



هيئة الأوراق المالية والسلع
SECURITIES & COMMODITIES AUTHORITY



Annual Report

Emirates Securities Market Performance & Summary of SCA Achievements

2012



شهادة الايزو 9001.2008 لنظم الجودة
ISO 9001.2008 certified

جائزتي برنامج الشيخ خليفة للتميز الحكومي
Sheikh Khalifa Government Excellence Awards



Foreword

Pundits and experts agree that the year 2012 has witnessed elevated level of confidence in and optimism about the local markets as statistical figures show significant appreciation of Emirates Securities Market (ESM) performance last year with the index recording an appreciation of 9.39%, while total market value of listed companies also increased by 9.5%. Similarly net foreign investment value appreciated during the year by about AED1.2billion to strongly indicate increasing foreign investor confidence in the local markets.

In parallel, the Dubai Gold and Commodities Exchange (DGCX) also put up a fantastic performance in 2012, thanks to the high liquidity in its contracts and the increase in investors activities on the market which has witnessed last year a sharp increase of 137% in trade volume compared to 2011 to take its total contracts to 9,601,553. This figure, which represents the highest annual trading volume ever recorded in the history of the bourse, is attributed to the increased demand for Indian Rupee and Gold Futures contracts as the value of traded contracts throughout the 256 days reached US\$372.83 billion.

Generally, the good performance of the ESM consolidates its role as one of the main pillars of financial and economic stability which the UAE enjoys under the wise leadership of His Highness Sheikh Khalifa bin Zayed Al-Nahyan, UAE President and His Highness Sheikh Mohammed bin Rashid Al-Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai.

This performance reflects the SCA's relentless efforts and initiatives last year, including the issuance of new regulations like the Regulation for Market-maker and its three related regulations – Securities lending and borrowing, shortlisting, and liquidity provider, in addition to the Mutual Fund Regulation.

The SCA also successfully improved upon its organizational performance by licensing a number of commodities brokerage companies, financial consultancy and financial analysis firms. It also licensed a number of local mutual funds and approved the promotion of 92 foreign funds on UAE markets.

SCA's relentless efforts led it to deservingly win two awards during the 2nd edition of the Emirates Government Excellence Award of the Sheikh Khalifa Government Excellence Program, as well as two other awards in Emiratization program and ISO certificates in Information Security Management System and in best strategy for maintaining attractive environment for human resources.

Undoubtedly, the SCA's drive to excellence last year underscores its resolution to continue on the path of progress and leadership, thanks to the concerted efforts of its board, headed by H.E. Engineer Sultan bin Saeed Al-Mansoori, Minister of Economy, the executive and members of its working team.

Following is an overview of the major developments:

- The ESM index appreciated by 9.39% in 2012 to close at 2561.21 points.
- The market value of the shares of the local companies listed on the market amounted to about AED 379 billion by the end of the year 2012, representing an appreciation of 9.51% compared to the closing value of the previous year, 2011.
- The total volume of trading in 2012 amounted to about 56 billion shares valued at approximately AED70.7 billion, compared to 41 billion shares with a total value of AED56.8 billion traded in 2011. The rate of decline in trading volume stood at 26.8%, while the rate of depreciation in traded value stood at 24.44%.
- There was an overall improvement in the performance of all sectors with the exception of the insurance and the services sectors, which recorded a depreciation of 10.68% and 3.89% respectively.
- There was an overall improvement in the performance of most of the sectors with the real estate sector topping the table with an appreciation rate of 41.92% by the end of last year to settle at 2436.37 points against 1716.72 recorded in the previous year. It was followed by consumer staples sector which appreciated by 35.02% to settle at 1133.15 points compared to 839.27 points. The transport sector followed with an appreciation of 27.0% to settle at 2142.70 points compared to 1686.43 points recorded in 2010. The investment and financial services sector followed with a rise of 24.9% to settle at 2028.96 points compared to 1623.41 points recorded in 2011, followed by the energy sector with an appreciation rate of 9.54% to settle at 129.217 points compared to 117.954 points in 2011, then the banking sector which rose by 8.31% to settle at 1664.72 points in 2012 compared to 1536.85 points the previous year. The telecom sector followed with a rise of 2.65% to settle at 1716.72 points compared to 1672.29 points in 2011, then the industry sector which appreciated by 1.26% to settle at 689.143 points compared to 680.513 points in 2011. The services sector followed with an depreciation rate of -3.8% to settle at 1128.57 points compared to 1174.27 points recorded in 2011, while the insurance sector trailed with a depreciation rate -10.68% to settle at 1602.81 points in 2012 compared to 1794.36 points recorded in 2011.
- During the year, five (5) public joint stock companies were delisted from the ESM, including one local company, (3) Kuwaiti companies and (1) Omani company. This slashed the total number of listed companies from 128 companies by the end of 2011 to 123 companies by the end of December 2012.

