



هيئة الأوراق المالية والسلع
SECURITIES & COMMODITIES AUTHORITY



Annual Report

Emirates Securities Market Performance & Summary of SCA Achievements

2010



Sheikh Khalifa Government Excellence Award

**Emirates Award for
Government Excellence
(Best Practice category)**



**Institutional
Excellence Award at
the federal level**



شهادة الايزو 9001:2008 لنظم الجودة
ISO 9001:2008 certified

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SCA Achievements in 2010

H.H. Sheikh Mohammed bin Rashid Al-Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai, has presented two awards to the SCA during the 2010 Sheikh Khalifa Government Excellence Award ceremony. The SCA won The Institutional Excellence Award at the federal level (major categories) and the Emirates Award for Government Excellence (Best Practice category). Meanwhile, the SCA, in coordination with the ADX and DFM, has succeeded during the year in qualifying the UAE markets to the FTSE Index of emerging secondary markets. Notable among the SCA's achievements in three sectors are:



First: Licensing, Supervision and Enforcement:

- Issuance of (4) custodian services license to the National Bank of Abu Dhabi, Citi Bank, Deutsche Bank and HSBC Bank.
- Issuance of first license for the practicing of financial consultancy services to Al-Ramz Securities LLC.
- Licensing of (4) companies to practice record keeping services for private joint stock companies (PJSC) records - ADX, DFM, Finance House and Union National Bank.
- Opening the door for licensing of activities like margin trading and companies trading in their own accounts.
- Revoking of licenses of (5) brokerage companies and removing the name of (8) others to bring to (72) the total number of companies operating in the country by the end of the year.
- Uncovering of (11) cases of trading malpractices, seven cases of front-running operation and (3) cases of insider trading, one case of cycle trading and (72) violations of disclosure, while inspection result exposed (209) violations.
- Suspension of listing of securities of two companies listed on UAE markets for their failure to settle fines imposed on them. The suspension will last until the two companies settle their fines.
- Generalizing and effecting the implementation of the standards of capital adequacy on brokerage companies.
- Preparing the list of penalties and developing a follow-up system for professional records of companies and investors.
- Evaluation of risk management systems of major brokerage companies with the aim of minimizing systemic risk.
- Judiciary committee set up by the Dubai Ruler's Court passed a judgment to end the dispute in the case of the Golden Gate Securities company, liquidating the company and distributing its assets to its debtors, under the supervision of the SCA and the knowledge of the liquidator.
- Amicable settlement of some disputes, looking into some complaints and cooperation with judicial bodies in a number of cases.
- Implementing of amended anti-money laundering procedures.
- Training of employees of the Capital Market Authority of Morocco on securities trading supervision system.
- Updating SCA regulations in English on SCA website.

Second: Legislation:

- Issuing of two regulations – Capital adequacy regulation and regulation concerning anti-money laundering and terror finance.
- Complete the revision of the new SCA draft Law in collaboration with the Department of Fatwa and Legislation and the Technical Legislation Committee of the Ministry of Justice.
- Reviewing of a number of draft regulations like the regulations concerning Mutual Funds and Investment Management.
- Making a number of amendments on the regulations for brokers, trading, settlement, market function, disclosure, transparency and margin trading.
- Participating in the review of related laws – The SCA participated, during the first half of the year, in the Ministerial Committee meeting which was held to discuss the final text of the federal draft law concerning “Commercial Companies”, the meetings of the Department of Fatwa and Legislation of the Ministry of Justice to discuss the “Auditors Draft Law” and gained membership of committee set up to prepare a draft law on bankruptcy.
- Introduced a code of professional conduct for SCA employees.

Third: Organization:

- Approval given for the establishment of a PJSC (Etihad Rail) fully owned by UAE federal government.
- Adoption of the International Securities Identification Number (ISIN) system for stocks of local PJSCs listed on the ADX and the DFM. A total of 109 numbers were issued to the listed companies. Based on the development, all securities being traded on the two markets and foreign markets have been given ISIN. The SCA gained membership of the ISIN in early 2010.
- Adoption of new system of registration of public joint stock companies using hologram on the certificate. The hologram system helps expedite the registration renewal process in ten minutes instead of the old system in which the process takes one full day to complete.
- Issuance of Ministerial Decree No. 206 of 2010 concerning “Allocation of securities to subscribers and dividend of subscriptions”. The decree aims at protecting the rights of subscribers to get their share of the dividend on surplus subscriptions. The move is part of the SCA's efforts to boost supervision on PJSCs by following their performances and to strengthen the legislative



and supervision system in a way that would reflect positively on the financial markets and investors alike.

- Effecting the compulsory implementation of Ministerial Decree No. 518 of 2009 concerning “Corporate Governance and Institutional Discipline Standards” to ensure companies' compliance with the decree. By the end of 2010, seventy one (71) companies had furnished the SCA with the requirements of implementing the corporate governance rules. The figure represents a compliance rate of 88% of the total companies concerned.
- Follow-up registered companies' disclosure of their 2009 preliminary and annual financial statements and their 2010 provisional financial statements. Disclosure rate by the end of 3rd quarter of the year was 100%.
- In collaboration with the UAE Central Bank, the SCA received and studied investment fund requests through the joint committee.
- Prepared about 100 studies, reports and research works on financial market related issues aimed at supporting the SCA efforts in improving its regulations and generating new regulations and laws.
- Prepared financial database of companies listed on the UAE financial markets and the economic indices for a number of GCC and Arab countries for research purposes by the SCA.
- Innovated risk indicators aimed at evaluating basic and technical risks of the financial markets and listed companies.
- Organized 50 investment, legal and corporate governance awareness forums for investors, PJSC officials, brokers, financial analysts, university students and other players on the financial markets.
- Signed (4) memoranda of understanding in 2010 with its counterparts from Spain, Ireland, Turkey and Quebec, in addition to a similar agreement with the UK-based International Center for Financial Regulation (ICFR).
- Participated in the events of the International Organization of Securities Commission (IOSCO), organized in Turkey and Canada.
- Presented a number of initiatives for strengthening of joint GCC actions and integration of GCC financial markets. This was done through the meetings of committee of board chairmen of GCC regulators in Riyadh and committee of heads of GCC regulators in Kuwait.

Fourth: Organizational and Support Services:

- SCA was awarded the (ISO 9001:2008) Quality Assurance Certificate.
- SCA prepared and developed its 2011 – 2013 strategic plan according to a method that combines strategic planning and institutional excellence with the linking of SCA's strategic initiatives and programs with its budget.
- Organized a ceremony to market the 10th anniversary of SCA establishment, during which former SCA board members and chairmen were honored.
- Organized “Regulators and Financial Markets Summit – Working Mechanisms, Limitations and Prerogatives”.
- Issued commemorative stamps and coin to mark the 10th anniversary of SCA establishment.
- Held two training programs for workers in the financial services industry, in collaboration with the Toronto Center and the SEC of the United States.

- Executed two special training programs - the Executive Leadership and the Promising Leadership programs, to put the SCA at the forefront of federal institutions to have executed those programs.
- Graduation of “Batch 3” of the Supporting Human Assets for Real Emiratization (SHARE) Program and inducting members of “Batch 4” of the program.
- Prepared the first electronic manual for SCA regulations, working procedures and administrative decisions with all the annexes. This is to help preserve and archive all the documents to serve as a database of information from 200 to 2010. The e-Manual will allow browsers to have easy and quick access to information to save time and efforts.
- Unified the suppliers contract forms by producing standard contract form for engaging suppliers to save time and efforts, to expedite the completion of transactions and boost internal control level of SCA contracts with other institutions.
- Launched e-Learning program with the participation of (41) employees.
- Participated in the preparation and sponsoring of (30) TV series on satellite TV channels as part of the SCA's investor awareness campaign.
- Telecasted regularly investor awareness messages on five satellite TV channels and local newspapers.
- Issued (4) simplified booklets for investor awareness purposes, to bring to (8) the total booklets the SCA issued for this purpose.
- Organized, in collaboration with Thomson Reuters, training program for media practitioners dealing with financial markets.
- Issued in Arabic and English SCA Annual Report on the performance of the Emirates Securities Market and summary of SCA achievements.
- Produced a documentary film titled: “The SCA.. 10 Years of Serving Investors”.
- Launched an upgraded SCA e-portal with a highly improved SCA, ESM, Investor Awareness and “SHARE” webpage.
- Facilitated access of SCA Law and regulations via iPhone, iPad and Blackberry.
- Implement the internal administrative procedures program, dubbed: “Talaby” which seeks to minimize the use of papers by SCA employees.
- Microsoft announced that the SCA is the first federal body in the country to adopt the Window 7 software program in all its computer transactions.
- The SCA organized a blood donation program dubbed “Qatrati” (My Little Drop of Blood”, to observe the UAE's marking of the “National Environment Day”.
- The SCA signed (8) memoranda of understanding with local institutions including the Hamdan bin Mohammed e-University, the American University of Sharjah, Higher Colleges of Technology, National Statistics Center, Abu Dhabi Department of Economic Development, Department of Economy - Dubai, Hawkamah – Institute of Corporate Governance, International Islamic Centre for Reconciliation and Arbitration.



