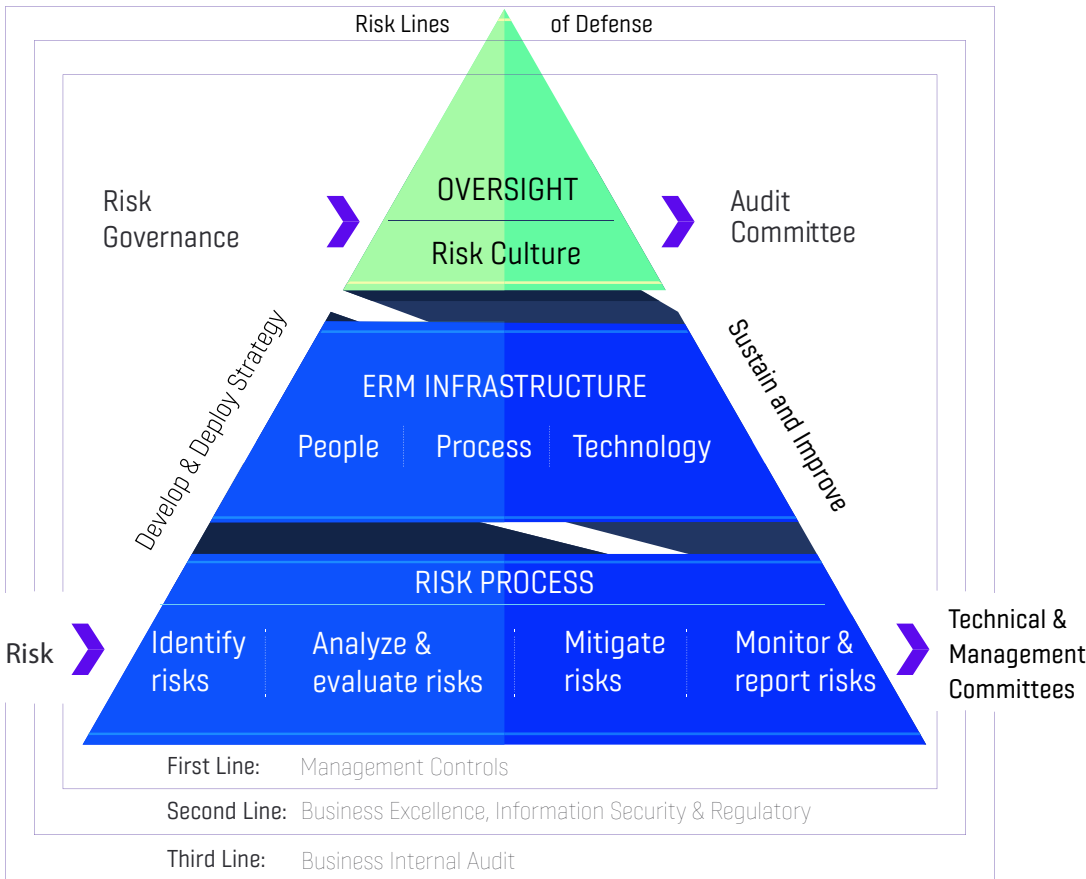
## Risk Management Framework

The ultimate goal of 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. 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, 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. 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 DFM’s risk management.

### Integrated Risk Management framework



Principal risks at a glance

As any corporation, 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 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 CATEGORY	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 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.	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. 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	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. DFM aims, therefore, to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance.	DFM’s risk management policies are designed to identify and analyze these risks, to monitor and set appropriate risk limits and controls. 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.	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. DFM was certified with the ISO 22301:2019 testifies to 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, 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.	<p>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.</p> <p>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.</p>

\* For further details on the financial risks please refer to note #27 of the Consolidated Financial Statements in this report.

BUSINESS REVIEW

Building on solid financial principles and care towards the needs of all stakeholders, we have delivered well above expectations for 2022. Our drive has been relentless, generating value for all and achieving excellence in a sustainable way while continuously improving our key performance indicators.

We ended 2022 with an impressive tally of 73 listed companies, combined on both DFM and on Nasdaq Dubai, attributable to several attractive IPOs and the continued diversification of products.

IPOs & New Listings

There were 5 successful IPOs in 2022, namely, DEWA, TECOM, Salik, Empower, and Taaleem, all of which were characterized by oversubscription with the total offered value reaching AED 31 billion, whereas the received value exceeded AED 670 billion.

This along with the increased market sentiment and opening-up of foreign ownership limits brought the total market capitalization by year end to AED 582 billion, a stellar 41.4% year-on-year growth.


Moreover, Union Coop, the country’s largest retail cooperative, became the first cooperative in the UAE to list on DFM, following the Government’s decision pertaining to the trading of cooperative societies’ shares on financial markets.

The drive to list leading government-related and private entities not only generated additional value for all of our stakeholders but also enabled our organization to further increase liquidity, diversify market sectors, and increase market breadth with a direct, positive impact on investor gains and sentiment.


Spurred by these attractive IPOs, and a multi-channel digital investor onboarding approach that all ensured these IPOs achieved maximum exposure, and further diversification of products, more than 167,000 investors joined the market.

Successful IPOs:

Offered value of AED 31 billion vs. a received value of over AED 670 billion. Oversubscriptions ranging between 18x – 49x

	<b>DEWA (Dubai Electricity and Water Authority)</b> Utilities Sector 12 April
	<b>TECOM (the operator of business districts)</b> Real Estate Sector 5 July
	<b>Salik (the Dubai Toll Road operator)</b> Industrials Sector 28 September
	<b>Empower (the district cooling service provider)</b> Utilities Sector 15 November
	<b>Taaleem (an educational service provider)</b> Consumer Discretionary 29 November

Other listings:

	<b>Union Coop</b> Consumer Retail Cooperative 18 July
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Diversification of Products - Spearheading investment and growth

Our product offering reached an unprecedented level of diversification with multiple new products launched in 2022. This included the addition of 4 new single stock futures and new instruments such as the Dirham-denominated treasury bonds issued by the UAE Federal Government. We further grew and expanded our equities, fixed-income instruments, derivatives, Exchange Traded Products (ETPs) and Exchange Traded Funds (ETF) offerings.

This diversification included the expansion of the equity futures opportunities with new contracts on individual stocks as well as Micro Oman Crude Oil Futures, the listing of 21Shares’ Physically Backed Bitcoin ETP, and the listing of Dubai Islamic Bank’s first inaugural sustainable Sukuk valued at US\$750 million. With the purpose of providing investors with world-class investable and tradeable benchmarks for the DFM equity market, DFM implemented a new index methodology calculated by S&P Dow Jones indices.



Equity Futures

30 Single Stock Futures



Commodities Futures

Micro Oman Crude Oil futures



Other Highlights

Dirham-denominated Treasury Bonds



Listings

1st sustainable Sukuk Dubai Islamic Bank  
21Shares’ Physically Backed Bitcoin ETP

Unyielding drive toward sustainability

Our commitment to expanding ESG products and practices is a key part of our development strategy, in keeping with the newly launched “We The UAE 2031” vision by UAE leaders. We revised our ESG framework and strategy to align more closely with sustainability goals by taking into account the feedback from a materiality survey conducted at the beginning of the year, which involved over 2,000 respondents.

We further reinforced our position as an ESG leader through participation in the Dubai Sustainability Working Group, which organized several webinars and briefings throughout the year to increase stakeholder engagement and raise awareness on topics such as Equity Futures, The Bitcoin Fund, REITs, SME IPOs, and Fixed Income investment. Initiatives such as these helped to increase stakeholder knowledge and awareness of governance, regulatory and sustainability.

Nasdaq Dubai continued to be the preferred destination for the green bonds and Sukuk from the region and across the globe, with a total market value exceeding US\$19 billion in 2022. As the market moves towards greater adoption of ESG criteria, DFM is well positioned to seize opportunities for business growth and development while contributing to Dubai’s transformation into a smart city.

We also updated our Market Rules, which included important structural and regulatory reforms aimed at streamlining our internal operations and bringing the organization closer to possible joint initiatives among UAE regulators.

Enhancing Accessibility

While we continued to attract new listings, increasing investment value, and building new partnerships, our efforts to raise awareness and promote a deeper understanding of our unique value proposition were met with increasing success as we onboarded new market makers and investors.

Accessibility was further enhanced through improvements to our technology infrastructure and digital innovations, significantly decreasing investor onboarding time and effectively eliminating the need for investors to travel to Dubai. These updates resulted in 167,332 newly onboarded investors in 2022, a 23x year-on-year growth.

Our annual International Investor Roadshow, which we have been holding since 2007, headed to London in 2022. The event reinforced links of equity and fixed-income issuers in Dubai with leading investment institutions in the US, UK, Europe, Asia, and the MENA region. At the Roadshow, our issuers held 162 one-on-one meetings with senior representatives from 56 international institutions managing assets totalling approximately US\$2 trillion.

To enhance accessibility for international investors, who account for 49% of trading activity and 19% of ownership within our market capitalization, we implemented Direct Market Access (DMA) and welcomed new General Clearing Members (GCM). In April, HSBC became our first international GCM, enabling the bank to provide clearing and settlement services to its customers worldwide and to other DFM trading members. And in October, Swissquote, Switzerland’s leading online bank, was connected to DFM through the DMA Route.

Additionally, xCube and Laval Securities BV were accredited and admitted as the 4th and 5th active market makers respectively. As market makers, xCube and Laval help to narrow the spread between bids and offers for shares available. Laval, which operates from Amsterdam, is the first market maker to connect to us remotely.

New Market Makers



New GCMs



International Investor Roadshow  
162 one-on-one meetings  
56 International Institutions



Dubai Central Securities Depository

Dividend distribution of AED 16.8 billion on behalf of 43 companies to 507,109 shareholders



Dubai Clear

Recognized by the European Securities and Markets Authority (ESMA) as a Tier 1 Third Country CCP, enabling Europe-based members to access Dubai Clear services.



# 03. SUSTAINABILITY







# 2022 HIGHLIGHTS

  
FTSE4GOOD Constituent

After joining the FTSE4Good Emerging Market Index in June 2019, FTSE Russell's December 2022 review confirms that DFM remains a constituent.

  
57%

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

  
98%

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


### US\$19+ billion

### 57%+ year-on-year


Nasdaq Dubai continued to be the most prominent exchange for green bonds and ESG issuances and listings in our region. Totalling more than US\$19 billion from eleven Sukuk and thirteen conventional bonds in 2022.

  
52%

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

  
67%

The number of DFM-listed companies that are Shari'a-compliant by the end of Q3 2022.

  
167,000+

New investors onboarded through our new digital investor platform.

### ESG Guide

As part of supporting the ESG reporting journey of DFM-listed companies, we have developed our second ESG Guide to be launched in 2023.

# SUSTAINABILITY CONTEXT

We remained at the forefront of sustainability among the region's capital markets and wider financial services industry in 2022. Throughout the year, we continued to focus on creating value for our stakeholders and conducting our business in line with sustainability principles, as this is vital to both our long-term growth and the creation of sustainable development within Dubai and the UAE.

DFM's Sustainability Strategy 2025 aligns with a variety of frameworks, including the United Nations Sustainable Development Goals (SDGs), the UAE Green Agenda 2015-2030, the UAE's commitment to the Paris Agreement and reaching net zero emissions by 2050, Dubai's Vision 2021 and the more recent 'We The UAE 2031' vision, and UAE's wider development objectives. According to the global SDGs Index Report for 2022, UAE's overall SDGs performance placed 85 out of 193 nations worldwide. Based on this assessment, the UAE ranked second among the Gulf Cooperation Council (GCC).

### SDGs Global Rankings 2022<sup>1</sup>



<sup>1</sup> Sustainable Development Report 2022.

# SUSTAINABILITY STRATEGY 2025

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, DFM’s Sustainability Strategy articulates our commitment to lead as the region’s sustainable marketplace by creating long-term shared value for DFM stakeholders by 2025. The three pillars of DFM’s Sustainability Strategy are: governance excellence, sustainable capital market, and positive social and environmental impact. DFM aims to prioritize sustainability in every aspect of its corporate strategy and organizational operations to create this value.

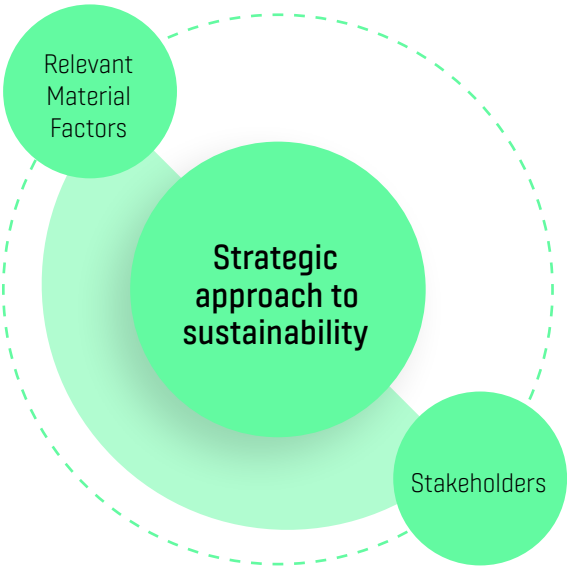
## Focusing on ESG issues that matter

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.

To identify the most significant issues affecting DFM, society and environment, we performed our second thorough materiality review. In 2022, we refreshed our materiality assessment, bringing new ESG topics into the analysis and merging previously assessed issues (in 2018) to reflect better on the new sustainability trends.

The materiality survey targeted internal and external stakeholders with the majority of the respondent being investors, followed by DFM employees, DFM-listed companies, and suppliers.

In addition to this survey, the 2022 review also included an analysis of external trends such as UN SDGs, SASB, World Federation of Exchanges and national and international peer material issues to reflect the perspective of external parties.



