

**The 14% upsurge underscores resiliency in withstanding pandemic's repercussions:**

## **DFM Company posts net profit of AED 137.9 million in 2020**

**H.E. Essa Kazim sheds light on key developments:**

- **Robust performance indicators and numerous strategic development initiatives**
- **Total traded value increased 24% to AED 66 billion**
- **The DFM attracted 4,027 new investors, including 2,350 international investors**
- **Foreign investors accounted for 50% of trading and 19% of market capitalization**
- **Diversification of product offering with the introduction of equity futures and ETFs**
- **Notable business continuity capabilities owing to the Smart Borse services**

**Dubai, 2 February 2021:** Dubai Financial Market Company (PJSC) today announced its results for the financial year ending 31 December 2020, posting a net profit of AED 137.9 million, a 14% growth compared to AED 120.6 million in 2019. Total revenues increased 7% to AED 337.2 million compared to AED 315.8 million. The total revenue comprised of AED 219 million of operational revenues and AED 118.2 million of investment revenues and others. Company expenses reached AED 199.3 million during 2020 compared to AED 195.2 million in 2019.

The net profit of the fourth quarter of 2020 reached to AED 17.8 million compared to AED 25.1 million in the last quarter of 2019, while total revenue of the Company decreased to AED 66.2 million compared to AED 74.2 million.

It is noteworthy that the total value of DFM's trading has increased 24% in the year 2020 to AED 66 billion and 10% in the fourth quarter to AED 15 billion.

During its meeting today, Tuesday 2 February 2021, the Board of Directors reviewed and approved the annual results ahead of submission for ratification during the Annual General Meeting of the Company that will be held based on the approval of the Securities and Commodities Authority (SCA). The Board also approved the issuance of the "Free Zone Companies Listing Regulations" as well as the issuance of the "Stabilization Mechanism Regime".

### **Significant achievements in spite of the pandemic**

Commenting on the key developments and achievements of 2020, His Excellency Essa Kazim, Chairman of the Company said: "Despite of the pandemic, the 2020 witnessed a significant number of achievements for the DFM, as the global crisis didn't halt the implementation of strategic development plans that reinforced DFM's business excellence, competitiveness and sustainable growth. The high level of resiliency as well as the positive indicators of 2020 demonstrated by DFM underline the deep confidence of various market participants including; investors, issuers, brokers, etc. These indicators also underline DFM's remarkable business

continuity abilities and its success in benefiting from the UAE's noticeable response to the pandemic's repercussions. Within this context, the DFM's total traded value increased 24% to AED 66 billion and 2,350 new international investors joined the market, lifting total number of new investors in 2020 to 4,027 investors. International investors maintained their strong presence on the market, accounting for 50% of traded value with net purchases of AED 661 million and a shareholding of 19% of total market capitalization by the end of 2020."

The DFM General Index has regained a significant proportion of its previous decline, recovering 49.8% compared to its lowest level of the year registered last April at the height of the global markets' fluctuations, hence limiting its decline to 9.9% by the end of 2020.

### **Widespread technology upgrade and organizational infrastructure development**

"Celebrating its 20th anniversary in 2020, the DFM has accomplished major development plans including the largest technology upgrade in its history by successfully implementing the Nasdaq Financial Framework (NFF), the world's latest trading, surveillance, clearing, and data dissemination applications as well as the introduction of the DFM Group's new organizational structure with the launch of Dubai Clear (LLC) and Dubai CSD (LLC) as independent companies for post-trade services," H. E. Essa Kazim added.

### **Strategy to diversify product offering gains further impetus**

The year 2020 has also witnessed notable expansion in diversifying product offering and asset classes, a key pillar of DFM's strategy, with the launch of equity futures as well as the listing of Chimera Investments LLC's Umbrella Exchange Traded Fund (ETF).

Commenting on this, the Chairman of DFM Company said: "We are endeavoring to strengthen this drive by listing more ETFs and Real Estate Investment Trusts (REITs), while expanding the equity futures and other asset classes, offering our investors an even more diverse range of opportunities. Additionally, we have completed our preparations to open up new horizons of capital markets to freezone companies, offering them the opportunity to avail the many benefits of listing and trading on DFM. We are also enduring our constant efforts to attract companies from various economic sectors, strengthening the market's leading position as the most favored listing venue, by encouraging family and private businesses to list benefiting from the recent legislative and regulatory developments in the UAE. We believe that these regulatory enhancements create the right foundation enabling investors to set up and list their companies and reinforcing UAE's leading position as a favorite destination for foreign investments."



### **Strong attractiveness for investors**

As part of its unceasing efforts to attract foreign investments, the DFM implements an integrated Investor Relations (IR) excellence programme in cooperation with listed companies. Accordingly, the DFM has organized its first virtual International Investor Roadshow in 2020, in collaboration with HSBC. The event attracted the largest participation in DFM's history from companies listed on Dubai's capital markets as well as international investment institutions looking to diversify on both sectoral and geographical levels. The event successfully reinforced links between equity and fixed income issuers in Dubai and leading investment institutions in the US, UK and Asia.

### **Upshots of Smart Borse Strategy**

Commenting on DFM's successes in maintaining its activities during the remote working stage as part of global health precautionary measures, H. E. Essa Kazim said: "The DFM demonstrated extraordinary business continuity capabilities, delivering its services with the same pace, quality and effectiveness in clear testament on the success of its "Smart Borse" Strategy. This Strategy implemented over the past years created an integrated ecosystem of smart and electronic service platforms that enabled more than 120,000 registered users on our smart and online

platforms, to accomplish their transactions and follow their investment activities in a seamless, efficient, and secure environment.”

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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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