ESM Performance in 2010

The Emirates Securities Market (ESM) has witnessed various developments in 2010. Following is an overview of the major developments:

- The ESM index depreciated by 4.19% in 2010 to close at 2655.32 points.
- The market value of the shares of the local companies listed on the market amounted to about AED385.4 billion by the end of the year 2010, representing a depreciation of 4.76% compared to the closing value of the previous year, 2009.
- The total volume of trading in 2010 amounted to about 56 billion shares valued at approximately AED 103.80 billion, compared to 148.3 billion shares with a total value of AED 243.49 billion traded in 2009. The rate of decline in trading volume stood at 62.24%, while the rate of depreciation in traded value stood at 57.37%.
- There was an overall decline in the performance of all sectors with the exception of the banking sector, which recorded an increase of 1.72%, followed by the industry sector which recorded a decline of 1.49%, the service sector suffered a decline rate of 8.34%, while the insurance sector also plummeted by 13.25%.
- During the year, not a single new public joint stock companies was listed on the ESM, while four (4) companies (three foreign and one local companies) were delisted. This pushed the total number of listed companies from 133 companies by the end of 2009 to 129 companies by the end of December 2010.

Performance of ESM from 2001 to 2010

Table No. (1) shows the advancement of ESM index, market value (capitalization), trading volume, trading value, number of trades and number of listed companies from 2001 to 2010.

Table No. (1)

Year	ESM Index	Market Value (AED)	Traded Volume (Share)	Traded Value (AED)	No. of Trades	No. of Listed Co.
2001	1,116.68	50,130,930,613	77,253,923	1,515,071,809	19,334	27
2002	1,253.36	109,784,090,882	209,230,202	3,861,378,020	36,341	37
2003	1,657.24	145,631,820,623	561,439,842	7,457,778,820	50,712	44
2004	3,251.57	305,803,235,070	6,069,276,451	66,786,465,772	299,280	53
2005	6,839.97	839,683,136,512	33,811,933,303	509,868,016,048	2,300,452	89
2006	4,031.01	514,697,464,200	50,939,871,239	418,149,306,407	3,138,749	106
2007	6,016.21	824,629,199,856	157,318,141,814	554,333,583,214	3,354,617	120
2008	2,552.23	363,872,030,000	126,439,280,603	537,134,415,081	3,257,450	130
2009	2,771.56	404,702,513,093	148,297,352,509	243,489,889,472	2,728,964	133
2010	2,655.32	385,429,934,198	56,003,360,875	103,804,933,675	1,158,505	129

Summary of ESM performance over the past years up to the end of December 2010

Foreign Investment in 2010

The local markets of the United Arab Emirates had witnessed remarkable trading activities by foreign investors in 2010. The total purchase value by foreigners amounted to about AED 43.17 billion, while the total sales value by foreigners amounted to AED 43.23 billion, with a net foreign investment of – AED 54.78 million.

Table No. (2) below shows the trading activities of foreign investors on ADX and DFM. Meanwhile, Table No. (3) shows the net investment compared to 2008 and 2009, while Table No. (4) compares net foreign investment in ADX and DFM between 2009 and 2010.

Table No. (2)

Trading activities of foreign investors in 2010

Market	Total Purchase Value (AED)	Total Sale Value (AED)	Net Investment (AED)	Trading Rate %
ADX	12,361,688,589	12,596,786,295	-235,097,707	37.06%
DFM	30,817,732,282	30,637,418,673	180,313,609	44.92%
Total	43,179,420,871	43,234,204,968	-54,784,098	40.99%

Source: ADX & DFM



Chart No. (1)

It shows index movement in 2010 on a monthly basis



Chart No. (2)

It shows the monthly growth percentage of the index in 2010

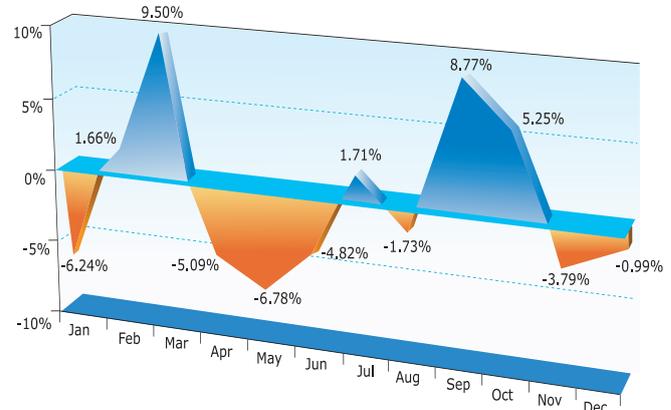


Chart No. (3)

Annual development of ESM index movement since inception up to 2010

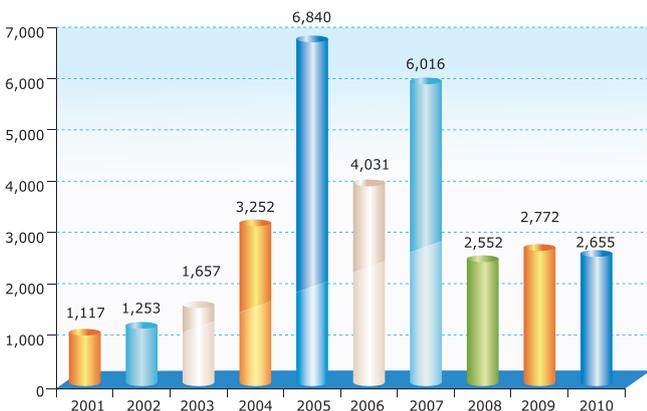
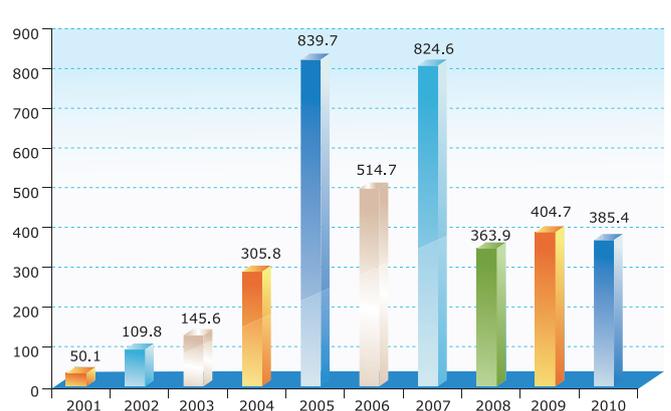


Chart No. (4)

Annual traded value (2001 to 2010)



Net Foreign Investment on UAE Markets

Table No. (3) shows a comparison between net foreign investment for the years 2008, 2009 and 2010.

Table No. (3)

Year	2008	2009	2010
Net foreign investment (AED Million)	-11,340	2,636	-54

Table No. (4)

The net investment of 2010 compared to 2009

Market	Net Investment 2009	Net Investment 2010	% of Change
ADX	1,230,839,381	-235,097,707	-119.10%
DFM	1,405,840,000	180,313,609	-87.17%
Total	2,636,679,381	-54,784,098	-102.08%

Source: ADX & DFM

- The information above clearly shows the exit of foreign investment in 2008 with capital flight totaling about AED11.3 billion in that year.
- The capital flight was attributed to the dire need for liquidity by foreign (Non-GCC) portfolios and investors to make up for their losses on the financial markets in America and Europe.
- Foreign investment resume flowing into the UAE securities markets in 2009 reaching about AED2.6 billion as the global financial markets recover steadily.
- Foreign investment slipped by around AED54 million in 2010 under the pressure of financial reports regarding debts of a number of UAE firms.



