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

Review report and condensed consolidated interim financial information for the nine month period ended 30 September 2015

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

Review report and condensed consolidated interim financial information for the nine month period ended 30 September 2015

pwc

Review report on condensed consolidated interim financial information

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Dubai Financial Market (DFM) P.J.S.C. (the 'Company') and its subsidiaries (together referred to as "the Group") as of 30 September 2015 and the related condensed consolidated statement of income and comprehensive income for the three month and nine month periods then ended, and condensed consolidated statements of changes in equity and cash flows for the nine month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34")". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers
26 October 2015

Paul Suddaby

Paul Suddaby
Registered Auditor Number 309
Dubai, United Arab Emirates

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

Condensed consolidated interim statement of financial position as at 30 September 2015

	Note	As at 30 September 2015 AED'000 (Un-audited)	As at 31 December 2014 AED'000 (Audited)
ASSETS			
Non-current assets			
Goodwill	6	**2,878,874**	2,878,874
Other intangible assets	6	**2,337,522**	2,384,295
Property and equipment		**19,530**	15,269
Other financial assets measured at fair value through other comprehensive income (FVTOCI)	7	**752,382**	718,060
Investment deposits	8	**729,952**	742,168
Total non-current assets		**6,718,260**	6,738,666
Current assets			
Prepaid expenses and other receivables	10	**37,266**	27,172
Investment deposits	8	**1,633,648**	2,038,101
Cash and bank balances	11	**193,378**	198,208
Total current assets		**1,864,292**	2,263,481
Total assets		**8,582,552**	9,002,147
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**8,000,000**	8,000,000
Treasury shares		**(4,364)**	(4,364)
		7,995,636	7,995,636
Investment revaluation reserve - FVTOCI	13	**(730,301)**	(693,199)
Statutory reserve	13	**354,929**	354,929
Retained earnings		**442,396**	755,917
Equity attributable to owners of the Company		**8,062,660**	8,413,283
Non-controlling interest		**18,104**	17,354
Total equity		**8,080,764**	8,430,637
Non-current liabilities			
Subordinated loan	9	**24,071**	23,282
Provision for employees' end of service indemnity		**13,252**	12,006
Total non-current liabilities		**37,323**	35,288
Current liabilities			
Payables and accrued expenses	14	**424,124**	501,484
Dividends payable		**33,354**	29,256
Due to related parties	9	**6,987**	5,482
Total current liabilities		**464,465**	536,222
Total liabilities		**501,788**	571,510
Total equity and liabilities		**8,582,552**	9,002,147

.... Chairman

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated interim statement of income (Un-audited) for the nine month period ended 30 September 2015

	Note	3 month period ended 30 September 2015 AED'000	3 month period ended 30 September 2014 AED'000	9 month period ended 30 September 2015 AED'000	9 month period ended 30 September 2014 AED'000
Revenues					
Trading commission fees		**64,546**	165,630	**290,725**	664,616
Brokerage fees		**3,557**	3,366	**10,607**	9,954
Ownership transfer and mortgage fees		**6,212**	8,622	**24,377**	21,802
Other fees		**4,656**	4,133	**18,001**	14,154
Operating income		**78,971**	181,751	**343,710**	710,526
Investment income		**12,469**	13,034	**45,404**	40,924
Other income		**(20)**	2,030	**457**	2,967
Total income		**91,420**	196,815	**389,571**	754,417
Expenses					
General and administrative expenses		**(30,268)**	(27,222)	**(95,765)**	(84,817)
Amortisation of intangible assets	6	**(15,591)**	(15,591)	**(46,773)**	(46,773)
Interest expense		**(269)**	(257)	**(789)**	(755)
Total expenses		**(46,128)**	(43,070)	**(143,327)**	(132,345)
Net profit for the period		**45,292**	153,745	**246,244**	622,072
Attributable to:					
Owners of the Company		**45,383**	153,513	**245,494**	621,090
Non-controlling interest		**(91)**	232	**750**	982
		45,292	153,745	**246,244**	622,072
Basic/diluted earnings per share - AED	15	**0.006**	0.019	**0.031**	0.078

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

Condensed consolidated interim statement of comprehensive income (Un-audited) for the nine month period ended 30 September 2015