Table No. (1)

The companies which delisted from the ESM in 2012

S. No.	Sector	Company Name	Nationality
1	Services	Fujairah Trade Center	UAE
2	Industrials	ACICO Industries	Kuwait
3	Fin/Investment	National International Holding	Kuwait
4	Industrials	AlJazeera Steel	Sultanate of Oman
5	Services	Commercial Markets Complex	Kuwait

Source: Securities and Commodities Authority

Performance of ESM from 2001 to 2012

Table No. (2) shows the advancement of ESM index, market value (capitalization), trading volume, trading value, number of trades and number of listed companies from 2001 to 2011.

Table No. (2)

Year	ESM Index	Market Cap. (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
2011	2,341.42	346,135,787,877	40,995,866,992	56,819,194,126	728,097	128
2012	2,561.21	379,062,031,092	56,858,376,402	70,705,517,247	880,087	123

Source: Securities and Commodities Authority

Summary of ESM performance in the past years up to the end of December 2012

Chart No. (1)

Market Capitalization in AED (2001 to 2012)

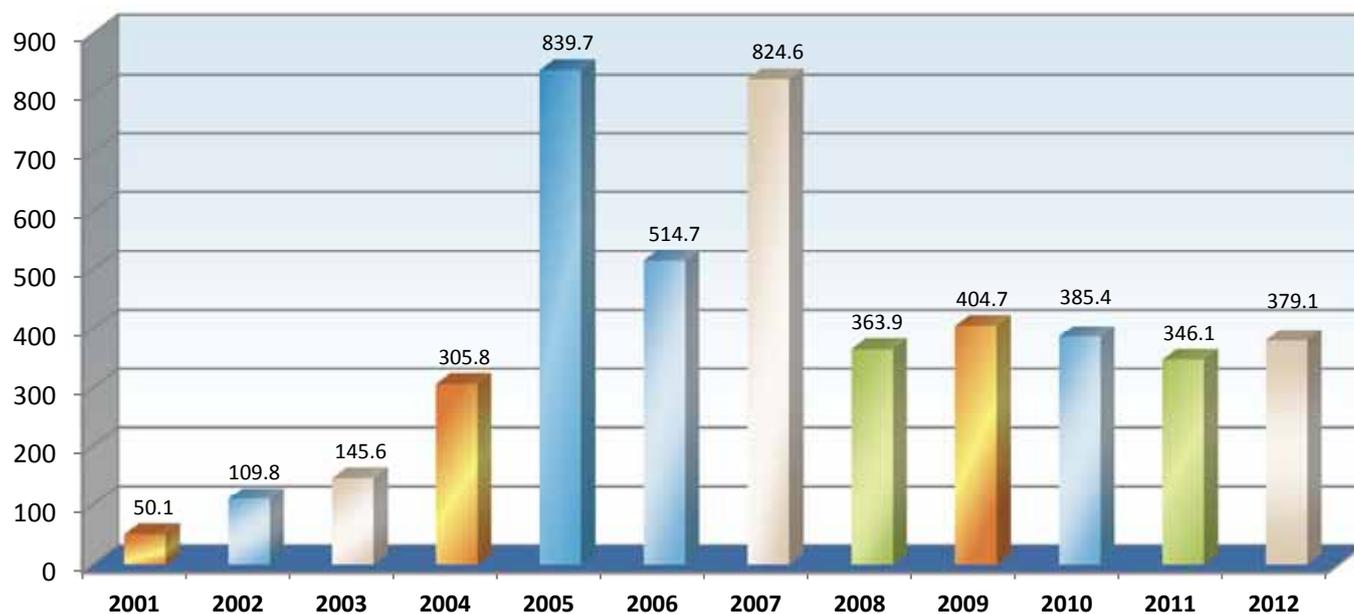


Chart No. (2)