Detailed Statistical Bulletin of ESM Performance in 2010

The Emirates Securities Market (ESM) has witnessed depreciation in the prices of shares of the listed companies. The number of companies which closed with a decline in their share prices by the end of trading sessions of 2010 – compared to the closure of the previous year (2009) – stood at 71 companies out of a total of 108 companies whose shares were traded. Meanwhile, the closing share prices for 33 companies advanced and the closing share price of four (4) companies remained stable, while the shares of 22 companies were not traded. It's worth noting here that a total of 130 companies were listed on the ESM in 2010 but the number slipped to 129 by the end of that year following the delisting of four (4) companies. See Table No. (5).

Table No. (5)

Companies	Numbers
Advanced	33
Declined	71
Stable	4
Untraded	22
Total	130

Benchmark Indices

The ESM index of the Securities and Commodities Authority (SCA) slipped in 2010 as a result of decline in all but one sector, which dragged the market index down to 2,655.32 points compared to 2,771.56 points recorded at the end of 2009, representing a depreciation rate of 4.19%.

The following table (Table No.6) shows the activities of the various sectors on the ESM where it is noticeable that there was a decline in all market sectors by the end of the year 2010, with the exception of the banking sector, compared to the end of the year 2009. The banking sector surged by 1.72%, followed by a -1.49% decline of the industry sector, the services sector followed with a decline rate of -8.34%, while the insurance sector also suffered a decline rate of -13.25%.

Table No. (6)

Sectors	Closing by End of 2010	Closing by End of 2009	% of Annual Change	Annual Trading Value (AED)	Market Capitalization (AED)
Banking	2,988.36	2,937.81	1.72%	10,216,439,109	156,634,971,233
Industry	336.58	341.67	-1.49%	5,653,252,275	34,891,058,312
Services	2,335.51	2,547.91	-8.34%	85,905,629,848	174,401,960,453
Insurance	2,871.55	3,310.16	-13.25%	2,029,612,443	19,501,944,200
ESM Index	2,655.32	2,771.56	-4.19%	103,804,933,675	385,429,934,198

Source: Securities and Commodities Authority

Chart No. (5) illustrates the performance indices of the sectors represented on the ESM in 2010. As evidently clear in the chart, the indices of all sectors, with the exception of the banking sector, have plummeted during the period.

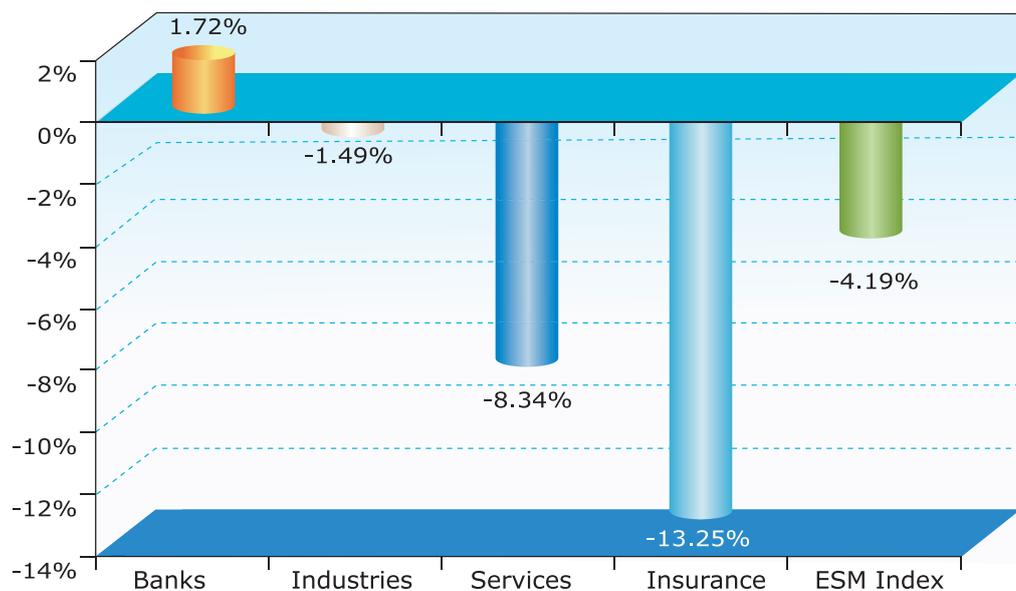


Chart No. (5)
Performance indices sector-wise in 2010



Trading Activity on the Market

The total value of the shares traded in 2010 amounted to about AED 103.8 billion. While the number of completed trades stood at about 1.15 million trades, the number of shares in trade plummeted to approximately 56 billion shares during the same period.

Table No. (7) provides a comparison for the trading activities during the quarterly and semi-annual periods of 2010:

Table No. (7)

2010	Volume (Shares)	Value (AED)	Trades	%
1st Quarter	19,837,992,242	39,241,609,766	422,601	38%
2nd Quarter	13,893,935,416	27,002,130,174	303,510	26%
1st Half	33,731,927,658	66,243,739,940	726,111	64%
3rd Quarter	9,407,651,830	16,393,501,273	183,786	16%
4th Quarter	12,863,781,387	21,167,692,460	248,608	20%
2nd Half	22,271,433,217	37,561,193,732	432,394	36%
Total	56,003,360,875	103,804,933,673	1,158,505	100.00%

Source: Securities and Commodities Authority

Comparison of Trading Turnover between ADX and DFM

In 2010, approximately 363.84 thousand trades were plied on the Abu Dhabi Securities Exchange (ADX) by trading in 17.61 billion shares with a total value of AED 34.14 billion; whereas on the Dubai Financial Market (DFM) approximately 794.66 thousand trades were transacted by trading in 38.39 billion shares with a total value of AED 69.66 billion.

Table No. (8) shows trading turnover on both ADX & DFM

Table No. (8)

2010	ADX			DFM		
	Volume (Shares)	Value (AED)	Trades	Volume (Shares)	Value (AED)	Trades
1st Quarter	4,737,868,617	10,266,597,996	110,860	15,100,123,625	28,975,011,770	311,741
2nd Quarter	3,794,573,900	7,280,347,995	86,021	10,099,361,516	19,721,782,179	217,489
1st Half	8,532,442,517	17,546,945,991	196,881	25,199,485,141	48,696,793,949	529,230
3rd Quarter	3,873,350,674	7,360,307,310	70,098	5,534,301,156	9,033,193,963	113,688
4th Quarter	5,205,264,765	9,232,904,942	96,865	7,658,516,622	11,934,787,517	151,743
2nd Half	9,078,615,439	16,593,212,252	166,963	13,192,817,778	20,967,981,481	265,431
Total	17,611,057,956	34,140,158,243	363,844	38,392,302,919	69,664,775,430	794,661
%	31.45%	32.89%	31.41%	68.55%	67.11%	68.59%

Source: Securities and Commodities Authority

Detailed Statistical Bulletin of ESM Performance in 2010

Charts numbers (6) to (10) illustrate a number of inputs pertaining to the trading activity on the ESM.