	3 month period ended 30 September		9 month period ended 30 September	
	2015	2014	**2015**	2014
	AED'000	AED'000	**AED'000**	AED'000
Net profit for the period	**45,292**	153,745	**246,244**	622,072
Items that will not be re-classified to the condensed consolidated interim income statement				
Fair value changes on financial assets measured at fair value through other comprehensive income (FVTOCI)	**(40,582)**	133,910	**(35,557)**	225,983
Total comprehensive income for the period	**4,710**	287,655	**210,687**	848,055
Attributable to:				
Owners of the Company	**4,801**	287,423	**209,937**	847,073
Non-controlling interest	**(91)**	232	**750**	982
Total comprehensive income for the period	**4,710**	287,655	**210,687**	848,055

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated interim statement of changes in equity (Un-audited) for the nine month period ended 30 September 2015

	Share capital AED'000	Treasury shares AED'000	Investments revaluation reserve FVTOCI AED'000	Statutory reserve AED'000	Retained earnings AED'000	Attributable to owners of the company AED'000	Non-controlling interest AED'000	Total AED'000
As at 1 January 2014	8,000,000	(4,364)	(789,102)	278,998	449,684	7,935,216	16,838	7,952,054
Net profit for the period	-	-	-	-	621,090	621,090	982	622,072
Other comprehensive income for the period	-	-	225,983	-	-	225,983	-	225,983
Total comprehensive income for the period	-	-	225,983	-	621,090	847,073	982	848,055
Appropriation of non-sharia compliant income (Note 18)	-	-	-	-	(15,697)	(15,697)	-	(15,697)
Dividends declared, net of appropriation of non-sharia compliant income	-	-	-	-	(353,604)	(353,604)	-	(353,604)
Realised loss on disposal of investments			7,847		(7,847)			
As at 30 September 2014	8,000,000	(4,364)	(555,272)	278,998	693,626	8,412,998	17,820	8,430,808
As at 1 January 2015	8,000,000	(4,364)	(693,199)	354,929	755,917	8,413,283	17,354	8,430,637
Net profit for the period	-	-	-	-	245,494	245,494	750	246,244
Other comprehensive (loss)/income for the period	-	-	(35,557)	-	-	(35,557)	-	(35,557)
Total comprehensive income for the period	-	-	(35,557)	-	245,494	209,937	750	210,687
Non-sharia compliant income paid (Note 18)	-	-	-	-	(29,646)	(29,646)	-	(29,646)
Dividends paid, net of payment of non-sharia compliant income (Note 12)	-	-	-	-	(530,058)	(530,058)	-	(530,058)
Realised gain on disposal of investments	-	-	(1,545)	-	1,545	-	-	-
Appropriation of Zakat	-	-	-	-	(856)	(856)	-	(856)
As at 30 September 2015	**8,000,000**	**(4,364)**	**(730,301)**	**354,929**	**442,396**	**8,062,660**	**18,104**	**8,080,764**

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

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

Condensed consolidated interim statement of cash flows (Un-audited) for the nine month period ended 30 September 2015

	Note	Nine month period ended 30 September 2015 AED'000	2014 AED'000
Cash flows from operating activities			
Net profit for the period		**246,244**	622,072
Adjustments for:			
Depreciation of property and equipment		**4,423**	4,726
Provision for employees' end of service indemnity		**1,650**	2,072
Amortisation of intangible assets	6	**46,773**	46,773
Interest expense	9	**789**	755
Income on investments		**(34,559)**	(32,610)
Dividend income		**(10,845)**	(8,314)
Operating cash flows before changes in operating assets and liabilities		**254,475**	635,474
(Increase)/decrease in prepaid expenses and other receivables		**(4,491)**	8,333
Movement in due from/to a related party		**1,506**	3,208
(Decrease)/increase in payables and accrued expenses		**(78,217)**	133,493
Cash generated from operations		**173,273**	780,508
Employees' end of service indemnity paid		**(404)**	(477)
Net cash generated from operating activities		**172,869**	780,031
Cash flows from investing activities			
Purchase of property and equipment		**(8,684)**	(8,175)
Net investment deposits	8	**(11,042)**	(207,671)
Redemption / sale of investments		**31,750**	1,727
Investment in sukuk		**(101,617)**	-
Investment deposit income received		**27,605**	29,567
Dividend received		**10,845**	8,314
Net cash generated (used in)/ from investing activities		**(51,143)**	(176,238)
Cash flows from financing activities			
Dividends paid to shareholders	12	**(525,960)**	(343,407)
Distribution of non-sharia compliant income to shareholders	12,18	**(29,646)**	(46,186)
Net cash used in financing activities		**(555,606)**	(389,593)
Net (decrease)/ increase in cash and cash equivalents		**(433,880)**	214,200
Cash and cash equivalents at the beginning of the period		**687,258**	426,679
Cash and cash equivalents at the end of the period	11	**253,378**	640,879