To rank issues in relevance to us, we used the results of the refreshed materiality review, analyzed our strategic priorities, mission and vision, and incorporated the results of a review provided by our executive management.

The assessment was completed in March 2022, with the results being presented in the matrix below which details our sustainability plans and actions as well as our reporting topics. The matrix will be integrated into our Risk Management

Framework. There were no significant changes to our priority topics, but we found stakeholders placed greater emphasis on ethical business practices and our corporate governance. While these areas are critical to our sustainability strategy, targets, and resource allocation, additional ESG topics continue to drive our business practices and reporting due to stakeholder interest and importance to DFM’s corporate strategy and culture.

## Materiality Matrix 2022





Sustainability Strategy 2025

Guided by the results of our materiality review and our purpose to drive inclusive growth and prosperity, we seek to extend our impact beyond our own operations by empowering our market participants and the entire community. We aim to achieve long-term shared value for our stakeholders, establish ourselves as the region’s leading sustainable financial market by 2025, and contribute to the national, sectoral, and worldwide sustainability agendas.

Our sustainability strategy reflects our understanding of global sustainability trends and contexts, and aligns with our overall strategic plan, focusing on three main areas: governance excellence, sustainable capital market, and positive social and environmental impact.



01. GOVERNANCE EXCELLENCE

- Corporate governance
- Stakeholder engagement
- Business ethics
- Risk management
- Technological risks and cyber threats
- Data privacy and information security
- Executive compensation and incentives
- Anti-corruption, anti-bribery, anti-money laundering



02. SUSTAINABLE CAPITAL MARKET

- ESG Disclosure
- Attract new listings
- ESG products
- Promote ESG among listed companies



03. POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

- Talent attraction, development, and retention
- Diversity and inclusion
- Environmental practices
- Financial literacy and local community development
- Employee health and wellbeing
- Employee engagement and satisfaction
- Climate risk management
- Sustainable supply chain



GOVERNANCE EXCELLENCE

Corporate Governance

Our ongoing strategy is to focus on good corporate governance to build trust and confidence. Our corporate governance framework is supported by the Securities and Commodities Authority (SCA) and clearly outlines relevant matters and applicable limits, including those that require Board approval and those that can be delegated to Board Committees and Management. The Board’s main responsibilities are to improve operational performance and profitability levels, institutionalize sustainable development, implement good governance principles, and provide strategic direction for the organization. Additionally, the Board of Directors is responsible for performance monitoring and risk management to ensure we achieve our objectives.

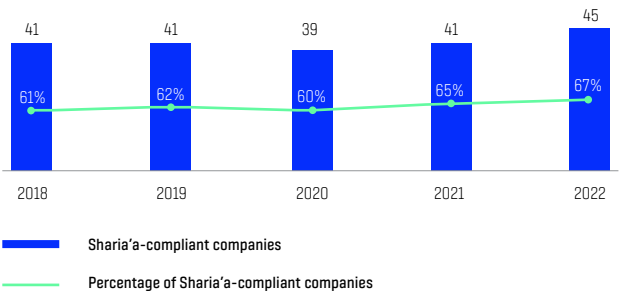
In recent years, DFM issued a resolution that sees listed companies obligated to enroll board members and board secretaries in governance programs, and to ensure that any board secretaries are DFM certified. DFM continued to collaborate with Hawkamah Institute for Corporate Governance (Hawkamah) in offering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

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 68 - 95 in this report.

Paving the path to Shari’a-compliance

Beyond financial and non-financial compliance, 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. We continually work to strengthen the regulatory framework supporting the growth of Islamic capital markets. As of Q3 2022, 67% of DFM’s listed companies were Shari’a-compliant.

DFM Shari’a-compliant listed companies



DFM’s subsidiary Dubai Clear, became first regional onshore clearing house to be recognized by the European Securities and Markets Authority (ESMA) as a Tier 1 Third Country CCP. This recognition demonstrates Dubai Clear’s full compliance with Europe’s robust regulatory framework, alongside the very highest international standards.

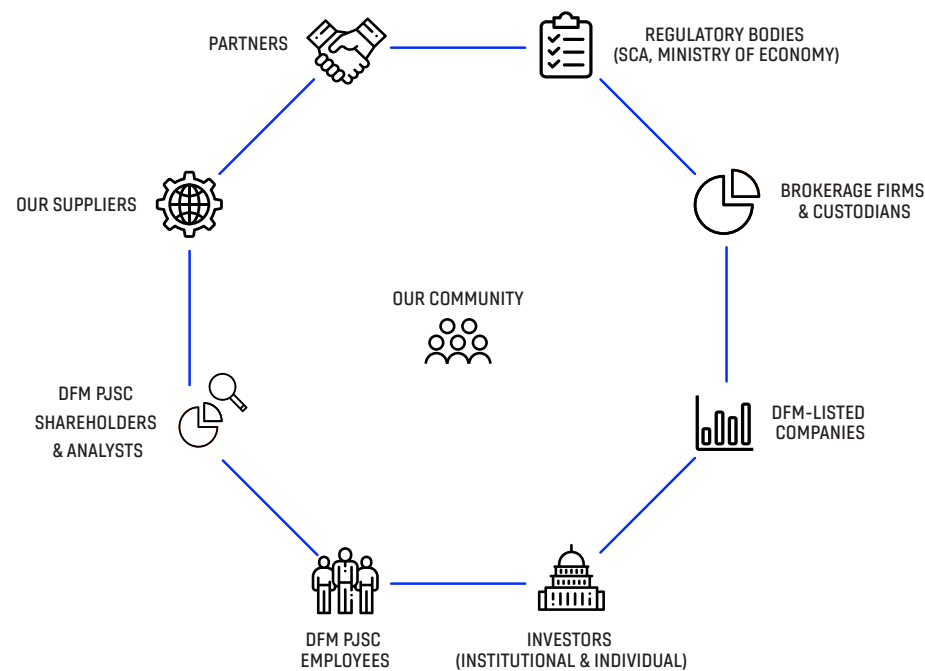
Transparent and Responsible Communication

As a financial services provider, we are regulated by the Securities and Commodities Authority (SCA), and therefore limit our advertising to mandatory disclosures, important investor notifications and information on how to access and use our services. We are extremely diligent about the types of messages published through our various communication channels, including social media.

We prioritize transparency across all our actions and decisions. We are dedicated to meeting the information needs of our investors and stakeholders and the investment community by delivering clear, timely, and factual disclosure. Our Investor Relations team updates stakeholders on a regular basis through presentations, meetings, calls, and our website.

Stakeholder Engagement

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 DFM remains relevant and responsive, and creates long-term value for our stakeholders.



Board Diversity

DFM continued its efforts to support board diversity and inclusion in line with its Sustainability Strategy 2025 on gender balance and empowering people. During 2022, DFM PJSC maintained a 22% female board representation which has two female Board Members on its nine-member Board.

**22%**  
Female Representation in  
the Board of Directors

Business Ethics

Ethical practice underpins our entire business strategy, we have an in-place regulatory framework which promotes high standards of business ethics, stability, and governance and aims to protect the integrity of the Market, key stakeholders, transactions, and market participants as well as to achieve best practices applied in financial markets similar to ours.

Furthermore, we have several policies in place to ensure our operations are fair and law-abiding, such as the code of conduct alongside other policies, procedures, standards, and handbooks outlining the responsibilities expected of DFM directors and employees in accordance with the highest standards of ethics and compliance.

Adherence to insider trading policies and procedures is an integral element of DFM’s governance framework. Significant and serious consequences will be applied in such cases of non-compliance with these policies and procedures.

DFM’s Transparency Policy sets out the guiding principles and procedures for reporting any misconduct to the designated authorities within the Market in order to take appropriate corrective actions. The policy covers all voluntary disclosure made by any employee of DFM or any other person, who has or had privileged access to data, events, or information about any irregularities within DFM including Consultants/Third party service providers etc.

Risk Management

We face a variety of strategic and business risks. Strategic risks are governed by external factors, while manageable business risks including operational, financial and compliance risks, are managed by DFM’s internal bodies, such as the Audit Committee.

Building upon our 2017 Board-approved risk management framework, DFM continued to update its risk appetite across the business to mitigate risk exposure and integrated ESG issues into the framework. For further details on DFM’s risk management framework please turn to pages 45 - 46 in this report.

Technological Risks and Cyber Threats

We implement the latest data protection technologies to counter any potential cyber threats. Cybersecurity is an essential component of our activity, and we have robust infrastructure and monitoring technology that protects against a wide range of attacks, including, but not limited to: Ransomware, Information Leakage, Malware or Phishing.

We’re also actively working with solutions providers to combat any risk of credentials protection, and we’re constantly testing for software vulnerabilities.

Our policies cover all cybersecurity risks ranging from data loss protection, to encryption, firewalling, and risk and compliance management.



Data Privacy and Information Security

As one of the organization’s core values, we accord the utmost confidentiality to our market participants and their interests. Considering our unique position in the financial marketplace, protecting records and commercially sensitive information is critical.

We have numerous safeguards in place to protect data such as firewalls, end point controls, activity monitoring, access control system, encryption and multi factor authentication supported with set of policies and procedures with periodical updates. Underscoring our commitment to protecting data and complying with international best practices, the

adopted information security governance framework is based on the international standards ISO:27001, NIST Cybersecurity framework, Information security regulations. Our security programs are regularly audited by the independent auditors and consultants to ensure the security posture and controls measures are kept at its best.

We manage our servers within our in-house data center which affords us considerable control over files, information and data. However, in line with our sustainability objectives, we are increasingly adopting cloud solutions, for which we offer the same level of security and data protection.

SUSTAINABLE CAPITAL MARKET

We are shifting the marketplace towards sustainability by focusing on sustainability reporting and disclosures, promoting ESG among listed companies, attracting new ESG products and increase ESG listings.

ESG Disclosure

By leveraging our position as a leading financial market, we have a valuable opportunity to influence ESG adoption by the market participants in the region and beyond. During 2022, DFM continued its efforts to encourage listed companies to disclose on ESG factors, providing ESG reporting guidance as well as enhancing ESG reporting.

Through our Listing and Disclosure Department, we ensure that listed companies disclose annual governance reports and any major changes pertaining to their board members’ elections, governance, and any other ESG related matters. We continue to enhance our disclosure practices to the best international standards.

In 2022, 98% of DFM-listed companies have developed sustainability reports for the financial reporting year 2021, complying with the Securities and Commodities Authority (SCA) mandate for ESG disclosure.

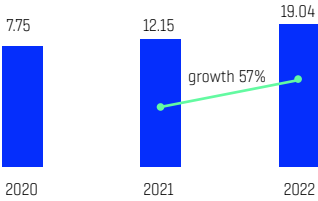
98% compliance when disclosing 2021 ESG results within the reporting period

This past year, we’ve further developed the second version of the DFM ESG Reporting Guide which encourages listed companies to disclose ESG information and adopt ESG reporting practices and plan to publish it in 2023. This reinforces our companies’ ability to attract investments, access finance and enter new markets through good governance practices.

ESG Products & Listings

Our ESG strategy supports sustainable investing. We recognize the importance of sustainable issuances in satisfying increasing investor interest in sustainable finance across Dubai’s capital markets and the wider financial services sector. Notably, Nasdaq Dubai, DFM’s subsidiary, has become the leading exchange in the region for ESG listings with a total value exceeding US\$19 billion by 2022 an increase by 57% compared to 2021. This encourages all issuers to introduce or strengthen compliance with ESG principles to meet the rapidly growing investor demand.

Value of ESG Bond & Sukuk on Nasdaq Dubai (in US\$ billion)



S&P/Hawkamah UAE ESG index

Since its launch in 2020, the S&P/Hawkamah UAE ESG index has been comprised of 20 companies listed on the UAE exchanges and subject to an annual assessment incorporating ESG criteria against which the company's disclosure practices are evaluated by Hawkamah, the S&P's screening partner in the Middle East.

S&P/Hawkamah UAE ESG index



Promoting ESG Among Listed Companies

We focus on encouraging all listed businesses to adopt ESG reporting procedures and increasing market participants' understanding of ESG trends. This is an essential prerequisite for sustainable investing and an important factor for investor interest.



As a member of the United Nations Sustainable Stock Exchanges (UN SSE) Initiative and the World Federation of Exchanges Sustainability Working Group, we are dedicated to advancing ESG performance and disclosures in our capital market. In 2022, in cooperation with the UN SSE, the International Finance Corporation (IFC) and the Continuing Professional Development (CPD), DFM hosted a training on the Task Force on Climate-Related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information among listed companies. Over two days, 42 listed companies participated with 72 representatives.

Reinforcing Sustainability



We believe that collaboration is critical to ensuring consistent, robust, industry-wide ESG reporting, and we know we are well-positioned to connect a diverse community of market participants. In line with the UAE Sustainable Development Goals 2030 and Dubai's Strategic Plan D33, we continued the work of the Dubai Sustainable Finance Working Group, a 23-member strong entity established in 2019. The initiative underlines our commitment to collaborate with key stakeholders to reinforce Dubai's position as a leading financial hub.

POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT

We're committed to being the region's most sustainable market by 2025. As well as leading the change for green and sustainable investment, this also means making a direct and positive impact through our own operations, from taking decisive action on our environmental footprint, to supporting our local communities and the next generation of the work force within the UAE.

Talent Attraction, Development and Retention

Our people are fundamental to our strength and the success of DFM. Our ability to create a great workplace is critical to attracting, developing, and retaining quality talents that exhibit our values.