Chart No. (6)
Distribution of trading activities between ADX and DFM in 2010



Chart No. (7)
Monthly traded value, market-wise in 2010

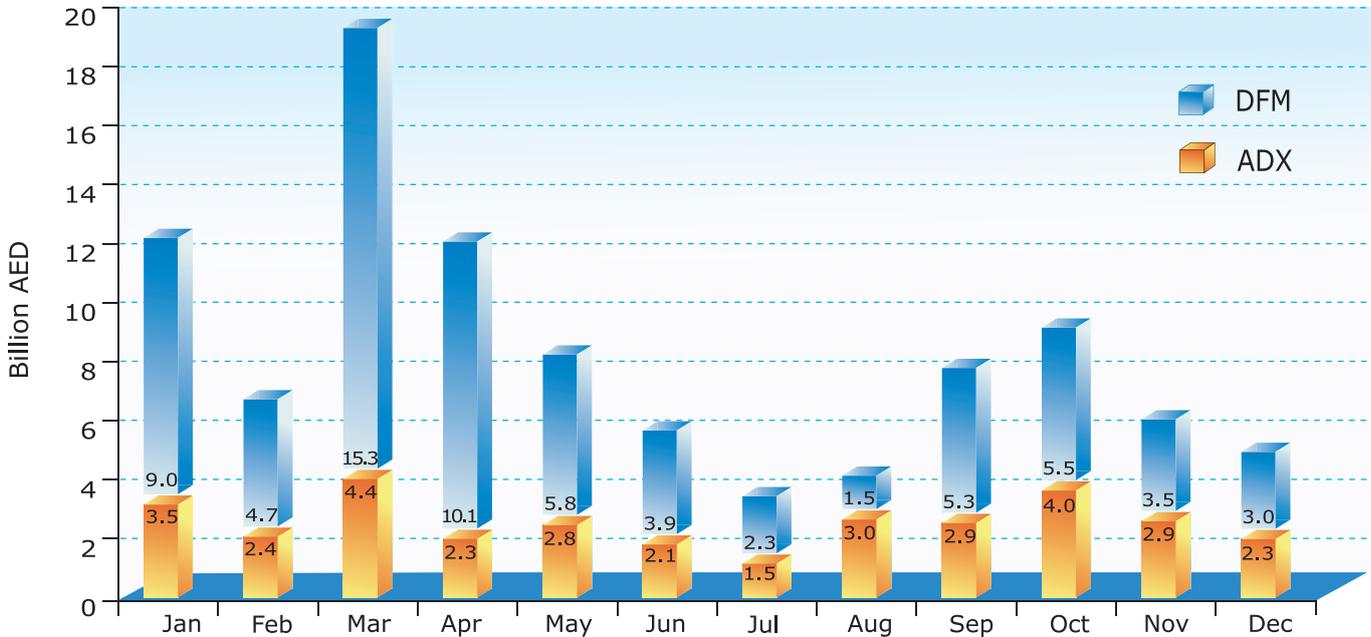


Chart No. (8)
Monthly traded volume of ESM in 2010

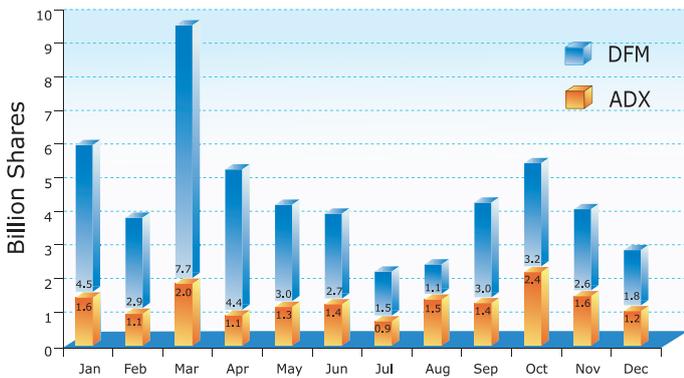
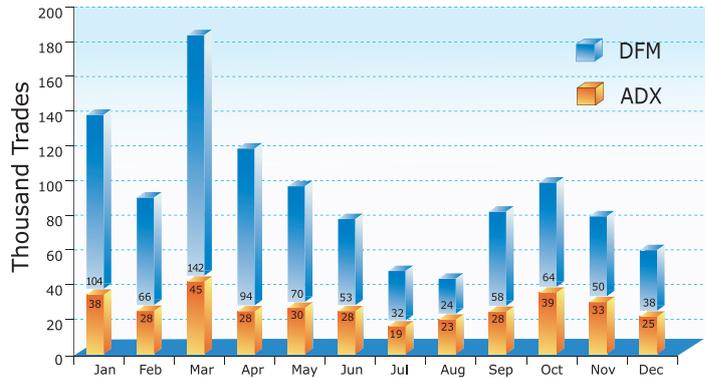


Chart No. (9)
Monthly total number of trades on ESM in 2010



Trading Activity by Sector in 2010

The services sector topped the chart in terms of traded value in 2010 with 82.8% of the total value of traded shares, followed by the banking sector with 9.8%, the industry sector followed with 5.4%, and finally, the insurance sector with 2.0%.

Table No. (9) shows the trading activities, sector-wise in 2010.

Table No. (9)

Sector	Trading Value	%
Insurance	2,029,612,443	2.0%
Industry	5,653,252,275	5.4%
Banking	10,216,439,109	9.8%
Services	85,905,629,846	82.8%
Total	103,804,933,673	100%

Source: Securities and Commodities Authority

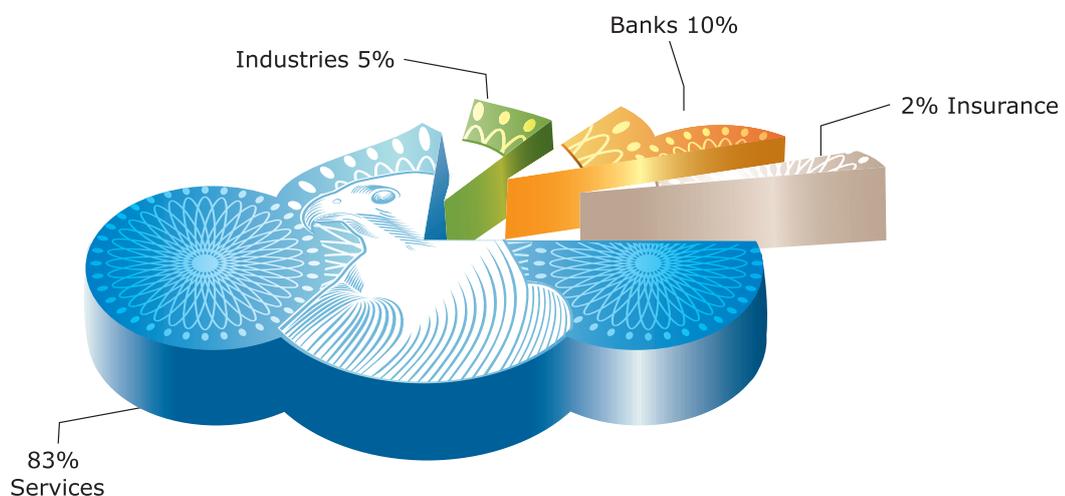
Table No. (10) shows trading value in AED by sector and financial market and percentage to the gross total in 2010

Table No. (10)

Sector	ADX		DFM		ESM	
	Value	%	Value	%	Value	%
Banking	6,044,870,507	17.71%	4,171,568,601	5.99%	10,216,439,109	9.84%
Industry	5,644,955,093	16.53%	8,297,181	0.01%	5,653,252,275	5.45%
Insurance	1,273,732,513	3.73%	755,879,931	1.09%	2,029,612,443	1.96%
Services	21,176,600,130	62.03%	64,729,029,716	92.92%	85,905,629,846	82.76%
Total	34,140,158,243	32.89%	69,664,775,430	67.11%	103,804,933,673	100.00%

Source: Securities and Commodities Authority

Chart No. (10)



Trading Activity in Shares of Listed Companies

The year 2010 has witnessed a decline in the prices of many shares, with the depreciation of the prices of 71 out of 108 companies whose shares were traded. The share prices for 33 companies appreciated, while those of four companies maintained their previous closing prices.

The shares of Emaar Properties and Arabtec Holding recorded the highest trading activity during the period. The traded value for Emaar Properties during the period was approximately AED 28.66 billion, while that of Arabtec was approximately AED 14.10 billion. The shares of the RAK Ceramics and Gulf Livestock recorded the highest increase in market value with the market value of their stock surging by 98.51% and 87.86% respectively. Meanwhile, the shares of both Financial Advisors and TABREED suffered the biggest slip of -80.79% and -58.77% respectively.

Table No. (11) shows the top traded companies.

Table No. (11)

Company	Trading Value	Closing Price (AED)	% of change
Emaar Properties	28,667,226,330	3.55	-8.03%
Arabtec Holding	14,105,267,966	1.97	-26.49%
Aldar Properties	10,526,245,220	2.28	-54.22%
DFM	8,753,094,070	1.51	-19.68%

Source: Securities and Commodities Authority

Table (12) shows the companies with the highest increase in share price on the ESM.

Table No. (12)

Company	Trading Value	Closing Price (AED)	% of change
RAK Ceramics	47,057,784	2.67	98.51%
Gulf Livestock	691,527	7.27	87.86%
RAK White Cement	59,962,232	1.40	50.54%
ARAMEX	1,333,786,433	2.08	45.45%

Source: Securities and Commodities Authority

Table (13) shows the companies with the lowest increase in share price on the ESM.

Table No. (13)

Company	Trading Value	Closing Price (AED)	% of change
Financial Advisors	12,577,895	1.02	-80.79%
TABREED	665,527,185	1.67	-58.77%
Gulf Finance House	508,935,123	0.47	-56.07%
ASMAK	1,211,643	8.00	-55.80%

Source: Securities and Commodities Authority



Trading Activity by Sector and Company Capitalization

Banking Sector

Table No. (14) illustrates information related to trading and share turnover in 2010 for the banking sector companies.