The accompanying notes on pages 7 to 22 form an integral part of this condensed consolidated interim financial information.

1 Establishment and operations

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

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

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

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

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

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

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

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

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 16).

2 Summary of significant accounting policies

2.1 Basis of preparation

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

This condensed consolidated interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2014. In addition, results for the nine months ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

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

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

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

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

(a) New and amended standards adopted by the Group

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

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

Annual improvements 2012 (Effective date – 1 July 2014)

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

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

2 Summary of significant accounting policies (continued)

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

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

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

Annual improvements 2013
IFRS 13 'Fair value measurement' on clarification of the portfolio exemption in IFRS 13 - The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.

IAS 19, Defined benefit plans: Employee contributions (Effective date – 1 July 2014)
The amendment clarifies the accounting by entities with plans that require contributions linked only to service in each period. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employees' working lives.

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

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

Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' regarding depreciation and amortization (Effective date 1 January 2016)
This amendment clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
The presumption may only be rebutted in certain limited circumstances.

Amendments to IAS 1, 'Presentation of financial statements' (Effective date 1 January 2016)
The amendments clarify that it may be necessary to disaggregate some of the line items specified in IAS 1 paragraphs 54 (statement of financial position) and 82 (profit or loss). That disaggregation is required where it is relevant to an understanding of the entity's financial position or performance.

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2015 (continued)

2 Summary of significant accounting policies (continued)

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

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

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

Annual improvements 2014 (Effective date 1 July 2016)

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

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

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

IFRS 15, 'Revenue from contracts with customers' (Effective date 1 January 2018)

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

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

The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses

2 Summary of significant accounting policies (continued)

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

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

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

model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. Earlier application is permitted. If an entity elects to early apply it must apply all of the requirements at the same time with the following exception: Entities with a date of initial application before 1 February 2015 continue to have the option to apply the standard in phases. The Group has early adopted the November 2009 classification and measurement version of IFRS 9. Since this adoption was before 1 February 2015, the Group is not required to early adopt the phases pertaining to impairment and hedging issued in July 2014. Accordingly, the Group continues to apply the impairment provisions of IAS 39.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' (Effective date Annual periods beginning on or after 1 January 2016)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Management is yet to assess the impact of the above new standards and amendments to existing standards issued but not yet effective.

3 Basis of consolidation

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

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

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

4 Estimates

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

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

5 Financial risk management

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

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2015 (continued)

6 Goodwill and other intangible assets

	Goodwill AED'000	License to operate as a stock exchange AED'000	Relationships with market participants (Brokers) AED'000	Total AED'000
Cost				
At 1 January 2014 and 2015	2,878,874	2,824,455	58,744	5,762,073
At 30 September 2014 and 2015	**2,878,874**	**2,824,455**	**58,744**	**5,762,073**
Amortisation				
At 1 January 2015	-	451,912	46,992	498,904
Charge for the period	-	42,367	4,406	46,773
At 30 September 2015	-	**494,279**	**51,398**	**545,677**
At 1 January 2014	-	395,423	41,118	436,541
Charge for the period	-	42,367	4,406	46,773
At 30 September2014	-	437,790	45,524	483,314
Carrying amount				
As at 30 September 2015	**2,878,874**	**2,330,176**	**7,346**	**5,216,396**
As at 30 September 2014	2,878,874	2,386,665	13,220	5,278,759
As at 31 December 2014	2,878,874	2,372,543	11,752	5,263,169

There was no evidence of impairment of the goodwill at 30 September 2015 based on the performance of the Company and on the basis that the fair value of the business, based on the Company's quoted market price at 30 September 2015, was in excess of its net assets at that date.