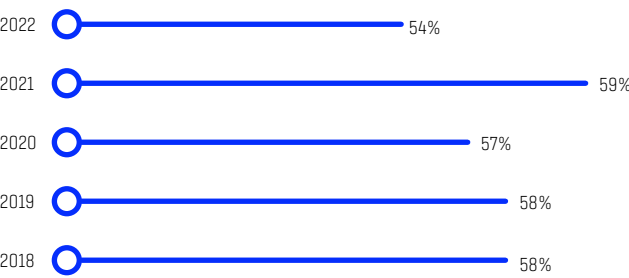
145 employees

In line with our sustainability policy, we strive to empower and engage our people by providing opportunities to learn, grow, and thrive within an environment that encourages innovation and excellence.

Emiratization

We aim to play a positive role in the continued thriving development of Dubai and the wider UAE region. We remain committed to initiatives that will increase the number of local citizens within our workforce. In 2022, nearly 54% of our employees were UAE nationals, a figure considered to be the highest within the financial services industry. We are proud to have achieved this through a combination of measures, including a respected workplace culture, enhanced compensation and benefits, and dedicated recruitment activities.

Emiratization Percentage



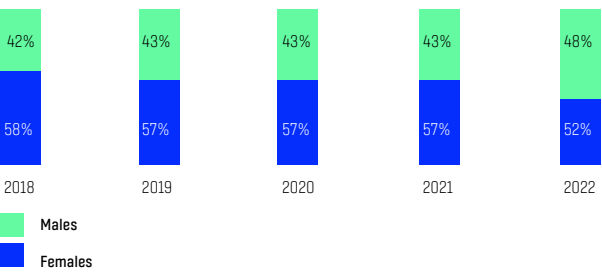


### Female Empowerment & Development

We are committed to ensuring equal female representation within our workforce. We are very proud that females account for more than 52% of our employees – a figure we attribute to our accommodating work policies, which include maternity benefits, flexible hours and remote working opportunities.

52% of our employees are females

#### Gender Diversity



### Youth Development

As a leading company in the finance sector, driving financial literacy throughout the UAE is an important focus for us. We want to help empower people with the knowledge and resources they need to contribute to a thriving and economically strong society.

In addition to the Young Economist Program, we also provide a comprehensive internship program every year to a number of students from different UAE universities. We also regularly welcome field trips from educational establishments, helping students learn more about careers in the financial industry.

### Employee Engagement

Throughout the year, we ensured our people had the opportunity to thrive in their roles, so training and skills development were a central focus for us. Our Expert Program has been designed for employees working in our core areas to increase their skills and knowledge in the capital market and financial analysis sector, while our Future Leaders Program supports potential DFM leaders in developing their leadership and management skills.

Looking ahead to 2023, we plan to expand our investment in our people with an allocated budget for professional certification, training and workshops.

#### Case Study: The Expert Program

As part of our ongoing commitment to support professionals within the capital market, we select potential future leaders from within our workforce for an in-depth mentoring and training by our top management. This not only results in professional certification for the candidate but upskilling that benefits our wider team.

### Employee Health and Wellbeing

Our priority is ensuring the health and safety of our workforce, by offering a suite of programs, benefits, and resources to support our employees' priorities and goals at work and in life. While doing so, we adhere strictly to best practice guidance as outlined by federal law, Dubai Municipality, and the Dubai World Trade Center (DWTC) building, where we operate.

Fire drills are conducted regularly, and first aid kits are available in all DFM offices with comprehensive checks to identify work-related hazards (DWTC & DFM).

Our facility management team is focused on keeping the work environment clean, tidy and healthy, and our employees are encouraged to move around the office, take regular breaks and make time for prayer.

Compared to our peers in the region, we offer a more competitive health insurance scheme, which covers local, regional, and some international locations. We work closely with employees with prevailing health issues, ensuring the right measures are taken so they are able to carry out their role safely and comfortably.

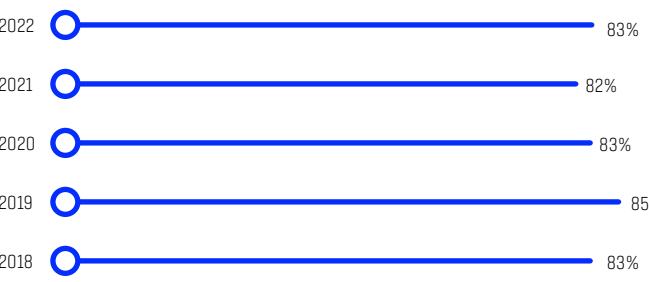
### Environmental Practices

As a market influencer and publicly listed company, we take our environmental impact seriously, and have implemented a number of measures to significantly reduce our footprint every year.

Chief among them are our paper-saving efforts, driven primarily through the digitization of several processes, including investor digital onboarding, automated dividend distributions as electronic alternatives to checks.

Energy consumption is also a focus for us, particularly as we manage our own data center. While we are continually exploring cloud-based options, we have integrated virtual servers (VBlock technology) into our data center to modernize and simplify our IT infrastructure at scale. This has increased our energy savings from 66% in 2015 to 83% in 2022.

#### Virtual Servers Power Consumption Savings





# 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.

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 2022

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 four meetings during 2022.
- The Board’s commitment to the annual disclosure of their independence during 2022, 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 2022.
- The Audit Committee held six meetings and the Nomination and Remuneration Committee held three 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 are 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.
- Monitoring implementation of the conflict of interest and related party transactions policy.
- Approval of the updated insider trading policy, incident escalation policy, and transparency policy market rulebook, and others.

## 2. DFM PJSC share ownership and trading transactions of the Board, their spouses, and children during 2022

Name	Position/ Kinship	Owned shares as of 31st December 2022	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 Spouse	15,000 2,262	-	-
Mr. Abdulwahid Abdulrahim Alulama	Member	-	-	-
Mr. Yuvraj Narayan	Member	-	-	-
Mr. Mohammed Humaid Al Marri	Member	-	-	-
Mrs. Moaza Saeed Al Marri	Member	-	-	-
Mr. Saeed Rashid Al Yateem	Member	-	-	-
Mrs. Huda Sabil Mohamed	Member	-	-	-

3. Composition of the Board of Directors

A. The Board constitutes of the following Members:



**H.E. Helal Saeed  
Al Marri**  
**Chairman**  
**Independent Non-Executive**

Experience and qualifications	<ul style="list-style-type: none"><li>MBA - The London Business School</li><li>Chartered Accountant - Institute of Chartered Accountants in England and Wales</li><li>Previous work includes roles at consulting firms McKinsey and KPMG</li></ul>
Length of tenure as a Board Member	<ul style="list-style-type: none"><li>1 year, 2 months</li></ul>
Membership and positions at any other joint- stock companies	<ul style="list-style-type: none"><li>Board Member - Emaar Properties PJSC</li><li>Board Member - Taaleem PJSC</li></ul>
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none"><li>Director General - Dubai Department of Economy and Tourism (DET)</li><li>Member of the Executive Council of Dubai</li><li>Board Member - The Investment Corporation of Dubai</li><li>Director General - Dubai World Trade Centre Authority (DWTCA)</li><li>Member - Supreme Committee of the Expo 2020</li><li>Board Member - Dubai Chamber of Commerce and Industry</li></ul>



**H.E. Wesam Al  
Abbas Lootah**  
**Vice Chairman**  
**Independent Non-Executive**

Experience and qualifications	<ul style="list-style-type: none"><li>Master's degree, Computer Science and Engineering - Pennsylvania State University</li><li>Bachelor's degree - Ohio State University</li><li>Author of published research in the field of Computer Security</li><li>A renowned speaker on smart cities and digital transformation with over 20 years of strategic leadership experience</li></ul>
Length of tenure as a Board Member	<ul style="list-style-type: none"><li>1 year, 2 months</li></ul>
Membership and positions at any other joint- stock companies	<ul style="list-style-type: none"><li>Board Member - Du (Emirates Integrated Telecommunications Company PJSC)</li></ul>
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none"><li>CEO - Corporate Services at Dubai Municipality</li></ul>



Mr. Abdulqader Obaid Ali

Board Member  
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none"><li>M.S., Technology Management – Stirling University</li><li>B.S., Electronic Engineering Technology - Arizona State University</li><li>Certified Fraud Examiner - Association of Certified Fraud Examiners in the USA</li><li>Certification in Risk Management Assurance (CRMA) - Institute of Internal Auditors</li><li>Completed “The International General Management Program for Executive Development” conducted by International Institute of Management Development (IMD), Switzerland</li></ul>
Length of tenure as a Board Member	<ul style="list-style-type: none"><li>1 year, 2 months</li></ul>
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none"><li>Advisor– e&amp; Enterprise AI and IOT</li><li>Chairman of the Board – UAE Internal Audit Association</li><li>Board Member, Chair of the Audit Committee- Dubai Financial Market</li><li>Independent Vice Chairman of the Audit Committee – Federal Tax Authority</li><li>Independent Board Member of the Audit Committee- Al Masraf Bank</li><li>Vice Chairman – Al Noor Training Center for Persons with Disabilities</li><li>Advisory Board Member, Career Advisory- Ajman University</li><li>Advisory Board Member, Dubai Business School- University of Dubai</li><li>Advisory Board Member, Accounting Program- Higher College of Technology</li></ul>
Awards & Recognition	<ul style="list-style-type: none"><li>First UAE National recipient of the Wilfred Thesiger Award</li><li>Winner of the prestigious Kano Medal Excellence Catalyst for the year 2011</li><li>Ideas UK Fellowship Award 2012</li><li>Founder of Ideas Arabia and assessor for Ideas America</li></ul>



Mr. Abdulwahid Abdulrahim Alulama

Board Member  
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none"><li>L.L.M., Maritime Law and International Trade – University College London (University of London)</li><li>L.L.B. – UAE University (with distinction)</li><li>Partner at White &amp; Case LLP and Owner of Al Manara Real Estate Registration Trustee LLC</li></ul>
Length of tenure as a Board Member	<ul style="list-style-type: none"><li>1 year, 2 months</li></ul>
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none"><li>Vice Chairman – Emirates Post Group</li><li>Vice Chairman – Dubai Multi Commodities Center (DMCC)</li><li>Chairman – Remco</li></ul>





Mr. Yuvraj Narayan

Board Member  
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none"><li>Chartered Accountant - Institute of Chartered Accountants in England and Wales</li></ul>
Length of tenure as a Board Member	<ul style="list-style-type: none"><li>1 year, 2 months</li></ul>
Awards & Recognition	<ul style="list-style-type: none"><li>Named MENA CFO of the Year on four occasions in 2008, 2015, 2016 and 2018</li></ul>
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none"><li>Group Deputy CEO and CFO – DP World</li><li>Audit Committee Chairman – International Cricket Council</li><li>Board Member – HDFC International Life and Re Company</li><li>Board Member – Virgin Hyperloop One</li><li>Board Member – Through Transport Mutual Insurance Association Ltd.</li></ul>



Mr. Mohammed Humaid Al Marri

Board Member  
Independent Non-Executive

Experience and qualifications	<ul style="list-style-type: none"><li>MBA – American University in Dubai</li><li>Bachelor’s, Accounting – Emirates University in Al Ain</li><li>Certified Public Accountant</li><li>Graduate: Mohammed bin Rashid Program for Leadership Development, Government Leaders Category</li><li>Institutional Leadership Certificate – Leadership and Learning Center, Florida, USA</li><li>A Founding Partner of Faris &amp; Co. Public Accountants with over 20 years of administrative and financial experience</li></ul>
Length of tenure as a Board Member	<ul style="list-style-type: none"><li>12 years, 8 months</li></ul>
Positions in any other important regulatory, government or commercial entity	<ul style="list-style-type: none"><li>CFO – Mohammed bin Rashid Housing Establishment</li><li>CFO – Roads &amp; Transport Authority (2006 – 2009)</li><li>Member of the UAE Accountants and Auditors Association</li><li>Member of the Culture and Science Symposium in Dubai</li><li>Former Board Member – Dubai Development Board (Dec 2005 – April 2008)</li><li>CFO and CAO – Land Department (Dubai) (2000 – 2005)</li></ul>



Mrs. Moaza Saeed Al Marri

Board Member  
Independent Non-Executive

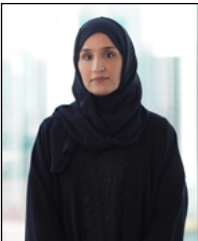
- Experience and qualifications
- Length of tenure as a Board Member
- Awards & Recognition:
- Positions in any other important regulatory, government or commercial entity
- MBA, General Business – American University in Dubai
  - 20 years of experience in private, semi-governmental and government sectors
  - 5 years, 9 months
  - The Middle East Women leaders Excellence Award (2015) for Communications & Media Excellence
  - Bronze Award – Dubai Lynx
  - Board Member – Dubai Sports Council
  - Executive Director – Office of the Director General – Roads & Transport Authority



Mr. Saeed Rashid Al Yateem

Board Member  
Independent Non-Executive

- Experience and qualifications
- Length of tenure as a Board Member
- Positions in any other important regulatory, government or commercial entity
- Bachelor’s, Political Science - Faculty of Economic and Administrative Sciences, United Arab Emirates University
  - Over 25 years’ experience in financial and administrative management in governmental roles.
  - 1 year, 11 days
  - Assistant Undersecretary for Resources & Budget - UAE Ministry of Finance
  - Board member - Etihad Rail
  - Board member – UAE University
  - Board member - Federal Tax Authority
  - Board member - Gulf Investment Corporation
  - Board Member - General Pension and Social Security Authority



Mrs. Huda Sabil Mohamed

Board Member  
Independent Non-Executive

Experience and qualifications

- BBA - Ajman University of Science and Technology
- Certified Islamic Professional Accountant (CIPA) - Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
- Certificate in Management (CIM) - University of Wollongong Dubai
- Certified Management Accountant (CMA) - Institute of Management Accountants
- Essential Leadership Program - London Business School

Length of tenure as a Board Member

- 1 year 11 days

Awards & Recognition:

- 17th Middle East Future Excellence Award for Leadership (Banking sector category)
- Distinguished Woman Award (Banking and Finance sector) - Emirates Institute for Banking and Financial Studies

Membership and positions at any other joint- stock companies

- CFO - Emirates Islamic, subsidiary of Emirates NBD Group

B. Women representation in the Board of Directors during 2022

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 2022

The remuneration of the Board has been disbursed for 2022 in the amount for each member as follows, which was approved in the Annual General Assembly Meeting held on 22nd March 2022.