Table No. (14)

Banks	Closing Price 2010	Closing Price 2009	Annual Change (AED)	% of Annual Change	Value of Annual Trading	No. of Trades	Market Value
Abu Dhabi Commercial Bank	2.07	1.56	0.51	32.69%	662,728,878	9,156	9,956,699,679
Abu Dhabi Islamic Bank	2.96	2.41	0.55	22.82%	529,081,107	6,589	6,999,529,483
Bank of Ajman	0.81	0.90	-0.09	-10.44%	267,585,885	8,613	805,999,994
Al Salam Bank – Sudan	1.61	2.40	-0.79	-32.92%	19,829,303	827	0
Bank of Sharjah	1.84	2.06	-0.22	-10.68%	161,581,654	1,487	3,864,000,070
Commercial Bank of Dubai	3.46	3.36	0.10	2.98%	27,905,656	274	6,716,855,160
Commercial Bank International	1.26	1.50	-0.24	-16.00%	320,356,804	33	1,688,418,890
Dubai Islamic Bank	2.18	2.21	-0.03	-1.36%	3,026,939,241	41,501	8,280,846,884
Emirates Islamic Bank	0.79						1,921,190,655
Emirates Investment Bank	950.00						426,907,200
Emirates National Bank of Dubai	2.76	2.95	-0.19	-6.44%	287,639,360	4,861	15,339,458,185
First Gulf Bank	18.25	16.05	2.20	13.71%	2,503,234,927	10,053	25,093,750,000
Finance House	6.00	4.64	1.36	29.31%	66,497,073	145	1,650,000,000
Gulf Finance House	0.47	1.07	-0.60	-56.07%	508,935,123	15,978	0
Invest Bank	1.80	2.20	-0.40	-18.18%	23,729,807	53	2,078,999,945
Mashreq Bank	83.00	86.70	-3.70	-4.27%	31,955	1	14,033,388,925
National Bank of Abu Dhabi	11.75	11.27	0.48	4.26%	736,378,436	5,737	28,102,507,031
National Bank of Fujairah	5.00	5.55	-0.55	-9.91%	5,000	1	5,500,000,000
National Bank of Umm Al-Qaiwain	2.29	3.58	-1.29	-36.03%	231,443,715	203	3,591,086,340
Sharjah Islamic Bank	0.93	0.90	0.03	3.33%	120,043,453	2,028	2,255,715,017
RAK Bank	5.02	3.75	1.27	33.87%	276,025,958	185	5,795,283,758
Al Salam Bank – Bahrain	0.69	0.90	-0.22	-23.89%	32,702,080	1,059	0
United Arab Bank	5.43	6.40	-0.97	-15.16%	1,130,737	12	5,410,458,779
Union National Bank	3.14	2.90	0.24	8.28%	412,632,958	4,039	7,123,875,238
Total = 24 Banks					10,216,439,109	112,835	156,634,971,233

Detailed Statistical Bulletin of ESM Performance in 2010

Insurance Sector

Table No. (15) illustrates information related to trading and share turnover in 2010 for the insurance sector companies.

Table No. (15)

Insurance	Closing Price 2010	Closing Price 2009	Annual Change (AED)	% of Annual Change	Value of Annual Trading	No. of Trades	Market Value
Al-Ain Ahlia Insurance Co.	47.00	65.00	-18.00	-27.69%	9,996,020	11	705,000,000
Al Buhaira National Insurance	9.00	10.30	-1.30	-12.62%	9,273,766	5	2,250,000,000
Abu Dhabi National Insurance Co.	6.96	8.99	-2.03	-22.58%	174,927,496	115	2,610,000,014
Al Fujairah National Insurance Co.	300.00						225,000,000
Al Khazna National Insurance Co.	0.78	0.96	-0.18	-18.75%	7,600,850	190	311,999,989
Alliance Insurance	383.50	383.50	0.00	0.00%	4,314,380	1	383,500,000
AMAN Insurance	0.76	0.92	-0.16	-17.50%	130,762,487	4,836	159,390,001
Arab Orient Insurance	110.45						331,349,991
Arab Insurance - ARIG	1.80	1.77	0.03	1.69%	4,049,347	81	0
Scandinavian Insurance	2.85	2.99	-0.14	-4.68%	28,500	1	398,999,987
Al Saqr National Insurance	4.55						1,046,500,044
Al Wathba Insurance	6.22	5.67	0.55	9.70%	49,109,667	4	746,399,975
Takaful House	0.94	1.68	-0.74	-44.35%	31,626,971	1,547	93,500,000
Al Dhafra Insurance	4.50	4.50	0.00	0.00%	12,375,650	38	337,500,000
Dubai Insurance Co.	2.27	2.89	-0.62	-21.45%	23,678,162	30	226,999,998
Dubai National Insurance Co.	2.20	2.10	0.10	4.76%	18,952,031	91	242,000,005
Emirates Insurance Co.	6.51	6.65	-0.14	-2.08%	128,978,509	23	878,850,031
Green Crescent Insurance Co.	0.76	0.89	-0.13	-14.61%	215,649,310	4,620	189,999,998
Methaq Insurance	2.47	3.30	-0.83	-25.15%	657,674,866	15,421	370,500,004
National General Insurance	7.78	8.18	-0.40	-4.89%	24,149	1	1,166,643,023
Oman Insurance Co.	8.22	10.00	-1.78	-17.80%	4,839,528	13	3,451,444,537
RAK National Insurance Co.	3.85	4.48	-0.63	-14.06%	700,977	10	384,999,990
Islamic Arabic Insurance	0.91	0.87	0.04	4.25%	454,559,279	10,784	997,700,006
Sharjah Insurance Co.	5.25	5.85	-0.60	-10.26%	1,463,741	5	721,875,000
Takaful Emarat	0.74	1.20	-0.46	-38.33%	83,045,097	3,469	111,000,001
Takaful	3.16	4.73	-1.57	-33.19%	3,761,986	60	229,416,006
United Insurance Co.	4.00	3.75	0.25	6.67%	12,000	2	200,000,000
Union Insurance Co.	2.21	2.75	-0.54	-19.64%	2,207,676	20	731,375,600
Total = 28 companies					2,029,612,443	41,378	19,501,944,200



Services Sector

Table No. (16) illustrates information related to trading and share turnover in 2010 for the services sector companies.

Table No. (16)

