

## DFM Company posts net profit of AED 253.5 million in 2016

H.E. Essa Kazim asserting DFM's key developments of the past year:

- The DFM Index ended 2016 at the forefront of regional indices, advancing 12%, one of the highest growth rates amongst the leading exchanges globally
- Strong presence of foreign investments with 45% of the total value of trading
- Institutional investors registered AED 2.2 billion of net in-flows in 2016
- Accelerating efforts to enhance market infrastructure with the introduction of Direct Deals, listing of first ETF as well as expansion in Rights Issues' trading
- Further enhancing DFM's innovative services as part of the "Smart Borse" strategy as well as expanding the cash dividends service and the launch of Hedging standard's draft in 2016

**Dubai, 6 February 2017:** Dubai Financial Market (PJSC) today announced its results for the financial year ending 31 December 2016, as the Company posted a net profit of AED 253.5 million for the year 2016, compared to AED 261 million in 2015, a 3% decline. Total revenues reached to AED 439.3 million in 2016 compared to AED 451 million in 2015. The total revenue comprised of AED 360.5 million of operational revenues and AED 78.8 million of investment revenues and others.

As for the fourth quarter of 2016, the total revenue of the Company increased 89% to AED 131.2 million compared to AED 69.3 million during the corresponding period of 2015, whilst the net profit increased 406% to AED 78.5 million compared to AED 15.5 million in the last quarter of 2015.

During its meeting on Monday, 6 February 2017, the Board of Directors reviewed and approved the annual results, which will be presented for ratification at the Annual General Meeting of the Company scheduled on 13 March 2017, in coordination with The Securities and Commodities Authority (SCA).

### **Strong presence of foreign and institutional investments**

His Excellency Essa Kazim, Chairman of the company said, “Despite of the 12% drop in trading value to AED 133 billion in 2016, due to some unfavorable circumstances related to oil prices and international markets’ volatility, the DFM managed to contain the implications of these circumstances. The DFM General Index ended the year at the forefront of indices in the GCC region advancing 12%, one of the highest growth rates amongst the leading exchanges globally. Additionally, DFM has maintained its attractiveness to foreign and institutional investments due to its world-class infrastructure and the lucrative opportunities it provides, as a proxy for the diversified and strong national economy. Foreign investments accounted for 45% of trading value in 2016 with AED 306.5 million of net in-flows. On the other hand, institutional investments accounted for 30% of trading value with AED 2.2 billion of net in-flows.”

It is noteworthy that the DFM has successfully organized two international investor’s roadshows in London and New York during 2016 as part of its continuous efforts to link its listed companies with international investors. Numerous international institutions have voiced their interest to further strengthen their presence on Dubai’s capital markets amidst growing confidence in the national economy’s outlook and its ability to maintain high growth. The national economy is characterized with high level of resiliency to withstand global

circumstances supported by numerous rapidly growing sectors, which play a major role in the diversification of economy.

### **New services and products**

As for market infrastructure, His Excellency Essa Kazim said, “The DFM maintained its development efforts aimed at enhancing market infrastructure and regulations as per international practices. Within this context, DFM has launched the “Direct Deals Service” to streamline bulk deals on shares of a listed company within a fair and transparent environment while exempted from the price cap in effect. As part of this service, the DFM has implemented three Direct Deals in 2016 with a total value of AED 535 million. Furthermore, DFM’s efforts to provide investors with new financial instruments have gain momentum as the market welcomed the listing of Afkar Capital’s Exchange-Traded Fund (ETF) end of June in a first of its kind step. The market also recorded AED 527 million of trading in Rights Issues of five listed companies, which clearly indicates investors’ momentous interest towards this new tool, which has been introduced as part of DFM’s efforts to provide investors with new financial instruments.”

### **Smart Borse delivers innovative services**

“As part of DFM’s “Smart Borse” strategy in line with the vision and directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai, the DFM has launched numerous applications and innovative services for market participants in 2016. This includes; the addition of new services to eServices platform for

investors as well as the addition of eIPO Platform's services to the smart phone application," he added.

"As part of DFM's efforts to provide various market participants with innovative and effective solutions, the market has successfully accomplished the cash dividend distribution for the financial year 2015 with a total value of AED 10.5 billion distributed to 223 thousand investors on behalf of 26 listed companies compared to 13 companies in 2015," H. E. Essa Kazim said.

#### **Hedging standard, the most recent contribution to Islamic economy's development efforts**

His Excellency Essa Kazim, Chairman of DFM said: "As part of our constant efforts to strengthen Dubai's leading position as the capital of Islamic economy in line with His Highness Sheikh Mohammed bin Rashid Al Maktoum's initiative, the DFM launched the draft of the first of its kind all-inclusive "Standard on Hedging against Investment and Finance Risks", for consultation. This is the latest addition to DFM's Shari'a-compliant standards, following its launch of the Standard on Stocks in 2007 and Standard on Sukuk in 2014. This significant step underlines DFM's active role in providing the necessary Shari'a standards, as the market became in 2007 the first Shari'a- compliant exchange globally."

#### **Accelerating sustainability efforts**

His Excellency Essa Kazim concluded his comments with emphasizing on DFM's efforts to reinforce its leading position amongst regional exchanges in terms of coping with global sustainability efforts. In 2016, the exchange became a Partner Exchange member of the United Nation's Sustainable Stock Exchanges (SSE) initiative, as part of a global effort to promote



sustainability of performance and transparency in capital markets. As a member, the DFM joined forces with the international efforts to spearhead sustainability practices amongst capital markets. The DFM has implemented numerous initiatives that significantly strengthened transparency, Corporate Governance and sustainability for market participants and the DFM as a publicly listed company.

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**About Dubai Financial Market:** Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 billion, DFM became a public joint stock company and its shares were listed on 7 March 2007 with the trading symbol (DFM). . Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. [www.dfm.ae](http://www.dfm.ae)

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