2. Board Members’ remuneration proposed for 2022

The proposal to disburse AED 300,000 to each Board Member for 2022 will be presented at the Annual General Assembly Meeting for approval.

Board Members	2021 Remunerations in AED
H.E. Helal Saeed Al Marri	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. Mohammed 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 2022

	Allowances for attending meetings of the Board Committees		
	Committee	Allowance Value	Number of Meetings
H.E. Wesam Al Abbas Lootah	NRC	45,000	3
Mr. Abdulwahid Abdulrahim Alulama	NRC	30,000	2
Mrs. Moaza Saeed Al Marri	NRC	45,000	3
Mr. Abdelqader Obaid Ali	Audit Committee & Dubai Clear Risk Committee	110,000	6 Audit committee + 4 Dubai Clear Risk
Mr. Mohammed Humaid Al Marri	Audit Committee & Dubai Clear Risk Committee	110,000	6 Audit committee + 4 Dubai Clear Risk
Mr. Saeed Rashid Al Yateem	Audit Committee & Dubai Clear Risk Committee	110,000	6 Audit committee + 4 Dubai Clear Risk
H.E. Wesam Al Abbas Lootah	Investment Committee	45,000	3
Mr. Yuvraj Narayan	Investment Committee	30,000	2
Mrs. Huda Sabil Mohamed	Investment Committee	45,000	3
Mr. Abdelwahid Abdulrahim Alulama	Compliance Committee	15,000	1
Mr. Abdulqader Obaid Ali	Compliance Committee	15,000	1
Mr. Saeed Rashid Al Yateem	Compliance Committee	15,000	1

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

N/A



D. Attendance at Board meetings for the year 2022

Date of meeting		Attendees	Attendees by proxy	Absent members
1	31st January 2022	9	-	-
2	28th April 2022	9	-	-
3	28th July 2022	8	-	Mr. Abdulwahid Abdulrahim Alulama
4	27th October 2022	9	-	-

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 4 resolutions by circulation during 2022 with the following dates:

- 2nd March – 6th March 2022
- 30th March – 4th April 2022
- 16th September – 20th September 2022
- 16th December - 20th December 2022

F. Duties and functions exercised by the Board or assigned to the Executive Management during 2022

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:

Power	Power Limits	Administrative Level Authorized	Notes
Organizational Processes			
Approval and amendment of authority matrix	-	Board of Directors	-
Approval of all policies, procedures, and related systems	-	Board of Directors	According to the mandate of the committees emanating from the Board of Directors
Approval of the organizational structure and amendments thereof	-	Board of Directors	-
Filing, reconciliation or concede lawsuits and arbitration for and on behalf of the Company	-	Chairman of the Board	According to the review and recommendation from the Audit Committee
Representing the company before the courts arbitration and other similar forums	-	Chairman of the Board	According to article 27 from articles of association & 155 from companies' law
Right to sign on behalf of the company individually	-	The Chairman of the Board or any other member delegat- ed by the Board of Directors within the approved limits	-
Approval of procedures manuals, decisions and administrative circulars regulating work activities	-	CEO	-
Approval of administrative circulars and internal instructions at Division level	-	The Division Head or his deputy in his absence	-
Approval of the general strategic plan and company's objectives	-	Board of Directors	-
Determining the dividend payout ratio to shareholders	-	Recommendation from the Board of Directors and ap- proved in the General Assembly	-
Formation, change and dissolution of executive committees	-	CEO	-

Authorization	Power Limits	Administrative Level Authorized	Notes
Procurement and Contracts			
Approval of direct purchase	Up to AED 50,000	Head of Procurement and Contracts	One quotation
	Up to AED 250,000	CFO & Head of Strategy	-
	Up to AED 500,000	CEO	-
	Above AED 500,000	Board of Directors	-
Contracting in practice	Up to AED 1,000,000	CEO	3 quotations to be obtained and recommendation shall be made by the Procurement, Tenders and Auctions Committee
	Above AED 1,000,000	Presented to the Board of Directors	
Approval of contracting by limited or general tender	Up to AED 5,000,000	CEO	-
	Above AED 5,000,000	Board of Directors	-
Deciding on bids	-	Procurement, Tenders and Auctions Committee	-
Signing approved contracts (including arbitration agreements and agreements including an arbitration clause)	Up to AED 5,000,000	CFO & Head of Strategy	Subject to the approval powers
	Up to AED 50,000,000	CEO	
	Above AED 50,000,000	Presented to the Board of the Directors	
Signing a memorandum of understanding/ limited representation agreement/sub- depositary/confidential information (including that included the arbitration clause)	-	CEO	-
Approval, modification, and assessment of the suppliers' list	-	Procurement, Tenders and Auctions Committee	-
Inspection and receipt of purchases	Up to AED 50,000	Administration Officer	In addition to a representative from the requestor department if needed
	Above AED 50,000	A temporary Committee shall be constituted for reception	The committee shall consist of representatives from requestor department, concerned parties, and admin team
Initial and final delivery of works and services	-	Form a technical Committee with expertise and competence	Assistance of expertise from outside the organization can be sought
Stationery Disbursement	-	Executive - Administrative Services	-
Approval of the disbursement of fixed assets and equipment from the store	-	Head of the Procurement and Contracts Department	-
Approval of the transfer assets outside the DFM building for business purposes	-	CFO & Head of Strategy	-
Approval of the annual assets count results	-	CEO	Upon recommendations of the annual assets count committee
Decision to dispose of depreciated assets	-	CEO	Net book value of the asset should not exceed AED 20,000

Power	Power Limits	Administrative Level Authorized	Notes
Fees			
Leasing DFM offices and determining the lease value	-	CEO	According to the recommendations of the Procurement Tenders and Auctions Committee
Defining & updating the service fees and penalties list according to the business requirements	-	CEO	Inform the Board of Directors of any change in the fees schedule
Credit Policy	Extension for more than 30 days up to 60 days	CFO & Head of Strategy	-
	Extension for more than 60 days up to 90 days	CEO	-
Discount/ Exemption from fees	As per the transaction fee, per transaction ✔ Up to AED 500,000 → 10% discount ✔ Above AED 500,000 up to AED 1,000,000 → 20% discount ✔ Above AED 1,000,000 → 30% discount	CEO	Applies to all fees applicable to Dubai Financial Market
	Full exemption of transfer fees from a governmental entity to another account, as per a supreme order from the ruler	CEO	-
	Full exemption of nominal fees for the application submitted by the higher and official authorities	Chief Operating Officer	-
	Full exemption of fees	CEO, shall not exceed AED 20,000	-
Market Maker Trading Fee	Waiver/full refund of market maker fees (all securities)	CEO	According to the approved program by the Board of Directors
			The exemption/refund fees and the performance report of the market maker should be presented to the Board of Directors on a quarterly basis or at the first meeting of the Board
Application of fines/penalties	-	The concerned Division Head or his representative in his absence	Within the limits of market regulations and policies
Lifting the violation penalty	For the first violation	CFO & Head of Strategy along with the concerned Division Head	In a single fiscal year
	For the following violation	CEO	In a single fiscal year
Write-off of receivables/assets	Up to AED 20,000	CFO & Head of Strategy	In a single fiscal year
	Above AED 20,000	Board of Directors	As per the recommendations of the Audit Committee
Investment			
Contributions to corporate capital, acquisitions, and purchases of shares	Unlimited amounts	Board of Directors	As per the recommendations of the Investment Committee
Subscription in funds and investment portfolios, Islamic sukuk and investment in the Islamic derivatives	Unlimited amounts	Board of Directors	As per the recommendations of the Investment Committee
Short Term Investment Deposit	Unlimited amounts	CEO	The authority includes liquidation of deposit before the maturity date while adhering to the investment policy
Long Term Investment Deposit	Up to AED 50,000,000	CEO	The authority includes liquidation of deposit before the maturity date while adhering to the investment policy
Monetization of Investments	-	Board of Directors	As per the recommendations of the Investment Committee

Signing cheques and bank transfers				
Limits	First Signature (Group A)	Second Signature (Group B)	Notes	
Up to AED 500,000	<ul style="list-style-type: none"><li>- Chairman</li><li>- CEO</li><li>- CFO &amp; Head of Strategy</li><li>- Head of Finance Department</li></ul>	<ul style="list-style-type: none"><li>- Chief Operating Officer</li><li>- Head of People and Talent Management Division</li></ul>	Required two signatures (one of A + one of B)	
Up to AED 50,000,000	<ul style="list-style-type: none"><li>- Chairman</li><li>- CEO</li><li>- CFO &amp; Head of Strategy</li></ul>	<ul style="list-style-type: none"><li>- Chief Operating Officer</li><li>- Head of People and Talent Management Division</li></ul>	Required two signatures (one of A + one of B) or (one of A + one of A)	
Above AED 50,000,000	<ul style="list-style-type: none"><li>- Chairman</li><li>- Vice Chairman</li></ul>	<ul style="list-style-type: none"><li>- CEO</li><li>- CFO &amp; Head of Strategy</li></ul>	Any two signatures (one of A + one of B) or (one of A + one of A) or (one of B + one of B)	

Financial settlement accounts	First Signature (Group A)	Second Signature (Group B)	Third Signature (Group C)	Notes
Unlimited amounts	<ul style="list-style-type: none"><li>- Chairman</li><li>- CEO</li><li>- CFO &amp; Head of Strategy</li><li>- Head of People and Talent Management Division</li><li>- Chief Operating Officer</li></ul>	<ul style="list-style-type: none"><li>- General Manager of Dubai Clear Company</li><li>- Deputy General Manager of Dubai Clear Company</li></ul>	<ul style="list-style-type: none"><li>- Head of Settlement Affairs Department, Dubai Clear Company</li><li>- Head of the Clearing Affairs Department, Dubai Clearing Company</li></ul>	Required two signatures (one of A + one of B) or Three signatures (2 of A + one of C)

Dividend distributions for Listed Companies	First Signature (Group A)	Second Signature (Group B)	Notes	
Up to AED 50,000,000	<ul style="list-style-type: none"><li>- General Manager of the Dubai Central Securities Depository Company</li><li>- Deputy General Manager of the Dubai Central Securities Depository Company</li><li>- Senior Vice President of Dubai Central Clearing and Depository Holding Company</li></ul>	<ul style="list-style-type: none"><li>- Head of Finance Department</li></ul>	Required 3 signatures (2 of A+ one of B)	
Above AED50,000,000	<ul style="list-style-type: none"><li>- Chairman</li><li>- Vice Chairman</li><li>- CEO</li><li>- CFO &amp; Head of Strategy</li><li>- Head of People and Talent Management Division</li></ul>	<ul style="list-style-type: none"><li>- General Manager of the Dubai Central Securities Depository Company</li><li>- Deputy General Manager of the Dubai Central Securities Depository Company</li><li>- Senior Vice President of Dubai Central Clearing and Depository Holding Company</li></ul>	Required two signatures (One of A + one of B)	
Open/close all bank accounts with local or foreign banks	<ul style="list-style-type: none"><li>- Chairman and Vice Chairman of the Board of Directors</li></ul>		Required two signatures	
Open/close accounts with brokers	<ul style="list-style-type: none"><li>- CEO and CFO &amp; Head of Strategy</li></ul>		Required two signatures (considering the investment or sale under clauses 34 and 37)	



Power	Power Limits	Administrative Level Authorized	Notes
Financing			
Borrowing and credit facilities	Unlimited amounts	Subject to the approval of the Board of Directors and delegation authority to sign the loan or facilities agreement	As per article of association
Renewal of bank credit facilities	Unlimited amounts	CEO	Comply with all conditions of the original credit
Donations/giveaways			
Monetary donation and voluntary contributions	It shall not exceed 2% of the average net profits of the company during the two fiscal years preceding the year of submitting such voluntary contributions	Upon a decision of the Board of Directors and approved as per the authority matrix	As per article of association
Budget & Financial Reports			
Budget approval and amendment	-	Board of Directors	-
Transfer budget provisions	From one item to another	CEO	Not exceeding the overall approved limit
	From one account to another in the same category	CFO & Head of Strategy	-
Approval of the interim financial statements	-	Board of Directors	After the approval of the Audit Committee
		CEO	In the event of a lack of a quorum for the Board of Directors
Approval of the audited annual financial statements	-	Board of Directors	After the approval of the Audit Committee
Human Resources			
Approval of the appointment and recruitment plan for the Dubai Financial Market Group	Board of Directors	-	Based on the recommendations of Nominations and Remunerations Committee
Interviewing and selecting CEO and his Deputy within the Dubai Financial Market Group	Nominations and Remunerations Committee	-	As per the approved recruitment plan by the Board of Directors
Signing the job offer, employment contract and acceptance of resignation or dismissal and transfer of the CEO and his Deputy within the Dubai Financial Market Group	Chairman	-	As per the approval of the Board of Directors
Interviewing, approving, and signing job offers and employment contracts and acceptance of resignation, dismissal, promotion, and transfer of Divisions Head & executive managers, as per the organizational structure	CEO	-	Subject to the approval of the Chairman
Signing the job offers and employment contracts, dismissal, and acceptance of resignation for employees, except for the position of CEO and his Deputy	CEO	-	As per the approved recruitment plan by the Board of Directors Comply with the internal procedures
Promoting employees (including grade, job title or financial position)	CEO	With the respective Division Head	As per the approved recruitment plan by the Board of Directors Comply with the internal procedures
Transfer of employees with grade & title modifications (without effect the financial grade)	CEO	With the respective Division Head	Comply with the internal procedures

Authorization	Limit	Authorized Position	Notes
Repayment of fraud cases			
Refund of fraud related cases maximum AED 10,000 in a year and 5000 per case	-	CEO	Based on the procedures and recommendations of the Financial Services Division
Above that amount or refund for same investor more than once	-	BOD	Based on the procedures and recommendations of the Financial Services Division

G. Related parties’ Transactions during 2022

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.