Services	Closing Price 2010	Closing Price 2009	Annual Change (AED)	% of Annual Change	Value of Annual Trading	No. of Trades	Market Value
Fujairah Trade Center							
Aabar Investments *	1.45	2.27	-0.82	-36.12%	1,965,289,252	19,147	0
Abu Dhabi Aviation Co.	2.85	2.50	0.35	14.00%	59,736,532	214	1,152,403,161
Agility Public Warehousing Co.	17.60						0
Air Arabia	0.82	0.92	-0.10	-10.98%	2,459,834,283	35,279	3,822,027,327
Aldar Properties	2.28	4.98	-2.70	-54.22%	10,526,245,220	103,556	5,877,599,922
Al Firdous Holding	1.04	1.52	-0.48	-31.58%	6,957	8	623,999,977
Al Madina For Finance	0.61	0.99	-0.39	-38.89%	343,776,039	9,073	0
Amlak Finance Company	1.02						1,529,999,971
ARAMEX	2.08	1.43	0.65	45.45%	1,333,786,433	17,320	3,045,327,888
Arabtec Holding Company	1.97	2.68	-0.71	-26.49%	14,105,267,966	140,762	2,356,120,034
ASMAK	8.00	18.10	-10.10	-55.80%	1,211,643	102	400,000,000
Dubai Development Co.	2.24						22,400,000
Deyaar Development	0.29	0.58	-0.29	-49.31%	1,084,361,501	22,768	1,698,731,999
Dubai Financial Market	1.51	1.88	-0.37	-19.68%	8,753,094,070	106,417	12,079,999,924
Dubai Investment	0.78	1.00	-0.22	-22.00%	928,952,038	16,745	2,858,524,707
Emirates Driving Co.	4.10	5.30	-1.20	-22.64%	19,447,070	52	368,124,231
Drake & Scull	1.04	0.90	0.14	15.56%	2,086,514,439	31,421	2,264,888,806
Integrated Telecom - du	2.86	2.79	0.07	2.51%	1,797,254,418	24,731	13,074,285,233
Ektitab Holding	0.45	0.68	-0.23	-34.12%	296,530,059	9,704	0
Emaar Properties	3.55	3.86	-0.31	-8.03%	28,667,226,330	207,957	21,641,964,109
Emirates Telecom - ETISALAT	10.80	10.00	0.80	8.00%	2,821,718,169	16,404	85,386,313,508
Gulf General Investment Co.	0.52	1.10	-0.59	-53.18%	30,177,193	1,308	922,536,641
Global Investment	0.70	1.25	-0.55	-43.84%	5,058,955	393	0
Gulf Livestock	7.27	3.87	3.40	87.86%	691,527	16	726,999,998
Gulf Medical	1.95	2.38	-0.43	-18.07%	23,576,710	143	1,177,312,529
Gulf Petroleum Investment	6.50						0
Grand Real Estate Projects	1.70						0
Gulf Navigation Holding	0.42	0.59	-0.17	-28.31%	400,937,493	10,267	700,065,013
Hits Telecom Holding	1.09	1.25	-0.16	-12.80%	722,738,459	17,252	0
Financial Advisors	1.02	5.31	-4.29	-80.79%	12,577,895	79	0
International Investment Group	4.00						0
Al Mazaya Holding	3.10						0
National International Holding	3.40						0
National Marine Dredging Co	10.50	8.50	2.00	23.53%	38,333,482	447	2,276,113,907
National Real Estate	5.73						0
Oman & Emirates Investment Holding	1.00	1.53	-0.53	-34.64%	686,211	45	0
Oasis Capital	0.74	0.85	-0.11	-13.35%	811,988,464	12,000	1,282,050,017
Palestine Telecom	28.00	27.25	0.75	2.75%	2,410,624	39	0
Qatar Telecom - QTEL	176.00	144.20	31.80	22.05%	26,209,025	169	0
RAK Properties	0.44	0.58	-0.14	-24.14%	945,146,643	17,095	879,999,995
Commercial Markets Complex	5.78						0
SHUAA Capital	1.25	1.48	-0.23	-15.54%	127,883,906	3,584	1,331,250,000
Sorouh Real Estate	1.63	2.48	-0.85	-34.27%	3,914,148,650	52,192	4,278,749,987
Sudan Telecom - SUDATEL	2.10	3.26	-1.16	-35.58%	19,760,909	711	0
TABREED	1.67	4.05	-2.38	-58.77%	665,527,185	20,430	405,268,910
Tamweel	0.99						990,000,010
Union Properties	0.37	0.68	-0.32	-46.32%	907,524,098	25,049	1,228,902,648
Total = 48 companies					85,905,629,848	922,879	174,401,960,453

* The company was delisted during the year

Industrial Sector

Table No. (17) shows information related to trading and share turnover in 2010 for the industrial sector companies.

Table No. (17)

Industry	Closing Price 2010	Closing Price 2009	Annual Change (AED)	% of Annual Change	Value of Annual Trading	No. of Trades	Market Value
ACICO Industries	5.50						0
Abu Dhabi National Hotels	3.00	3.76	-0.76	-20.21%	177,253,472	761	3,000,000,000
Abu Dhabi Ship Building	2.67	3.85	-1.18	-30.65%	3,725,467	146	566,018,656
Agthia Group	2.15	1.84	0.31	16.85%	268,974,426	5,113	1,290,000,057
Arab Heavy Industries	193.35						129,981,282
Arkan Building Material	1.71	2.34	-0.63	-26.92%	366,054,409	9,481	2,992,500,067
AlJazeera Steel	3.22						0
Abu Dhabi National Building - BILDICO	1.78	2.11	-0.33	-15.64%	7,253,290	270	533,999,991
DANA Gas	0.73	0.85	-0.12	-14.12%	3,467,075,496	44,666	4,818,000,126
Dubai Refreshments	6.11	9.50	-3.39	-35.68%	3,601,589	42	366,600,008
Jeema Mineral	6.05	5.01	1.04	20.76%	1,287,766	7	181,500,006
Fujairah Building Industries	4.61						583,165,017
Fujairah Cement	3.00	3.00	0.00	0.00%	1,479	2	1,067,595,957
Foodco Holding	3.09	3.01	0.08	2.66%	100,051,074	51	308,999,991
Gulf Cement Co	1.58	1.60	-0.02	-1.25%	49,428,169	395	1,297,333,011
GULFA Mineral Water	5.60	5.60	0.00	0.00%	4,810	1	139,999,998
Gulf Pharmaceutical - JULPHAR	1.87	1.76	0.11	6.25%	67,011,739	668	1,333,967,372
National Cement	3.42	3.45	-0.03	-0.87%	2,856,576	91	1,227,096,027
National Corporation of Tourism	6.62	8.37	-1.75	-20.91%	8,135,398	21	728,199,987
National Industries Group	21.70	19.10	2.60	13.61%	216,440	2	0
Umm Al Qaiwain Cement	0.77	0.69	0.08	11.59%	37,706,662	582	279,509,993
RAK Cement	0.84	1.02	-0.18	-17.65%	643,773,804	11,762	406,559,987
RAK Ceramics	2.67	1.35	1.33	98.51%	47,057,784	726	1,803,955,111
RAK White Cement	1.40	0.93	0.47	50.54%	59,962,232	816	653,799,989
RAK Poultry & Feeding	1.87	2.00	-0.13	-6.50%	10,919,839	94	161,568,000
Sharjah Cement	0.88	1.20	-0.32	-26.67%	41,990,605	362	486,602,995
Abu Dhabi National Energy- TAQA	1.48	1.19	0.29	24.37%	284,795,733	5,126	9,213,000,119
Union Cement Co.	1.60	1.68	-0.08	-4.76%	3,784,015	225	1,071,100,816
United Foods	6.00	5.98	0.02	0.33%	330,000	3	150,000,000
Kaipara Dairies	363.65						100,003,748
Total = 30 companies					5,653,252,275	81,413	34,891,058,312



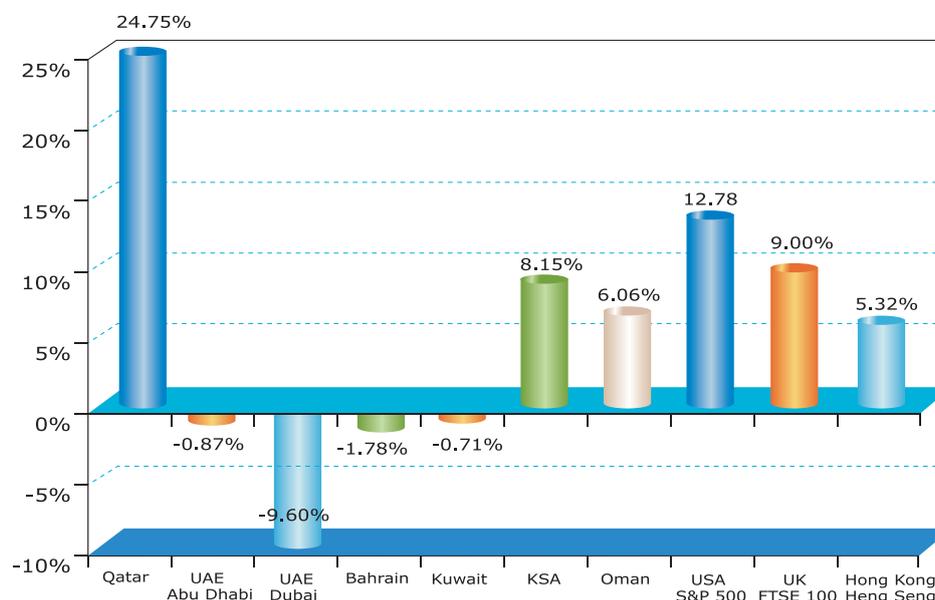
1. Comparing annual performance of market indicators in some countries of the world

Table No. (18) shows annual performance of market indicators in the UAE, other GCC member states and in some other countries of the world in 2010.

Table No. (18)

Country	Performance Indicator
Qatar	24.75%
Saudi Arabia	8.15%
Oman	6.06%
UAE (Abu Dhabi)	-0.87%
UAE (Dubai)	-9.60%
Bahrain	-1.78%
Kuwait	-0.71%
USA - S&P 500	12.78%
UK - FTSE 100	9.00%
Hong Kong - Heng Seng	5.32%

Source: GCC stock markets/ bloomberg websites



- The table shows that most of the international and Gulf markets have started recovering from the impact of the global financial crisis, particularly the markets which received direct or indirect support from their governments.
- In spite of their modern regulations, the performance of UAE markets was low compared to their peers in other Gulf countries and the world.
- The best performance came from the securities markets which received huge government support, like Qatar, Saudi Arabia and the United States.