Annual development of ESM index movement since inception up to 2012

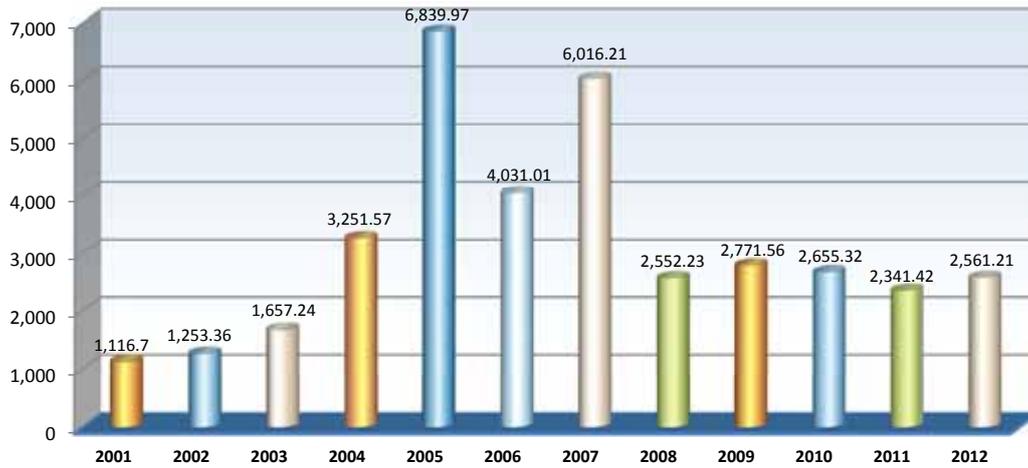


Chart No. (3)

It shows index movement in 2012 on a monthly basis

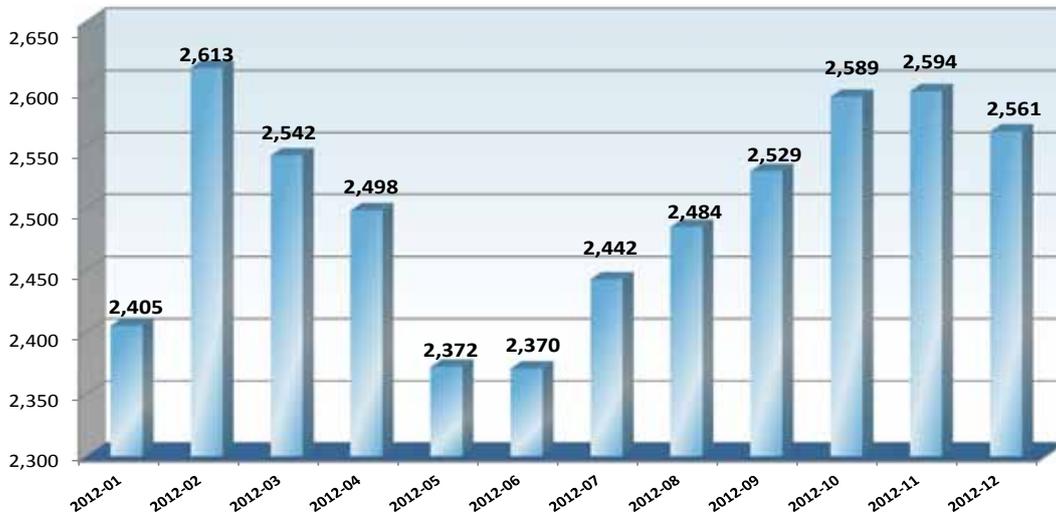
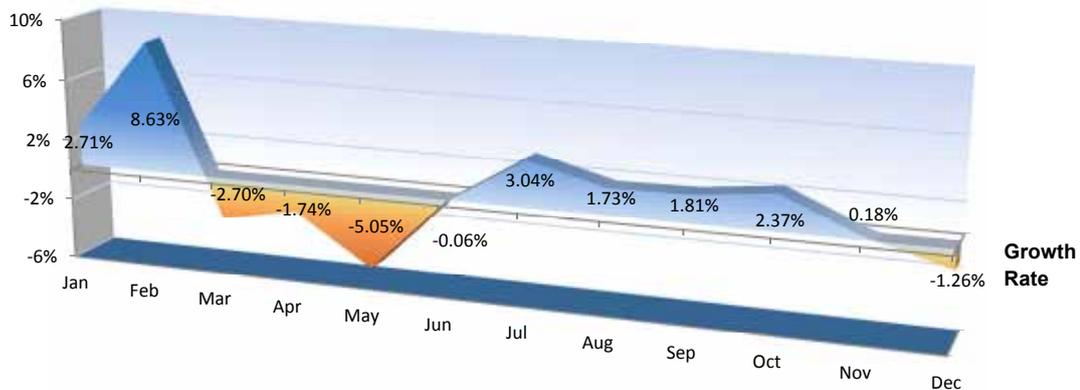


Chart No. (4)

It shows the monthly growth rate of the index in 2012



Foreign Investment in 2012

The local markets of the United Arab Emirates has witnessed remarkable trading activities by foreign investors in 2012. The total purchase value by foreigners amounted to about AED 31.15 billion, while the total sales value by foreigners amounted to AED 29.70 billion, with a net foreign investment of AED 1.46 billion.