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

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Investment in equity securities	**354,891**	386,707
Managed funds – Note (a)	**293,129**	331,353
Investment in sukuk	**104,362**	-
	752,382	718,060

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2015 (continued)

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

The investments in sukuk are perpetual in nature, callable at the option of the issuer and measured at fair value through other comprehensive income. The sukuk carry a profit rate ranging from 6.04% to 6.75% per annum. (2014: nil), which is payable at the discretion of the issuer.

Investments by geographic concentration are as follows:

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
- Within U.A.E.	**705,584**	669,212
- Outside U.A.E.	**46,798**	48,848
	752,382	718,060

(a) Managed funds include funds of AED 251.92 million (31 December 2014: AED 286.78 million) managed by a shareholder of the parent (Note 9).

8 Investment deposits

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Current:		
Investment deposits maturing in less than three months	**339,627**	708,021
Investment deposits maturing up to 1 year but more than 3 months – Note (a)	**1,294,021**	1,330,080
	1,633,648	2,038,101
Non-current:		
Investment deposits maturing above 1 year	**729,952**	742,168
	2,363,600	2,780,269

(a) Investment deposits are placed with financial institutions in the UAE, and carry profit rates ranging from 1% to 5.5% (31 December 2014: 1% to 5.5%) per annum.

(b) Investment deposits of AED 136.73 million (31 December 2014: AED 136.73 million) have been pledged as collateral against unutilised bank overdraft facilities provided to the Group.

(c) Investment deposits maturing in less than three months include an amount of AED 60 million (31 December 2014: AED 489.05 million) with original maturities not exceeding three months (Note 11).

9 Related party transactions and balances

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

	Nine month period ended 30 September	
Transactions during the period	**2015 AED'000 (Un-audited)**	2014 AED'000 (Un-audited)
Fellow Subsidiaries		
Investment income	**11,568**	15,781
Interest expense	**789**	755
Mortgage fees	**7,280**	-
Associates		
Investment income	**13,872**	5,668
Rent – Dubai World Trade Centre	**7,117**	5,827

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

	Nine month period ended 30 September	
Compensation of key management personnel	**2015 AED'000 (Un-audited)**	2014 AED'000 (Un-audited)
Short-term benefits	**6,561**	5,703
General pension and social security	**684**	525
Board of Directors		
- Remuneration to the NASDAQ Dubai Board	**817**	802
- Remuneration to the DFM Board	**1,800**	-
- Meeting allowance for the Group	**1,005**	946

Balances	**30 September 2015 AED'000 (Un-audited)**	31 December 2014 AED'000 (Audited)
Due from related parties		
Parent		
Investment deposits	-	50,452
Accrued income on investment deposits	-	552
Other related parties		
Managed funds (Note 7)	**251,925**	286,776
Other financial assets at FVTOCI	**204,907**	103,546
Cash and bank balances	**156,279**	171,423
Investment deposits	**1,243,579**	1,925,542
Due to related parties		
Parent		
Expenses paid on behalf of the Group	**6,987**	5,482
Subordinated loan	**24,071**	23,282

9 Related party transactions and balances (continued)

The subordinated loan is unsecured, repayable on demand and carries an interest rate of LIBOR + 3.25%.

10 Prepaid expenses and other receivables

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Accrued income on investment deposits	**12,984**	7,381
Accrued trading commission fees	**1,620**	4,494
Due from brokers	**1,090**	3,016
Prepaid expenses	**9,245**	6,697
Other receivables	**1,908**	2,602
Central counterparty balances (Note 14)	**10,589**	3,196
	37,436	27,386
Less: allowance for doubtful debts	**(170)**	(214)
	37,266	27,172

Net movement in allowance for doubtful debts:

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Opening balance	**214**	2,092
Write off for the period/year	**(44)**	(1,878)
Ending balance	**170**	214

11 Cash and bank balances

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Cash on hand	**326**	334
Bank balances:		
Current accounts	**40,131**	20,182
Savings accounts	**63,537**	19,895
Mudarabah accounts	**89,384**	157,797
	193,378	198,208
Add : Investment deposits with original maturities not exceeding three months (Note 8)	**60,000**	489,050
Cash and cash equivalents	**253,378**	687,258

The rate of return on the saving and mudarabah accounts is 0.15 % to 0.20% per annum (31 December 2014: 0.15% to 0.35% per annum).