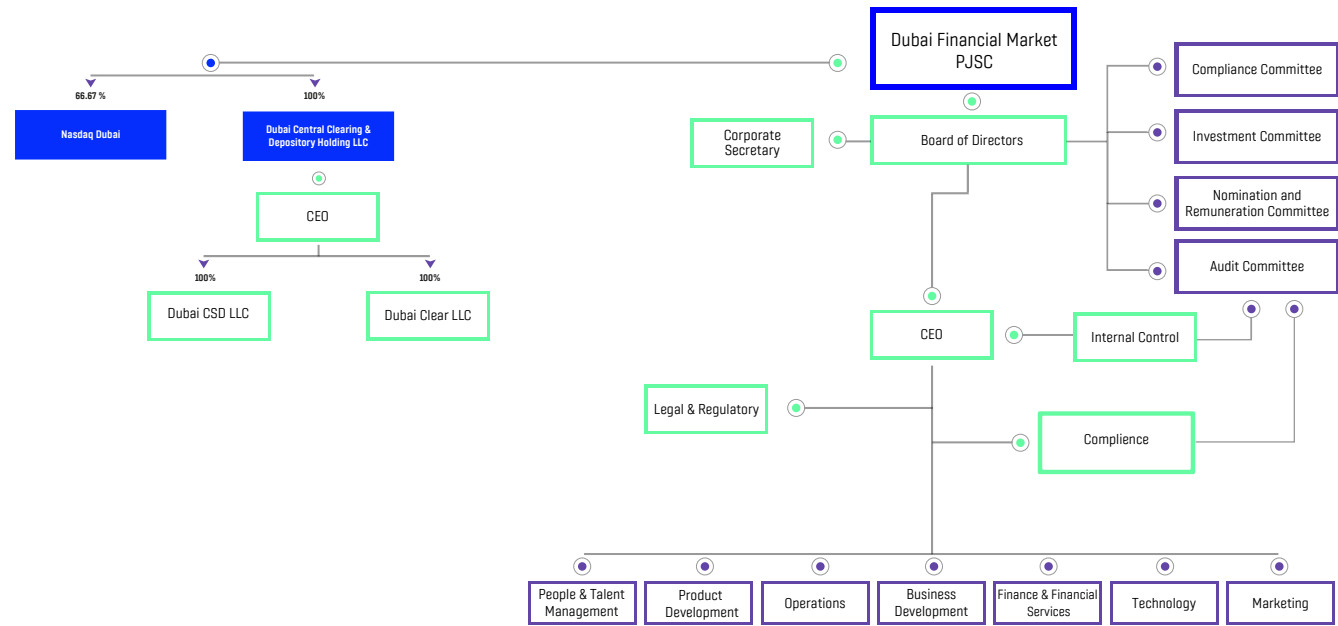
In light of the above definitions, the DFM did not engage in any transactions with related parties during 2022

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 2022 approved, via a special resolution for the year 2022, related party transactions in excess of 5% and up to 30% of DFM's share capital.

H. DFM organizational structure



I. Executive Management’s salaries and remuneration details

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

Name	Designation	Date of Appointment	Total Salaries and Allowances for 2022 (AED)	Total Paid Bonuses for 2022 (AED)	Total of other Cash/non-Cash Benefits for 2022 (AED)
Mr. Hamed Ali	Chief Executive Officer (CEO)	27th July 2020	1,939,536	-	-
Mr. Khalifa Rabba	Chief Operating Officer (COO)	3rd August 2002	846,425	-	-
Mr. Jamal AlKhadhar	Head of People & Talent Management	1st June 1999	1,504,939	-	-
Mr. Ali Al Hashimi	Chief Financial Officer (CFO) and Head of Strategy	2nd August 2009	1,244,438	-	-
Mrs. Fatma Al Hammadi	Chief Marketing Officer (CMO)	17th June 2006	623,447	-	-
Mr. Muhammad Galsulkar	Chief Technology Officer (CTO)	4th April 2022	734,982	-	-
Mr. Eric Salomons	Executive Vice President - Head of Product Development	20th June 2022	732,167	-	-
Mr. Tahir Mahmood	Senior Vice President – Head of Business Development	9th July 2013	1,110,278	-	-
Mrs. Maryam Fikri*	CEO of DCCD, CEO of Dubai CSD, Principal Advisor of Dubai Clear	1st June 1999	905,251	-	1,705,775
Mr. Khaled Hawas**	Senior Vice President - Head of Technology Dept.	25th July 2010	455,856	-	718,575

\* Mrs. Maryam Fikri resigned effective 30th June 2022.

\*\* Mr. Khaled Hawas resigned effective 26th July 2022.

4. The External Auditor

A. Brief of the external auditor for Shareholders:

Pricewaterhouse Coopers (PwC) has operated in the Middle East region for more than 40 years. Collectively, PwC 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.

PwC has experience in industries including aviation, government, energy and utilities, financial services and banking, retail, construction and engineering, manufacturing, entertainment, and telecoms.

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	Mr. Jigesh Shah
Number of years it served as the company external auditor	3 years
Number of years the partner has spent auditing the company	Mr. Jigesh Shah appointed in October 2022
Total audit fees for 2022	AED 360,000 (DFM & the 100% owned subsidiaries)
Fees and costs of other private services other than auditing the financial statements for 2022	- Valuation study in the value of USD 55,000 - Tax services in the value of GBP 25,000
Details and nature of the other services	-
Statement of other services that another external auditor other than the Company's auditor provided during 2022	Services offered by the auditing firm Deloitte: - Fair valuation of acquisition study in the value of USD 53,000 - Assessment of the current Anti Money Laundering framework and internal control in the value of USD 60,000  Services offered by the auditing firm Ernst & Young: - Evaluation of tax compliance procedures with the Foreign Account Tax Compliance Act (FATCA) for Dubai Clear in the value of USD 4,000 - Evaluation of tax compliance procedures with the Foreign Account Tax Compliance Act (FATCA) for Dubai Clear in the value of USD 17,500

C. Auditor’s qualified opinions included in the interim and annual financial statements for 2022

There are no qualifications that the auditor included in the financial statements for the year 2022.

5. The Audit Committee

A. Mr. Abdulqader Obaid Ali, 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.

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
Mr. Abdulqader Obaid Ali	Chairman
Mr. Saeed Rashid Al Yateem	Member
Mr. Mohammed Humaid Al Marri	Member

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 reports and the external reports such as Dubai Financial Audit Authority (FAA), and SCA, etc., 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 (transparency@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.
- Approving the proposed polices of DFM insider trading, transparency policy, and escalation policy.

C. The Audit Committee meetings held in 2022

Meeting date	Attendees	Absent Members
26th January 2022	3	-
25th April 2022	3	-
7th June 2022	3	-
27th July 2022	3	-
24th October 2022	3	-
8th December 2022	3	-

6. The Nomination and Remuneration Committee

A. H.E. Wesam Al Abbas Lootah, 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.

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
H.E. Wesam Al Abbas Lootah	Chairman
Mr. Abdulwahid Abdulrahim Alulama	Member
Mrs. Moaza Saeed Al Marri	Member

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 2022

Meeting date	Attendees	Absent Members
27th January 2022	3	-
27th April 2022	3	-
18th – 20th October 2022	3	By circular
15th December 2022	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 El Gebali, Legal Office
- Sumayya Husain Al Blooshi, Dubai CSD
- Fatma Bin Qidad, Dubai Clear
- Maryam Ali Murad, People & Talent Management Department
- Reda Farouk Shehata, Department of Internal Control - Rapporteur of the Committee

The following are the duties of the 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 2022, the Insider Trading Committee held 4 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

A. Investment Committee

Mr. Yuvraj Narayan, Chairman of the Investment Committee, acknowledges his responsibility for the Committee’s framework in the Company and for his review of its work mechanism and ensuring its effectiveness.

Members of the Investment Committee, and duties

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

Name	Membership
Mr. Yuvraj Narayan	Chairman
H.E. Wesam Al Abbas Lootah	Member
Mrs. Huda Sabil Mohamed	Member

The following are the duties of the Investment Committee:

1. Report to the Board and communicate any issues that may arise with respect to DFM’s investments.
2. Recommend to the Board of Directors that it deems appropriate and necessary, on any area within its functions where action or improvement is needed.
3. Serve as subject matter experts with regard to investments and provide their expertise as necessary
4. Annually report to the Board summarising its activities, conclusions and recommendations during the previous year and such other matters as considered appropriate.
5. Annually review and self-evaluate the performance of the Committee.

Meetings held by the Investment Committee during 2022

Meeting date	Attendees	Absent Members
27th January 2022	2	Mr. Yuvraj Narayan
18th April 2022	3	-
17th June 2022	3	-

B. Compliance Committee

Mr. Abdulwahid Abdulrahim Alulama, Chairman of the Compliance Committee, acknowledges his responsibility for the Committee’s framework in the Company and for his review of its work mechanism and ensuring its effectiveness.

Members of the Compliance Committee, and duties

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

Name	Membership
Mr. Abdulwahid Abdulrahim Alulama	Chairman
Mr. Abdulqader Obaid Ali	Member
Mr. Saeed Rashed Al Yateem	Member

The Following are the duties of Compliance Committee:

1. Review and reassess the adequacy of the Market Supervision framework applied by the Market with respect to its self-regulatory responsibilities to ensure alignment with applicable laws and regulations and recommend to the Board any changes deemed appropriate.
2. The Committee shall review and monitor the supervision framework of the Market to promote a transparent, efficient, and orderly operation of the Market, and to support the enforcement of applicable rules and regulations in collaboration with relevant authorities

3. Assess the Market’s supervision performance, and assist the Board and the Board’s other committees in reviewing the Market’s supervision plan and overall effectiveness of the Market’s supervision functions.
4. To monitor emerging corporate governance trends and oversee and evaluate the Market’s supervision policies and programs and recommend to the Board of Directors such changes the Committee believes necessary or desirable.
5. Review significant regulatory changes made by the Authority that may impact the Market.
6. Meet with the Head of Market Supervision of the Company to discuss the performance of the Market’s supervision and self-regulatory functions, whether conducted internally or outsourced, including, among others, market surveillance, market disclosure, member examinations and enforcement.
7. Assess and confer with management with respect to staffing and other resources for the Market’s supervision functions.
8. Report and provide recommendations to the Board at each regular meeting of the Board.
9. Annually review and self-evaluate the performance of the Committee.

Meetings held by the Investment Committee during 2022

Meeting date	Attendees	Absent Members
26th January 2022	3	-

9.Internal Control Framework:

A. The Board of Directors acknowledges their 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 (ICD) reports administratively to the Senior 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 ICD 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:

- Audit objectives.

- Audit scope.

- Audit methodology.

- Audit results.

- Evaluating observations in terms of risk levels.

- 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, Dubai Electronic Security Centre (DESC) 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 ICD.

• Updating the internal auditing charter as per the latest revision of IIA standards and approve it from audit committee.
- CORPORATE GOVERNANCE

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- B. Head of Department, qualifications and date of appointment
- 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) –2008.

• Certified Quality Auditor in ISO 9001:2000 from IRCA –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 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: Senior 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: Senior 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
- Fatma Lootah: Group Head of Compliance
- Qualifications:
- Master’s in Law (LLM) from University of Pantheon– Assas Paris II – 2021

• Bachelors of Sciences (B.S) in Accounting – 2018

• Certificate in Compliance from the International Compliance Association in association with The University of Manchester Alliance Manchester Business School – 2023
- Date of appointment: 31 January 2023
- 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 2022. 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 33-audit engagements and issued the following reports during 2022:

- 12 reports for compliance with rules, regulations, policies, procedures;
- 10 reports for information security, and information technology;
- 1 Shari’a audit report.

10. Violations committed in 2022, their causes, treatment, and avoidance of recurrence

The DFM didn’t commit any violations during 2022 or during the previous years.

11. DFM’s contributions to the development of local communities and to environmental protection during 2022

DFM made several contributions in terms of developing the local communities that included asset donations to charity associations, applying digital non-printing environment policies, engaging with “Bee’ah” recycling initiative; a renowned environmental protection company. Further details are available in the ESG section of this report.