Table No. (3) shows trading activities of foreign investors on ADX and DFM.

Table No. (3)
Total trading by foreign investors in 2012

Market	Total Purchase Value (AED)	Total Sale Value (AED)	Net Investment (AED)	Trading Rate %
ADX	8,702,110,403	7,706,657,016	995,453,387	37.05%
DFM	22,451,438,621	21,990,281,676	461,156,945	47.23%
Total	31,153,549,025	29,696,938,692	1,456,610,332	45.18%

Source: ADX & DFM

Net Foreign Investment on UAE Markets

Table No. (4) shows a comparison between net foreign investment for the years 2009, 2010, 2011 and 2012.

Table No. (4)

year	2009	2010	2011	2012
Net foreign investment (AED) Million	2,636	-54	224	1,456

Source: ADX & DFM

The table below clearly shows a surge in the inflow of foreign investment to ADX and DFM as net foreign investment inflow reached AED 1.457 billion in 2012, compared to AED 224 million in 2011.

Foreign traders (non-Emiratis) accounted for 45.18% of the total trading value in 2012.

Table No. (5)
Net foreign investment on ADX and DFM in 2012 compared to 2011

Market	Net Foreign Investment 2011	Net Foreign Investment 2012	Change
ADX	59,916,188.09	995,453,387	935,537,199
DFM	164,362,369.00	461,156,945	296,794,576
Total	224,278,557	1,456,610,332	1,232,331,775

Source: ADX & DFM

Detailed Statistical Bulletin of ESM Performance in 2012

Market trading has witnessed an upward trend in share prices of listed companies. The number of companies which closed with a decline in share prices by the end of trading sessions of 2012 - compared to the closure in the previous year - was 60 companies out of 106 companies whose shares were traded. Meanwhile, the closing share prices for 41 companies declined and the closing share prices of 5 companies remained stable, while the shares of 20 other firms were not traded. It's worth noting here that a total of 128 companies were listed on the ESM at the end of 2011 (See Table 6). The number decreased to 123 following the delisting of five (5) companies and lack of listing any other new company.

Table No. (6)

Companies	Numbers
Increased	60
Decreased	41
Unchanged	5
Traded	106
Non-Traded	20
Listed in 2012	0
De-Listed	5
Listed as on 2011	128
Listed as on 2012	123
Local	107
Foreign	16

Benchmark Indices

The real estate sector topped the table with an appreciation rate of 41.92% by the end of last year to settle at 2436.37 points against 1716.72 recorded in the previous year. It was followed by consumer staples sector which appreciated by 35.0% to settle at 1133.14 points compared to 839.274 points. The transport sector followed with a appreciation of 27.0% to settle at 2142.70 points compared to 1686.43 points recorded in 2011. The investment and financial services sector followed with a rise of 24.9% to settle at 2028.96 points compared to 1623.41 points recorded in 2011, followed by the energy sector with an appreciation rate of 9.54% to settle at 129.217 points compared to 117.954 points in 2011, then the banking sector which rose by 8.31% to settle at 1664.72 points in 2012 compared to 1536.85 points the previous year. The telecom sector followed with a rise of 2.65% to settle at 1716.72 points compared to 1672.29 points in 2011, then the industry sector which appreciated by 1.26% to settle at 689.143 points compared to 680.513 points in 2011. The services sector followed with an depreciation rate of -3.8% to settle at 1128.57 points compared to 1174.27 points recorded in 2011, while the insurance sector trailed with a depreciation rate -10.0% to settle at 1602.81 points in 2012 compared to 1794.36 points recorded in 2011.