2. Comparing the daily rates of change in the volume of trading

Table No. (19) shows the rates of change in the volume of trading on some Gulf and international markets from 2007 to 2010.

Table No. (19)

Market	% of change between 2007 - 2008	% of change between 2008 - 2009	% of change between 2009 - 2010
Saudi Arabia (Riyal)	-58.1%	-50.8%	50.1%
UAE (Dirham)	-52.5%	-21.9%	-57.7%
Kuwait (Dinar)	-20.1%	-57.9%	-12.6%
Qatar (Riyal)	11.5%	-76.4%	138.0%
USA (Dow Jones)	-20.1%	-22.7%	-24.7%

Source: GCC stock markets/ bloomberg websites

- The year 2007 was one of the best for securities markets in the world in terms of market performance. This has contributed to huge attraction of investors to the markets and the sharp rise in the volume of trading during that year.
- In 2008, the impact of the global financial crisis was very great. This negatively affected the attraction of investors to the markets in all countries of the world, particularly the Gulf markets, pushing down significantly the volume of trade on those markets.
- The biggest slip in volume of trading on the markets was recorded in the UAE, being the most open to foreign investment. The exiting of foreign investors from the UAE markets during and in the aftermath of the global financial crisis – due to investors' dire need for liquidity – has greatly affected trade volumes on those markets.

Comparing ESM with GCC & Int'l Markets

3. Comparing the rate of change in the net income of listed companies in various countries of the world

Table No. (20) shows the rates of change in the net income of listed companies on the markets of a number of Gulf and Western countries, in addition to Singapore. The table contains rates of change for the year 2010 compared to 2009.

Table No. (20)

Country	Rate of change of net income for 2010 compared to 2009 for listed companies, which disclosed their statement of account - by countries
UAE	-41.74%
Kuwait	22.38%
Bahrain	-164.00%
Qatar	-9.90%
Oman	18.17%
Saudi Arabia	38.37%
UK	40.89%
USA	44.44%
France	48.11%
Singapore	52.27%
Germany	100.00%

Source: Securities and Commodities Authority/ bloomberg

- The information above shows improvement in the net income of listed companies in most countries of the world, thanks to the recovery programs adopted by those countries, which impacted directly on the financial performance of those companies.
- The improvement in the financial performance of the listed firms in those countries has contributed to the improvement in the growth of the global economy.
- The financial performance of listed firms in the UAE was lower compared to other countries.

4. Comparing the rates of change in net income of listed companies in the UAE –by sectors– between 2009 and 2010

Table No. (21) shows the rates of changes in the net income of listed companies in the UAE – by sectors – between 2009 and 2010

Table No. (21)

Net income of 112 listed companies on UAE stock markets by sector (in AED Million)			
Sector	2009	2010	Growth rate of net income
Telecommunication	13,319	12,894	-3.19%
Investment & financial Services	1,394	(1,046)	-175.06%
Banks	15,310	16,813	9.82%
Insurance	978	843	-13.78%
Services	13	1,303	10063.51%
Consumer goods	407	530	30.16%
Industry	1,091	823	-24.62%
Energy	861	2,041	137.05%
Real estate	2,189	(13,427)	-713.38%
Transport	768	393	-48.85%
Total sectors	36,329	21,167	-41.74%

Source: Securities and Commodities Authority/ bloomberg

- The biggest depreciation recorded in the rate of growth of net income was in the investment, financial services and real estate sectors.
- The performance of the financial and real estate sectors was weak in all countries of the world. This was attributed to the global financial crisis.
- Brokerage firms suffered from weak trading volume. This took a significant toll on their net income.



Commodities Markets

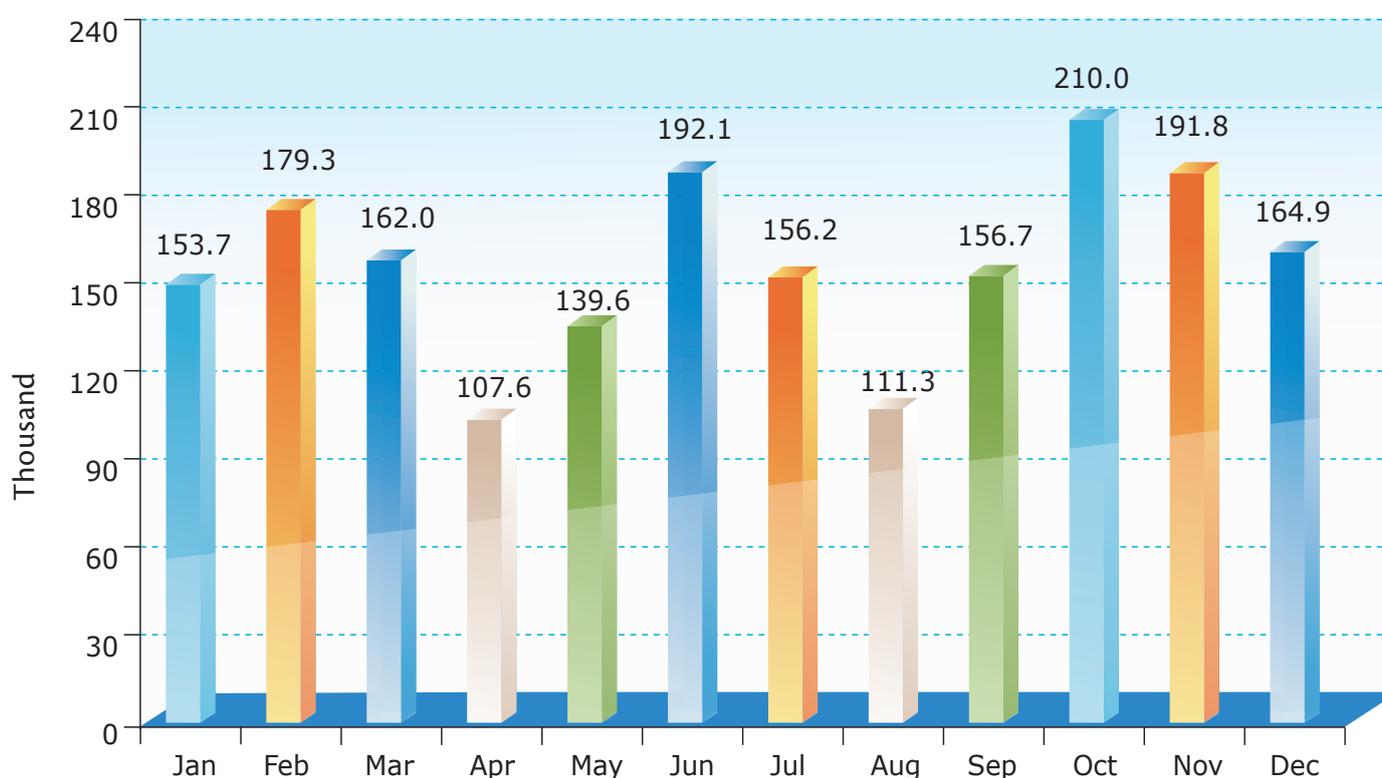
The Securities and Commodities Authority (SCA) has an oversight responsibility over the Dubai Gold and Commodities Exchange (DGCX) under the power vested in the SCA to supervise and monitor the securities and commodities markets in the UAE. A Memorandum of Understanding was signed in 2006 between the SCA and the DGCX with the aim of promoting standards and levels of disclosure and transparency underlying transactions with the ultimate objectives of protecting the interest of investors.

DGCX is most recent electronic state-of-the-art exchange for the trading of commodity based derivatives in the Middle East.

Pursuant to SCA Decision No. 157 of 2005, the DGCX was established and SCA granted it a license to start operations on November 15th of the same year. The SCA had previously reviewed DGCX' internal by-laws and regulations. The first exchange transaction in DGCX took place on November 22 of the same year.

Chart No. (11)

Number of traded commodities contracts



Following is the summary of the achievements of the Commodities Derivatives market in 2010:

- **Approval to a revised broker approval process:**

In 2010, SCA approved a revised broker licensing approval process presented by the market. The objective of the process is to ensure that the applicants have substantial experience and expertise in commodities trading and have a robust trading infrastructure, before SCA grants them the license.