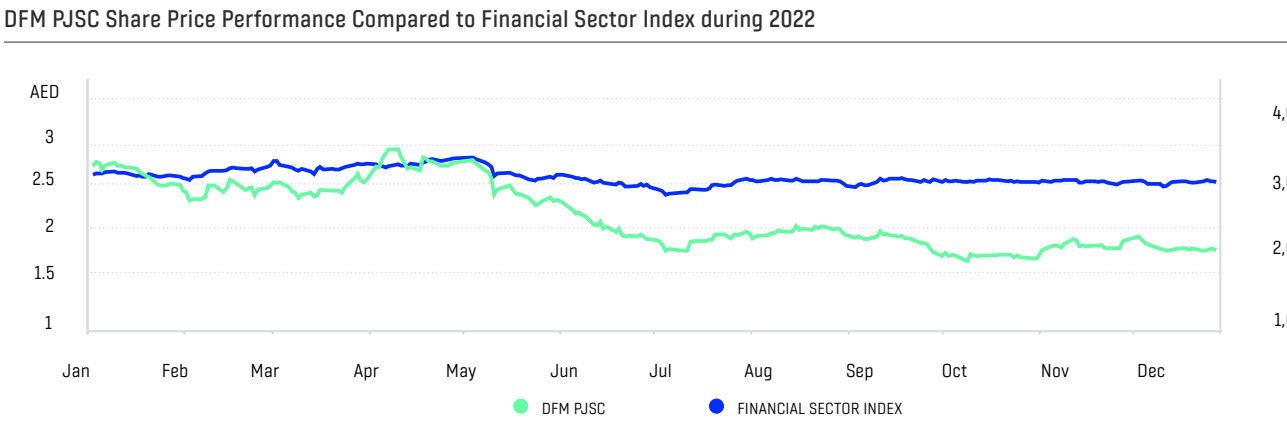
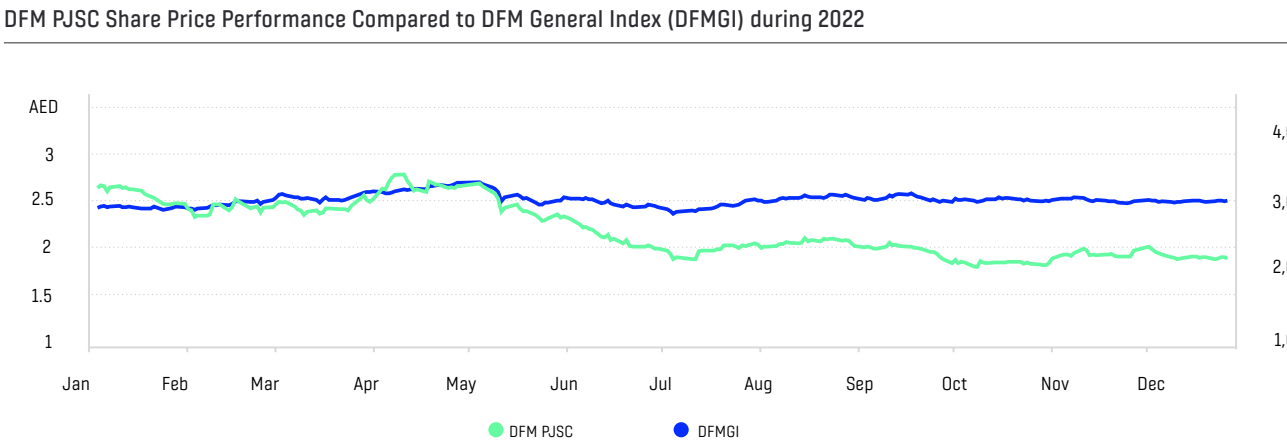
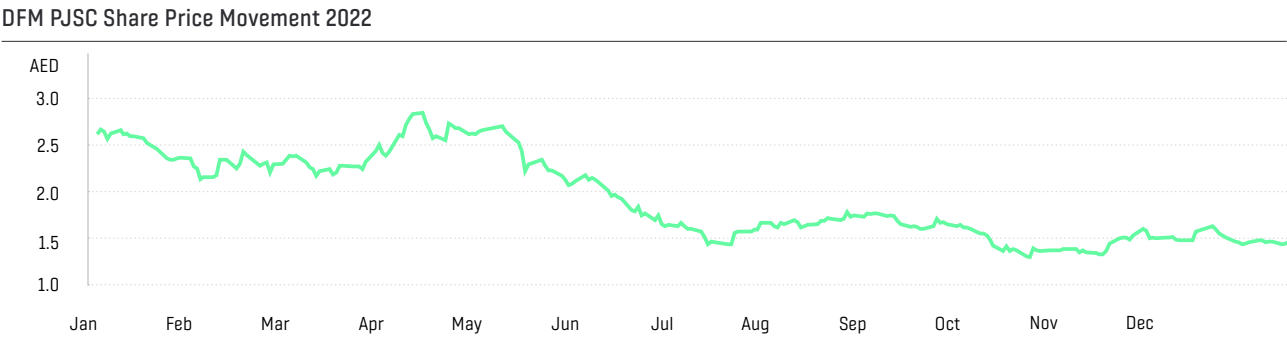
12. General information

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 2022

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)	Financials Index (Index figure)
January	2.74	2.29	2.38	3,203.08	2,416.75
February	2.46	2.15	2.33	3,354.64	2,549.3
March	2.56	2.19	2.41	3,526.6	2,587.59
April	2.95	2.40	2.67	3,719.63	2,659.38
May	2.73	2.04	1.16	3,347.24	2,399.45
June	2.21	1.66	1.66	3,223.29	2,312.8
July	1.75	1.46	1.71	3,337.96	2,368.1
August	1.86	1.67	1.79	3,443.11	2,359.33
September	1.80	1.48	1.49	3,339.15	2,381.43
October	1.51	1.36	1.41	3,331.76	2,351.51
November	1.70	1.36	1.63	3,323.96	2,348.51
December	1.75	1.47	1.51	3,336.07	2,354.84

B. DFM PJSC share performance compared to DFM General Index and Sector Index during 2022





C. Distribution of shareholder equity according to percentage of ownership on 31st December 2022 (individuals, companies, governments) classified as follows: Local, Arab, and Foreign

Shareholder classification	Percentage of Ownership*			
	Individuals	Companies	Government	Total
Local	9.730%	84.114%	0.004%	93.848%
Arab**	2.344%	0.314%	-	2.658%
Foreign	1.178%	2.316%	-	3.494%
Total	13.252%	86.744%	0.004%	100.00%

\* 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 2022 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 2022 is as follows:

Share Ownership	No. of Shareholders	No. of Owned Shares	Ownership Percentage of Capital*
Less than 50,000	24,369	135,397,614	1.69%
50,000 to less than 500,000	2,133	314,137,243	3.93%
500,000 to less than 5,000,000	394	523,401,343	6.54%
More than 5,000,000	41	7,027,063,800	87.84%
Total	26,937	8,000,000,000	100.00%

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

F. Investor Relations Controls

DFM is committed to delivering exceptional investor communications by adhering to global best practices in Investor Relations. A dedicated team serves the investor community by ensuring continuous engagement through various channels, including our investor relations website and periodic publications. We are committed to providing transparent and accurate information to our investors in a timely manner, while also implementing robust controls to mitigate potential risks.

For further information, please contact Investor Relations Manager:

Ms. Moza Alshafar

Tel.: +971 4 305 5447

E-mail: [IR@dfm.ae](mailto:IR@dfm.ae)

Or visit DFM Website at

<https://www.dfm.ae/en/discover-dfm/investor-relations>

G. Significant special resolutions presented in the Annual General Assembly Meeting held during 2022 and implemented procedures.

The General Assembly for the year 2021 held on 22nd March 2022 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 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. Haitham 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 Tilal

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 2022.

J. Emiratization percentage in DFM is as follows:

Year	Emiratization (%)
2020	57%
2021	59%
2022	54%

K. Innovative projects and initiatives during 2022

DFM carried out several innovative projects and initiatives during 2022, mostly focusing on adding a bundle of new services, enhancing market accessibility, and improving business infrastructure.

On the other hand, the market has worked diligently to develop its technological infrastructure and further enhanced digital onboarding of investors platform as well as applying governance best practices.

Signature of the Board  
Chairman



Date: 20/02/2023

Signature of Audit Committee  
Chairman



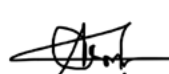
Date: 20/02/2023

Signature of the Nomination  
and Remuneration Committee  
Chairman



Date: 20/02/2023

Signature of the Head of  
Internal Control Department



Date: 20/02/2023

Signature of the Investment  
Committee Chairman



Date: 20/02/2023

Signature of the Compliance  
Committee Chairman



Date: 20/02/2023



# FATWA AND SHARI’A SUPERVISORY BOARD REPORT

## Accomplishments of Fatwa and Shari’a Supervisory Board during 2022

### Market products

The Fatwa and Shari’a Supervisory Board reviewed the mechanism of the products that were presented during the year 2022 and clarified the Shari’a opinion regarding the same, as well as provided relevant Shari’a advice and consultations so that the products are compliant with the relevant Shari’a standards.

### Shari’a Audit

The Fatwa and Shari’a Supervisory Board reviewed the reports prepared by the Shari’a Audit Section. The Board also gave its recommendations on these reports before their approval, as well as reviewed the Shari’a section on the DFM website.

### Fatwas

The Fatwa and Shari’a Supervisory Board responded to all Shari’a-related inquiries that were raised during 2022, 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 Audit Section in accordance with DFM Standard on Issuing, Acquiring and Trading Shares.

### Calculation of non-Shari’a-compliant income for 2021

The Fatwa and Shari’a Supervisory Board reviewed and approved the total amount of non-Shari’a-compliant income for 2021 and the proportion related to each share.

### Review of 2021 Zakat Calculation

The Fatwa and Shari’a Supervisory Board has reviewed and approved the calculation of Zakat for DFM PJSC, payable for 2021, which was prepared by the Shari’a Audit Section, in light of DFM Zakat workout sheet. Subsequently, the Board has invited DFM shareholders to pay the Zakat during the Annual General Assembly Meeting held in 2022.

### Revision of DFM Shari’a Standards

The Fatwa and Shari’a Supervisory Board initiated the review of the DFM Standard on Issuing, Acquiring and Trading Shares, and proposed some amendments considering the updates in other Shari’a standards.

### Moosa Tariq Khoory

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



# 05. REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022





# 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 2022, 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 2022;
- 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.

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T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, [www.pwc.com/me](http://www.pwc.com/me)  
Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of goodwill and other intangible assets</i></p> <p>We considered the carrying value of goodwill and other intangible assets of AED 2.9 billion and AED 1.9 billion, respectively, as at 31 December 2022 to be a key audit matter because of their significance and the judgement involved in testing such items for impairment. Together they account for 51% 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>Refer to Notes 4.2, 4.3, 5 and 6 to the consolidated financial statements for details.</p>	<p>Goodwill was tested by management for impairment as at 31 December 2022, 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 2022. We performed the following audit procedures on goodwill and other intangible assets included in the Group's consolidated financial statements for the year ended 31 December 2022.</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>

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.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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 Decree Law No. 32 of 2021 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, 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 Decree Law No. 32 of 2021, 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 Decree Law No. 32 of 2021;
- iii) the Group has maintained proper books of account;
- iv) as disclosed in note 27.5 to the consolidated financial statements the Group has purchased or invested in shares during the year ended 31 December 2022;
- 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 2022 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or in respect of the Company, its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2022; and
- vii) as disclosed in Note 31 to the consolidated financial statements, the Group has not made any material monetary social contributions during the year ended 31 December 2022.

PricewaterhouseCoopers  
31 January 2023



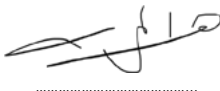
Rami Sarhan  
Registered Auditor Number 1152  
Place: Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Notes	2022 AED'000	2021 AED'000
ASSETS			
Non-current assets			
Goodwill	6	2,878,874	2,878,874
Other intangible assets	6	1,920,631	1,977,120
Property and equipment	7	320,469	335,257
Financial assets measured at fair value through other comprehensive income (FVTOCI)	8	969,455	813,221
Investment at amortised cost	9	273,990	296,071
Investment deposits	10	204,189	222,225
Total non-current assets		6,567,608	6,522,768
Current assets			
Prepaid expenses and other receivables	11	143,750	124,775
Investment deposits	10	2,313,230	3,031,117
Cash and cash equivalents	12	469,401	258,990
Total current assets		2,926,381	3,414,882
Total assets		9,493,989	9,937,650
EQUITY AND LIABILITIES			
Equity			
Share capital	13	8,000,000	8,000,000
Treasury shares		(4,364)	(4,364)
		7,995,636	7,995,636
Investments revaluation reserve – FVTOCI	14	(693,211)	(742,729)
Statutory reserve	14	493,156	478,445
Retained earnings		134,727	211,322
Equity attributable to owners of the company		7,930,308	7,942,674
Non-controlling interest		17,241	20,458
Total equity		7,947,549	7,963,132
Non-current liabilities			
Subordinated loan	15	32,189	31,837
Lease liabilities	16	-	7,570
Provision for employees’ end of service benefits	17	23,162	22,277
Total non-current liabilities		55,351	61,684
Current liabilities			
Payables and accrued expenses	18	1,470,424	1,798,671
Dividends payable	15, 19	3,087	103,087
Due to related parties	15	17,578	11,076
Total current liabilities		1,491,089	1,912,834
Total liabilities		1,546,440	1,974,518
Total equity and liabilities		9,493,989	9,937,650

These consolidated financial statements were approved on 31 January 2023 by the Board of Directors and signed on its behalf by:



Chairman

The notes on pages 110 to 139 form an integral part of these consolidated financial statements. The independent auditor’s report is set out on page 100-104.