12 Share capital

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Authorised, issued and paid up share capital: 8,000,000,000 (31 December 2014: 8,000,000,000 shares) of AED 1 each (31 December 2014: AED 1 each)	**8,000,000**	8,000,000

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

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2015 (continued)

13 Reserves

Statutory reserve

In accordance with the U.A.E. Federal Commercial Companies Law Number 8 of 1984, as amended, the Group has established a statutory reserve by appropriation of 10% of the Company's net profit for each year which will be increased until the reserve equals 50% of the share capital. This reserve is not available for distribution, except as stipulated by the Law. No allocation to the statutory reserve has been made for the nine month period ended 30 September 2015, as this will be affected at the year-end based on the Company's results for the year ending 31 December 2015.

Investments revaluation reserve - FVTOCI

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

14 Payables and accrued expenses

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Dividends payable on behalf of companies listed on the DFM	**175,452**	105,580
Ivestor cards	**173,337**	256,845
Members' margin deposits	**29,552**	78,432
Accrued expenses and other payables	**10,561**	16,644
Central counterparty balances (Note 10)	**10,589**	3,196
Unearned revenue	**7,347**	9,800
Brokers' retention	**16,400**	18,604
Due to U.A.E Securities and Commodities Authority	**30**	12,383
Zakat	**856**	-
	424,124	501,484

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2015 (continued)

15 Earnings per share

	3 month ended		9 month ended	
	30-September		30-September	
	2015	2014	**2015**	2014
Net profit for the period attributable to owners of the Company (AED '000)	**45,292**	153,513	**245,494**	621,090
Authorised, issued and paid up share capital - (AED '000)	**8,000,000**	8,000,000	**8,000,000**	8,000,000
Less: Treasury shares ('000)	**(4,364)**	(4,364)	**(4,364)**	(4,364)
	7,995,636	7,995,636	**7,995,636**	7,995,636
Earnings per share – AED	**0.006**	0.019	**0.031**	0.078

16 Commitments

	30 September 2015 AED'000 (Un-audited)	31 December 2014 AED'000 (Audited)
Commitments for the purchase of property and equipment	**4,907**	3,544

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

17 Segment reporting

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

18 Non Sharia compliant income

Non Sharia compliant income of AED 29.6 million relating to 2014 (2014: AED 15.7 million relating to 2013 appropriated in 2014) as approved by the Company's Sharia and Fatwa Supervisory Board, has been appropriated from retained earnings in 2015 and distributed 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.

19 Fair value of financial instruments

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

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

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

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

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

19 Fair value of financial instruments (continued)

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 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:

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

There were no changes in valuation techniques during the period.

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2015 and 31 December 2014.

	30 September 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
	AED'000	**AED'000**	**AED'000**	**AED'000**
Financial assets at fair value through other comprehensive income				
- Equities	307,572	-	47,319	354,891
- Managed funds	-	285,372	7,757	293,129
- Investment in sukuk	104,362	-	-	104,362
Total	**411,934**	**285,372**	**55,076**	**752,382**

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

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

19 Fair value of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial assets

	Measured at FVTOCI Unquoted equities	
	30 September 2015	31 December 2014
	AED'000	AED'000
Opening balance	**66,163**	19,747
Additions during the year	**28**	48,882
Disposal/redemptions during the period/year	**(12,948)**	(3,449)
Other comprehensive gain	**1,833**	983
Closing balance	**55,076**	66,163

The fair value of the following financial assets and liabilities approximate their carrying amount: Investment deposits, accrued income on investment deposits, accrued trading commission fees, due from brokers, other receivables, brokers' 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 and accrued expenses and other payables.

20 Approval of the interim condensed consolidated financial information

The interim condensed consolidated financial information for the nine month period ended 30 September 2015 have approved by the Board of Directors and authorized for issue on 26 October 2015.