- **By-law changes to the Indian Rupee contract specifications:**

SCA approved the DGCX by-law changes to bring the contract specifications and expiry time of the Dubai Indian Rupee futures (DINR) contract to be fully aligned with the similar contract traded in India, so as to invite more arbitrageurs and hedgers to trade on DGCX. The benefit of this move has been that now DINR is the largest trading contract on DGCX and made up almost 25% of total trading volumes on DGCX registering a rise in trading volumes of 625% from previous year.

Following are some major developments on the DGCX in 2010:

- Trading Volume growth:**

DGCX recorded the highest total volumes in any year so far registering a volume of 1,925,463 contracts which is an increase of 28% over 2009 trading volumes. This represents a rise of more than 300% over a period of 5 years, inspite of the global financial crisis.

- Currency derivatives being the major segment of trades:**

After SCA approving listing of currency derivative contracts, currency derivatives became the largest trading contracts segment on DGCX comprising 67% of total trading volumes in 2010, as compared to 27% of total trading volumes traded in precious metals (gold and silver).

- Gold price rise:**

In the year 2010, the price of gold has shown the biggest rise on DGCX, from a low of \$ 1045.00 recorded on May 25, 2010 to a high of \$ 1432.20 recorded on December 7, 2010.

- West Texeas Crude (WTI) Contracts:**

WTI recorded its highest price of \$ 92.02 on December 31, 2010 up from its lowest price of \$67.24 recorded on May 25, 2010.

Chart No. (12)

Value of traded commodities contracts (in US\$ millions)

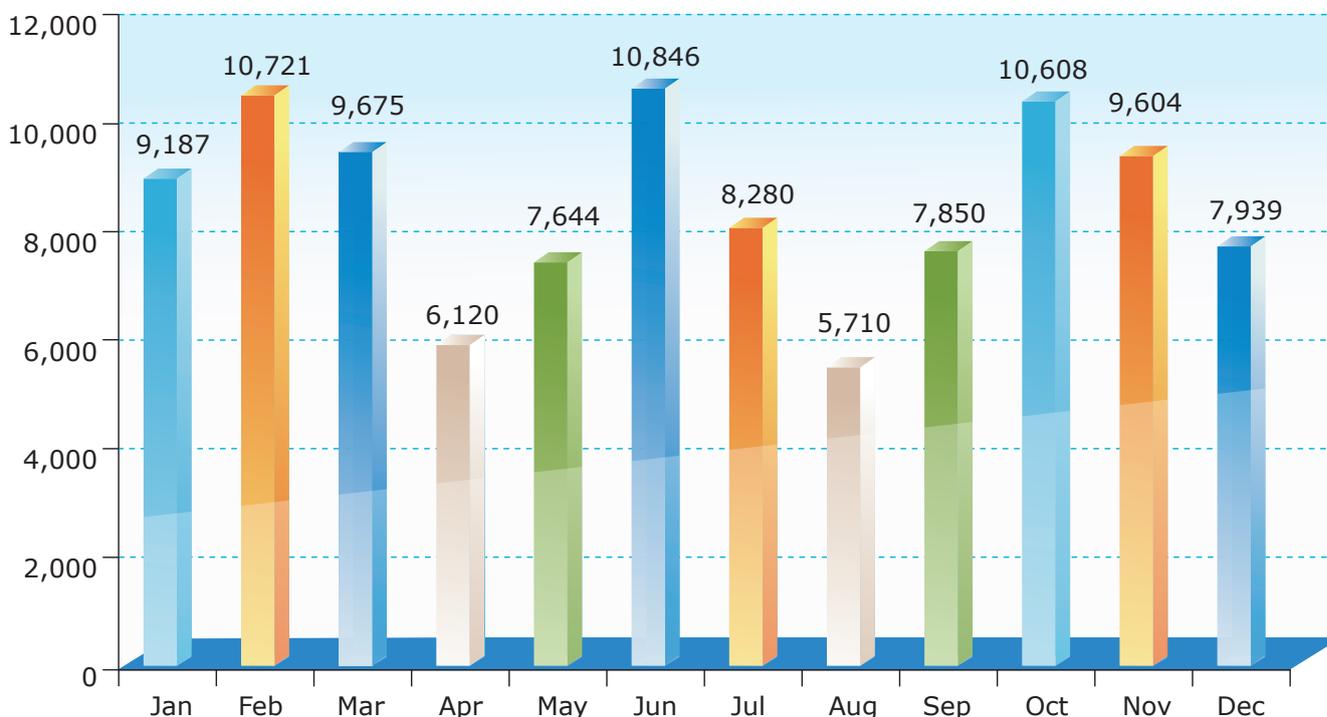


Table No. (22)

Number and value of contracts traded annually

Year	Value (US\$ million)	% of change in value	Number of contracts	% of change in contracts
2005-2006	15,463		617,898	
2007	34,679	124%	907,469	47%
2008	57,429	66%	1,142,493	26%
2009	78,714	37%	1,503,905	32%
2010	104,183	81%	1,925,463	28%

Source: DGCX

Chart No. (13)

Number and value of contracts traded annually

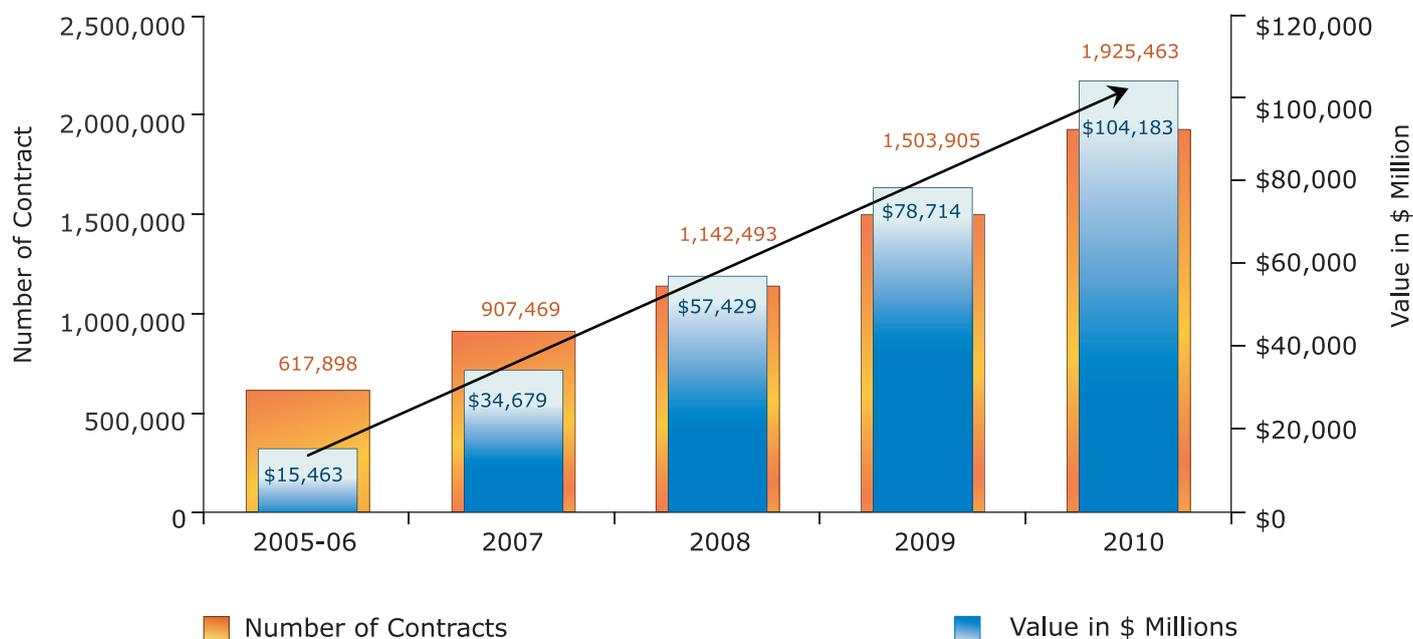


Table No. (23)

Total traded contracts for the listed commodities

Commodities	Total contracts in 2010	Total contracts in 2009	% of change
Gold	490,175	619,685	-21
Indian Rupee	480,725	66,346	625
Euro	473,771	307,467	54
Pound Sterling	205,548	183,883	12
WTI Crude	115,777	251,445	-54
Japanese Yen	82,922	58,044	43
Silver	32,102	17,026	89
Canadian Dollar	15,735	-	-
Swiss Franc	14,644	-	-
Australian Dollar	14,064	-	-
Gold Options	-	-	-
Fuel Oil	-	-	-
Steel	-	-	-
Brent Crude	-	-	-
Total	1,925,463	1,503,905	28

Source: DGCX

Chart No. (14)