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Income			
Trading commission fees		200,493	168,078
Brokerage fees		13,646	14,571
Clearing, settlement and depository fees		25,679	18,205
Listing and market data fees		9,981	9,813
Other Fees		7,108	5,139
Operating income		256,907	215,806
Investment income	20	79,989	72,208
Dividend income	21	13,781	6,857
Other income		320	3,196
Profit income	22	3,639	-
Total income		354,636	298,067
Expenses			
General and administrative expenses	23	(149,577)	(139,533)
Amortisation of other intangible assets	6	(56,489)	(56,489)
Interest expense	15, 16	(1,035)	(2,904)
Operating expenses		(207,101)	(198,926)
Profit expense	22	(3,639)	-
Total expenses		(210,740)	(198,926)
Net profit for the year		143,896	99,141
Profit attributable to:			
Owners of the company		147,113	103,840
Non-controlling interest		(3,217)	(4,699)
		143,896	99,141
Basic and Diluted Earnings per share - AED	24	0.018	0.013

The notes on pages 110 to 139 form an integral part of these consolidated financial statements.  
The independent auditor's report is set out on page 100-104.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	2022 AED'000	2021 AED'000
Net profit for the year	143,896	99,141
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	49,518	94,756
Total comprehensive income for the year	193,414	193,897
Attributable to:		
Owners of the Company	196,631	198,596
Non-controlling interest	(3,217)	(4,699)
	193,414	193,897

The notes on pages 110 to 139 form an integral part of these consolidated financial statements.  
The independent auditor's report is set out on page 100-104.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	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
As at 1 January 2021	8,000,000	(4,364)	(841,395)	468,062	152,964	7,775,267	25,275	7,800,542
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
Transactions with owners of the Company								
Appropriation of non-sharia compliant income (Note 26)	-	-	-	-	(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)
Others	-	-	-	-	(239)	(239)	(118)	(357)
As at 31 December 2021	8,000,000	(4,364)	(742,729)	478,445	211,322	7,942,674	20,458	7,963,132
As at 1 January 2022	8,000,000	(4,364)	(742,729)	478,445	211,322	7,942,674	20,458	7,963,132
Net profit for the year	-	-	-	-	147,113	147,113	(3,217)	143,896
Fair value changes on financial assets measured at fair value through other comprehensive income (FVOCI)	-	-	49,518	-	-	49,518	-	49,518
Total comprehensive income for the year	-	-	49,518	-	147,113	196,631	(3,217)	193,414
Transactions with owners of the Company								
Dividends declared, net of appropriation of non-sharia compliant income (Note 19)	-	-	-	-	(192,135)	(192,135)	-	(192,135)
Appropriation of non-sharia compliant income (Note 26)	-	-	-	-	(16,824)	(16,824)	-	(16,824)
Transfer to statutory reserve (Note 14)	-	-	-	14,711	(14,711)	-	-	-
Zakat	-	-	-	-	(38)	(38)	-	(38)
As at 31 December 2022	8,000,000	(4,364)	(693,211)	493,156	134,727	7,930,308	17,241	7,947,549

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	2022 AED'000	2021 AED'000
Cash flows from operating activities			
Net profit for the year		143,896	99,141
Adjustments for:			
Depreciation of property and equipment	7	21,799	23,194
Provision for employees' end of service benefits	17	2,674	2,774
Amortisation of other intangible assets	6	56,489	56,489
Interest expense		1,035	2,904
Investment income	20	(79,989)	(72,208)
Dividend income	21	(13,781)	(6,857)
Profit income	22	(3,639)	-
Profit expense	22	3,639	-
Provision for expenses		-	2,905
Operating cash flows before changes in operating assets and liabilities		132,123	108,342
Increase in prepaid expenses and other receivables		(1,521)	(810)
(Decrease) / increase in payables and accrued expenses		(293,930)	238,158
Increase / (decrease) in due to a related party		6,502	(1,329)
Cash (used in)/generated from operations		(156,826)	344,361
Employees' end of service benefits paid	17	(1,789)	(6,042)
Net cash generated from operating activities		(158,615)	338,319
Cash flows from investing activities			
Purchase of property and equipment	7	(8,218)	(6,567)
Movement in investment deposits		735,923	(160,787)
Purchase of financial assets measured at FVTOCI		(115,000)	(261,536)
Purchase of investments at amortised cost		(37,097)	-
Redemptions of financials assets measured at FVTOCI and investments at amortised cost		67,427	215,637
Investment deposit income received		61,150	82,562
Dividends received	21	13,781	6,857
Net cash generated from/(used in) investing activities		717,966	(123,834)
Cash flows from financing activities			
Lease liabilities	16	(9,067)	(9,670)
Dividends paid to shareholders	15,19	(339,873)	(366,500)
Net cash used in financing activities		(348,940)	(376,170)
Net (decrease) / increase in cash and cash equivalents		210,411	(161,685)
Cash and cash equivalents at the beginning of the year		258,990	420,675
Cash and cash equivalents at the end of the year	12	469,401	258,990

During the year ended 31 December 2022, the principal non-cash transactions relate to the recognition of right-of-use assets amounting to AED 8 million (31 December 2021: AED 18 million) and lease liabilities amounting to AED 8 million (31 December 2021: AED 18 million) respectively. (Refer to Note 16).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2022

## 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 (“UAE”), 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 Decree Law No. 32 of 2021 (“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 2021: 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 2022 and 2021 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 25).

### Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was previously gazetted on 10 October 2022, becoming law 15 days later. The Corporate Tax regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance).

However, there are a number of significant decisions that are yet to be finalised by way of a Cabinet Decision, including the threshold mentioned above, that are critical for entities to determine their tax status and the amount of tax due. Therefore, pending such important decisions by the Cabinet, the Group has determined that the Law was not practically operational as at 31 December 2022, and so not enacted or substantively enacted from the perspective of IAS 12 – Income Taxes. The Group shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine its tax status and the applicability of IAS 12 – Income Taxes.

The Group is currently in the process of assessing the possible impact on its consolidated financial statements, both from current and deferred tax perspective, once the Law becomes substantively enacted.

## 2. Basis of preparation

### (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 laws of the United Arab Emirates.

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 Group is in the process of reviewing the new provisions and will apply the requirements thereof.

### (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 (FVTOCI). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

### (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.

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 2022, 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.

- **Narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16**

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 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

- **IFRIC Agenda decision – Lessor forgiveness of lease payments (IFRS 9 and IFRS 16)**

In October 2022, the IASB finalised the agenda decision approved by the IFRS Interpretation Committee (IFRS IC) on ‘Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)’. The agenda decision addresses the accounting from the perspective of the lessor, and in particular:

- i. how the expected credit loss (‘ECL’) model in IFRS 9 should be applied to the operating lease receivable when the lessor expects to forgive payments due from the lessee under the lease contract before the rent concession is granted.
- ii. whether to apply the derecognition requirements in IFRS 9 or the lease modification requirements in IFRS 16 when accounting for the rent concession.

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

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (Effective for annual periods beginning on or after 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.

- **Amendment to IFRS 16 – Leases on sale and leaseback (Effective for annual periods beginning on or after 1 January 2023)**

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendment to IAS 1 – Non current liabilities with covenants (Effective for annual periods beginning on or after 1 January 2024)**

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

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 relevant new standards and amendments to published standards or International Financial Reporting 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 2022 that would be expected to have a material impact on the consolidated financial statements of the Group.

4. Summary of significant accounting policies

The accounting policies used in the preparation of these consolidated financial statements are consistent with those audited annual consolidated financial statements for the year ended 31 December 2021.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

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	50 years
--	----------

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.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. 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. The impairment policy is disclosed in detail in note 4.8.

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 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; FVTOCI – debt investment; FVT OCI – 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 FVTOCI 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 solely 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 21) 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 FVTOCI;
- 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 FVTOCI 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 FVTOCI, 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 2022 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 unalloted, these are recognised as a deduction from equity. Unalloted 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 which is determined 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.

Each lease payment is allocated between the liability and

finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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 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 employees’ 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
Cost		
At 1 January 2021 and 2022	2,878,874	2,824,455
Amortisation		
At 1 January 2022	-	847,335
Charge for the year	-	56,489
At 31 December 2022	-	903,824
At 1 January 2021	-	790,846
Charge for the year	-	56,489
At 31 December 2021	-	847,335
Carrying amount		
At 31 December 2022	2,878,874	1,920,631
At 31 December 2021	2,878,874	1,977,120

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 2022 (31 December 2021: 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 2022 and a control premium (net of costs to sell) of 15% (31 December 2021: 15%) to calculate the recoverable amount.

The estimated recoverable amount of the CGU is AED 13,892 million as at 31 December 2022 which exceeds its carrying amount of AED 7,947 million by approximately AED 5,945

million (31 December 2021: AED 18,165 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 2022:

Closing quoted market price as at 31 December 2022	AED 1.51 / share
Control premium - net of costs to sell	15%

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

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 2022 and there is no impairment of the goodwill as at that date.



7. Property and equipment

	Capital work-in-progress								
	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	Total AED'000
Cost									
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)	-	-	-
At 31 December 2021	108,862	47,005	23,012	26,936	137	1,367	56,280	231,306	494,905
Additions	2,369	-	25	321	-	5,503	-	-	8,218
Disposals	(5,699)	(1,948)	-	(620)	-	(339)	-	-	(8,606)
Transfers	803	-	-	38	-	(841)	-	-	-
At 31 December 2022	106,335	45,057	23,037	26,675	137	5,690	56,280	231,306	494,517
Accumulated depreciation									
At 31 December 2020	125,665	19,438	17,881	21,384	137	-	-	-	184,505
Charge for the year	9,480	9,719	1,648	2,347	-	-	-	-	23,194
Disposals	(45,767)	-	-	(2,284)	-	-	-	-	(48,051)
At 31 December 2021	89,378	29,157	19,529	21,447	137	-	-	-	159,648
Charge for the year	9,029	9,615	1,661	1,494	-	-	-	-	21,799
Disposals	(5,380)	(1,472)	-	(547)	-	-	-	-	(7,399)
At 31 December 2022	93,027	37,300	21,190	22,394	137	-	-	-	174,048
Carrying Amount									
At 31 December 2022	13,308	7,757	1,847	4,281	-	5,690	56,280	231,306	320,469
At 31 December 2021	19,484	17,848	3,483	5,489	-	1,367	56,280	231,306	335,257

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

	2022 AED'000	2021 AED'000
Designated as equity instruments		
Investment in equity securities	393,547	257,564
Managed funds – Note 8.1	313,678	275,711
Investment in sukuk- Note 8.2	262,230	279,946
	969,455	813,221

The Group has made an irrevocable election to designate investment in equity securities, managed funds and investment in Tier 1 Bank sukuk as FVTOCI 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:

	2022 AED'000	2021 AED'000
- Within U.A.E.	893,043	734,050
- Outside U.A.E.	76,412	79,171
	969,455	813,221

- 8.1 Managed funds include funds of AED 296 million (31 December 2021: AED 258 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 carry profit rates ranging from 3.375% to 5% per annum (31 December 2021:3.375% to 5% per annum), which are payable at the discretion of the issuers.

9. Investments at amortised cost

	2022 AED'000	2021 AED'000
Investments in sukuks	273,990	296,071

Investments in sukuk in the UAE mature in 5-9 years and carry fixed profit rates ranging from 2.591% -5% per annum (31 December 2021: 3.2% - 5.112%) per annum.

10. Investment deposits

	2022 AED'000	2021 AED'000
Current:		
Investment deposits maturing in less than 3 months	36,730	371,117
Investment deposits maturing up to 1 year but more than 3 months	2,276,500	2,660,000
	2,313,230	3,031,117
Non-current:		
Investment deposits maturing after 1 year	204,189	222,225
	2,517,419	3,253,342

- 10.1 Investment deposits are placed with financial institutions in the UAE, and carry profit rates ranging from 2.80% to 5.50% (2021: 1.20 % to 1.65%) per annum.
- 10.2 Investment deposits of AED 36.73 million (2021: 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 2022 aggregate AED 1,266 million (31 December 2021: AED 1,151 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 1,130 million (31 December 2021: AED 1,010 million), investments at amortised cost of AED 93 million (31 December 2021:

AED 100 million) and mudarabah and current accounts of AED 43 million (31 December 2021: AED 41 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 consolidated statement of income.

10.4 The prior year investment deposits include AED 430 million which represent funds from margin deposits which have been placed by a related party. Refer to Notes 15.1 and 18.2.

11. Prepaid expenses and other receivables

	2022 AED'000	2021 AED'000
Accrued income on investment deposits	37,677	19,518
Central counterparty balances (Note 11.1)	91,174	92,340
Prepaid expenses	5,956	5,948
Accrued trading commission fees	1,134	1,003
Other receivables	5,312	2,542
Due from brokers	1,041	1,998
VAT receivable on capital expenditure	2,210	2,641
	144,504	125,990
Less: allowance for doubtful debts	(754)	(1,215)
	143,750	124,775

Net movement in allowance for doubtful debts:

	2022 AED'000	2021 AED'000
Opening balance	1,215	738
(Reversal) / provision for the year	(461)	477
Closing balance	754	1,215

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

	2022 AED'000	2021 AED'000
Cash on hand	150	140
Bank balances:		
Current accounts	14,128	16,258
Savings accounts (Note 12.1)	21	2,165
Mudarabah accounts (Note 12.2, 12.3 & 15.1)	134,310	140,422
	148,609	158,985
Add: Investment deposits with original maturities not exceeding three months	320,792	100,005
Cash and cash equivalents	469,401	258,990

12.1 The average rate of return on savings accounts is 0.30% per annum (31 December 2021: 0.30% per annum).

12.2 The average rate of return on mudarabah accounts is 1% per annum (31 December 2021: 0.09% per annum).

12.3 Dividends received from and payable on behalf of companies listed on DFM held in myAccount and iVESTOR card balances as at 31 December 2022 aggregate AED 1,266 million (31 December 2021: AED 1,151 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 1,130 million (31 December 2021: AED 1,010 million), investments at amortised cost of AED 93 million (31 December 2021: AED 100 million) and mudarabah and current accounts of AED 43 million (31 December 2021: AED 41 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 consolidated statement of income.

12.4. At 31 December 2022 and 31 December 2021, 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

	2022 AED'000	2021 AED'000
Authorised, issued and paid up share capital:		
8,000,000,000 shares (31 December 2021: 8,000,000,000 shares) of AED 1 each (31 December 2021: AED 1 each)	8,000,000	8,000,000

14. Reserves

Statutory reserve

In accordance with the UAE Federal Decree Law No. 32 of 2021, 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 2020	468,062
Transfer from net profit for the year 2021	10,383
Balance as of 31 December 2021	478,445
Transfer from net profit for the year 2022	14,711
Balance as of 31 December 2022	493,156

Investments revaluation reserve - FVTOCI

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	2022 AED'000	2021 AED'000
<i>Fellow subsidiaries and associates of the Group</i>		
Investment income	22,349	26,481
Interest expense	352	1,347
Dividend income	13,173	6,706
Lease payments and other related expenses	8,630	8,930
Interest on lease	540	1,290

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	10,936	10,279
General pension and social security	816	873
Board of Directors		
- Remuneration to the Nasdaq Dubai Board	838	793
- Meeting allowance for the Group	799	648
- DFM board remuneration	2,118	2,100

Balances

Fellow subsidiaries and associates

Managed funds managed by a shareholder of the Parent (Note 8.1)	295,953	257,986
Other financial assets measured at FVOCI (Note 8)	482,085	352,957
Investments at amortised cost (Note 9)	198,206	208,654
Investment deposits (Note 10)	432,845	584,273
Cash and cash equivalents (Note 12)	142,228	155,521

	2022 AED'000	2021 AED'000
<i>Due to related parties</i>		
Dubai World Trade Centre – lease liability	8,114	14,316
Member margin deposits (Notes 15.1& 18.2)	38,917	450,000
<i>Parent</i>		
Expenses paid on behalf of the Group	17,578	11,076
Subordinated loan (Note 15.2)	32,189	31,837
Dividends payable	-	100,000

- 15.1Member’s margin deposits comprise mudarabah account of AED 39 million (31 December 2021: AED 20 million) placed on behalf of a related party. The prior year balance also included investment deposits of AED 430 million (refer to Note 18.2).
- 15.2The subordinated loan has been provided by Borse Dubai Limited, to Nasdaq Dubai Limited. The subordinated loan is unsecured, has no fixed repayment date and does not bear any interest rate effective 1 April 2022. This loan 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 2022.

The Group has not provided any loans to its directors during the year ended 31 December 2022 and 2021.

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 Decree Law No. 32 of 2021.

The Group has applied the 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% (31

December 2021: 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

	2022 AED'000	2021 AED'000
Non-current lease liabilities	-	7,570
Current lease liabilities	8,885	9,945
	8,885	17,515

iii. Amounts recognised in the consolidated statement of income

	2022 AED'000	2021 AED'000
Interest on lease liabilities	683	1,557

iv. Amounts recognised in the consolidated statement of cash flows

	2022 AED'000	2021 AED'000
Total cash outflow for lease liabilities	9,067	9,670

17. Provision for employees’ end of service benefits

	2022 AED'000	2021 AED'000
Balance at the beginning of the year	22,277	25,545
Charged during the year	2,674	2,774
Paid during the year	(1,789)	(6,042)
Balance at the end of the year	23,162	22,277

18. Payables and accrued expenses

	2022 AED'000	2021 AED'000
Dividends payable on behalf of companies listed on the DFM ("MyAccount") (Note 18.1)	877,499	820,010
iVESTOR cards (Note 18.1)	388,866	330,921
Members’ margin deposits (Note 18.2)	48,403	468,073
Non-sharia compliant income (Note 26)	-	30,914
Brokers' retention	26,270	21,917
Accrued expenses and other payables	19,787	14,540
Central counterparty balances (Note 11.1)	91,174	92,340
Due to U.A.E. Securities and Commodities Authority	545	315
Unearned revenue	4,818	4,377
Zakat	1,086	1,048
Customer initial public offering ("IPO") subscriptions	8,885	9,945
Current lease liabilities (Note 16)	18	-
VAT payable	3,073	4,271
	1,470,424	1,798,671

- 18.1Dividends received from and payable on behalf of companies listed on DFM held in myAccount and iVESTOR card balances as at 31 December 2022 aggregate AED 1,266 million (31 December 2021: AED 1,151 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 1,130 million (31 December 2021: AED 1,010 million), investments at amortised cost of AED 93 million (31 December 2021: AED 100 million) and mudarabah and current accounts of AED 43 million (31 December 2021: AED 41 million). As such, the Group assumes an obligation to pay such amounts to the shareholders of the listed companies). Until this obligation is discharged, the Group recognises the profit on these investments in its consolidated statement of income.

- 18.2Clearing 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 10.4 and 15.1.

19. Dividends payable

- 19.1At the Annual General Meeting held on 22 March 2022, the Company declared dividends for 2021 of AED 240 million representing AED 0.03 per share including non sharia compliant income of AED 16.8 million for the year ended 31 December 2021 (31 December 2021: non sharia compliant income of AED 30.9 million for the year ended 31 December 2020 declared at the Annual General Meeting held on 22 March 2021. The Company did not declare any dividends for the year ended 31 December 2020).
- 19.2Unpaid dividends for shareholders other than the Parent company is AED 3 million (31 December 2021: AED 3 million).



20. Investment income

	2022 AED'000	2021 AED'000
Investment income from other financial assets measured at FVTOCI	11,644	10,031
Investment income from investments at amortised cost	11,402	12,987
Investment income from investment deposits	56,852	49,190
	79,898	72,208

21. Dividend incomes

For the year ended 31 December 2022, dividends received from financial assets measured at FVTOCI amounting to AED 13.8 million (31 December 2021: AED 6.9 million) were recognised as dividend income in the consolidated statement of income.

22. Profit income and expense

The Group has incurred a profit expense of AED 3.6 million (31 December 2021: Nil) on the member’s margin deposits (Note 15.1) which is placed with the Group at an equivalent rate of profit.

23. General and administrative expenses

	2022 AED'000	2021 AED'000
Payroll and other benefits	85,288	82,299
Depreciation (Note 7)	21,799	23,194
Maintenance expenses	13,338	12,799
Telecommunication expenses	7,429	6,692
Professional expenses	4,494	2,347
iVESTOR expenses	5,328	2,661
Board of Directors remuneration and expenses	3,755	3,541
Other expenses	8,146	6,000
	149,577	139,533

24. Basic and diluted earnings per share

	2022 AED'000	2021 AED'000
Net profit for the year attributable to the owners of the Company (AED'000)	147,113	103,840
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	0.018	0.013

25. Commitments

	2022 AED'000	2021 AED'000
Commitments for the purchase of property and equipment	10,147	1,179

In 2010, the Company entered into an agreement with Borse Dubai Limited to acquire the remaining 33% (31 December 2021: 33%) shareholding of Nasdaq Dubai Limited against a consideration of AED 148 million (31 December 2021: 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.

26. 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
2021	16,824

Non sharia compliant income of AED 16.8 million relating to 2021 (31 December 2021: AED 30.9 million relating to 2020 appropriated in 2021) as approved by the Company’s Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings during the year period ended 31 December 2022 and has been distributed by the Group to its shareholders towards disbursement by the shareholders for charitable purposes.

27. Financial risk management objectives

27.1 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.

27.2 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 2022 has an equity investment portfolio measured at FVTOCI amounting to AED 969 million (31 December 2021: AED 813 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 48 million (31 December 2021: AED 41 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, investments at amortized cost and investment in sukuk measured at FVTOCI. A shift of +/- 50bps in the yield curve would result in an increase/ decrease in investment income and equity by AED 15.9 million (31 December 2021: AED 16.4 million).

27.3 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 investments at amortised cost, investment deposits, other receivables and cash and cash equivalents.

The maximum exposure to credit risk before collaterals held or other credit enhancements is as follows:

	2022 AED'000	2021 AED'000
Financial assets		
Investments at amortised cost (Note 9)	273,990	296,071
Investment deposits (Note 10)	2,517,419	3,253,342
Other receivables (Note 11)	135,583	116,186
Cash and cash equivalents (Note 12)	469,401	258,990
Total financial assets	3,396,393	3,924,589

The above table represents a worst-case scenario of credit risk exposure to the Group without taking account of any collateral held or other credit enhancements attached. The exposures set out above are based on carrying amounts of the financial assets as reported in the statement of financial position.

Cash Investment deposits and cash and cash equivalents

The Group held current investment deposits of AED 2,313 million (31 December 2021: AED 3,031 million) and cash and cash equivalents of AED 469 million as at 31 December 2022 (31 December 2021: AED 258 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 and current investment deposits has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and current investment deposits 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 current investment deposit and cash and cash equivalents balances are as follows:

	2022 AED'000	2021 AED'000
Bank Rating		
P1	708,173	36,730
P2	2,074,144	3,253,237
Total	2,782,317	3,289,967

For non-current investment deposits held with other counterparties, a full IFRS 9 ECL model has been applied and an impairment loss of AED 282 million as at 31 December 2022 (31 December 2021: AED 272 million) has been recognised.

Investments at amortised cost

The Group limits its exposure to credit risk by investing only in sukuk issued by reputed UAE financial institutions, government owned entities and other UAE based entities which are unrated.

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 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.

For ECL on investments at amortised cost, the 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 sukuk classified as investment at amortised cost and non-current 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 impairment and loss allowance for the year ended 31 December 2022 are as follows:

	At amortised cost 31 December 2022		
in AED thousands	Stage 1 12-month ECL	Stage 2 Lifetime ECL – not credit-impaired	Stage 3 Lifetime ECL – credit-impaired
Gross carrying amounts (amortised cost before impairment)	273,990	195,323	290,675
Impairment	-	(17,583)	(263,722)
Loss allowance	-	(447)	(57)
Carrying amount	273,990	177,293	26,896

The impairment and loss allowance for the year ended 31 December 2021 are as follows:

	At amortised cost 31 December 2021		
in AED thousands	Stage 1 12-month ECL	Stage 2 Lifetime ECL – not credit-impaired	Stage 3 Lifetime ECL – credit-impaired
Gross carrying amounts (amortised cost before impairment)	296,071	256,131	287,746
Impairment	-	(13,493)	(257,865)
Loss allowance	-	(447)	(57)
Carrying amount	296,071	242,191	29,824

The Group did not have any investment in sukuk that were non-performing at 31 December 2022 and 31 December 2021.

The Group has no collateral in respect of the above investments and there was no movement between stages during the years ended 31 December 2022 and 31 December 2021.

Other receivables

The Group applies the simplified approach permitted by IFRS 9 for trade receivables of AED 135 million as at 31 December 2022 (31 December 2021: AED 116 million), which

requires lifetime expected credit losses to be recognized from initial recognition of the financial assets. The Group has made a full provision of AED 0.7 million (31 December 2021: AED 1.2 million) against its doubtful receivables as at 31 December 2022. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with licensed brokers and receivables from brokers are secured by bank guarantees. The credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

27.4 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 2022	Within 3 months	3 to 6 months	6 to 12 months	1 to 5 Years	Over 5 years	Total
	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000
Financial liabilities						
Payables and accrued expenses	1,465,606	-	-	-	-	1,465,606
Lease liabilities	-	-	-	-	-	-
Subordinated loan	-	-	-	32,189	-	32,189
Due to a related party	-	-	17,578	-	-	17,578
Dividends payable	3,087	-	-	-	-	3,087
Total financial liabilities	1,468,693	-	17,578	32,189	-	1,518,460

31 December 2021	Within 3 months	3 to 6 months	6 to 12 months	1 to 5 Years	Over 5 years	Total
	AED’000	AED’000	AED’000	AED’000	AED’000	AED’000
Financial liabilities						
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
Total financial liabilities	1,897,381	-	11,076	40,857	-	1,949,314

27.5 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 FVTOCI.

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.

Valuation techniques and assumptions applied for the purposes of measuring fair value

Fair value of the Group’s financial assets that are measured at fair value on recurring basis

Some of the Group’s financial assets are measured at fair value at the end of the reporting period. The following table presents these financial assets measured at fair value as at 31 December 2022 and 2021:



	31 December 2022			
	Level 1	Level 2	Level 3	Total
	AED'000	AED'000	AED'000	AED'000
<i>Financial assets measured at fair value through other comprehensive income</i>				
- Equities	387,120	6,427	-	393,547
- Managed funds	-	313,678	-	313,678
- Investments in Sukuk	262,230	-	-	262,230
Total	649,350	320,105	-	969,455

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

There were no transfers between each of level during the year. There are no financial liabilities which should be categorised under any of the level in table above.

The Group has purchased or invested in shares during the year ended 31 December 2022 amounting to AED 115 million (31 December 2021: AED 1 million).

	Carrying amount	Fair value
	AED'000	AED'000
<b>Investment at amortised cost</b>		
Investment in sukuk	273,990	247,640

The following table summarises the carrying amount and fair value of the investments at amortised cost as at 31 December 2021:

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

The following table summarises the carrying amount and fair value of the investments at amortised cost as at 31 December 2022, all of which are classified as level 2 in fair value hierarchy:

28. Financial assets and liabilities

The table below sets out the Group’s classification of each category of financial assets and liabilities and their carrying amounts as at 31 December 2022 and 31 December 2021.

Financial assets by category

	2022	2021
	AED'000	AED'000
<b>Assets as per consolidated statement of financial position</b>		
<b>Financial assets at FVTOCI</b>		
Financial assets measured at fair value through other comprehensive income (FVTOCI) (Note 8)	969,455	813,221
<b>Financial assets at amortised cost</b>		
Investments at amortised cost (Note 9)	273,990	296,071
Investment deposits (Note 10)	2,517,419	3,253,342
Other receivables (Note 27.3)	135,583	116,186
Cash and cash equivalents (Note 12)	469,401	258,990
	3,396,393	3,924,589

The carrying amounts of financial assets and liabilities measured at amortised cost are not materially different from their fair values at the balance sheet date.

29. 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.

30. 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

Financial liabilities by category

	2022	2021
	AED'000	AED'000
<b>Liabilities as per consolidated statement of financial position</b>		
<b>Financial Liabilities at amortized cost</b>		
Subordinated loan (Note 15)	32,189	31,837
Lease liabilities (Note 16)	-	7,750
Payables and accrued expenses (Note 18)	1,465,606	1,794,114
Dividends payable (Notes 15 & 19)	3,087	103,087
Due to a related party (Note 15)	17,578	11,076
	1,518,460	1,947,864

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.

31. Social contributions

The Group has made no material monetary social contributions during the year ended 31 December 2022 (31 December 2021: AED Nil).

32. 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 2022.



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