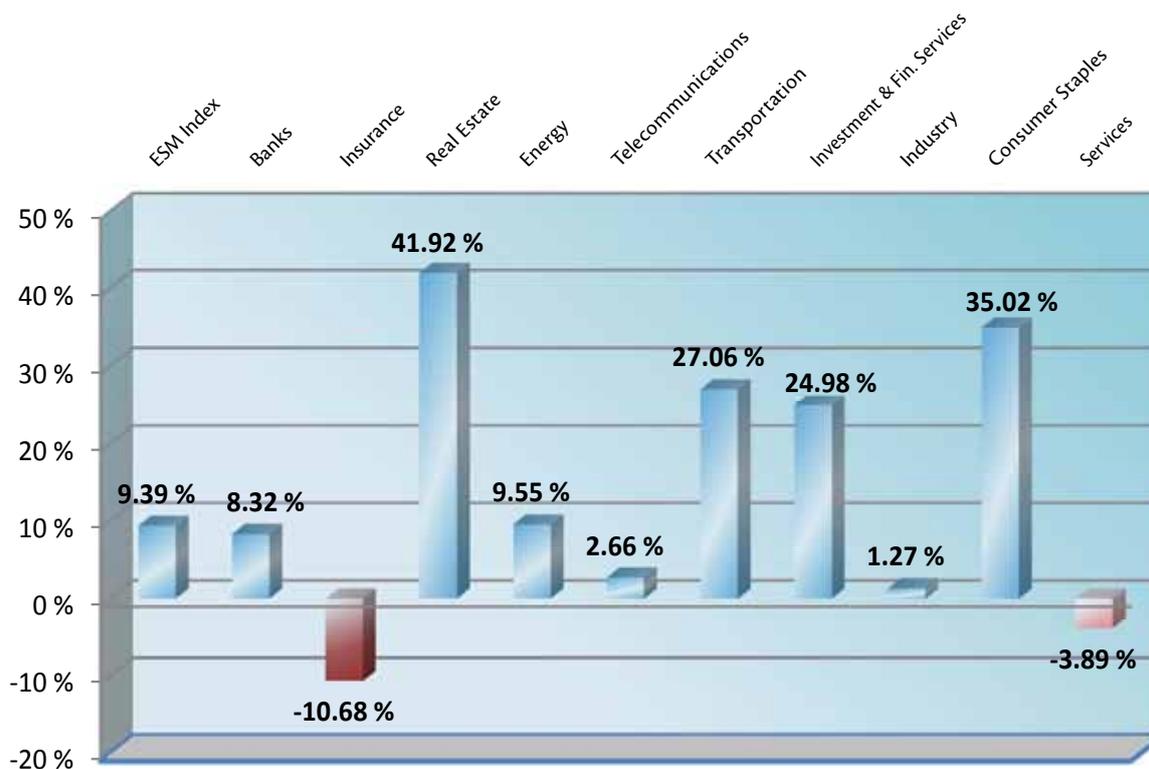
Table No. (7)

Sectors	Closing by End of 2012	Closing by End of 2011	% of Annual Change	Annual Trading Value (AED)	Market Capitalization (AED)
ESM Index	2,561.22	2,341.42	9.39%	70,705,517,247	379,062,031,092
Banks	1,664.72	1,536.86	8.32%	14,372,708,085	178,979,873,332
Insurance	1,602.81	1,794.36	-10.68%	2,796,828,034	16,327,417,227
Real Estate	2,436.37	1,716.73	41.92%	31,944,443,517	41,217,811,596
Energy	129.22	117.95	9.55%	1,436,749,895	11,436,900,585
Telecommunications	1,716.72	1,672.30	2.66%	6,669,107,866	87,662,975,513
Transportation	2,142.71	1,686.44	27.06%	2,821,675,795	7,275,054,500
Investment & Fin. Services	2,028.96	1,623.41	24.98%	5,285,257,603	13,533,855,766
Industry	689.14	680.51	1.27%	983,998,942	9,529,701,063
Consumer Staples	1,133.15	839.27	35.02%	126,609,873	4,997,478,875
Services	1,128.57	1,174.27	-3.89%	4,268,137,636	8,100,962,636

Source: Securities and Commodities Authority

Chart No. (5) illustrates the performance indices of the sectors represented on the ESM in 2012. As evidently clear in the chart, the indices of all sectors, with the exception of the Insurance and Services sectors, have appreciated during the period.

Chart No. (5)
Performance indices sector-wise in 2012



Trading Activity on the Market

The total value of the shares traded in 2012 amounted to about AED 70.70 billion. While the number of completed trades stood at about 880,000 trades, while the number of shares in trade surged to approximately 56.8 billion shares during the same period. Table No. (8) shows comparison of trading activities quarterly and semiannually in 2012

Table No. (8)

Period in 2012	Value (AED)	Volume (Shares)	Trades	%
Quarter 1	27,728,731,171	23,602,406,651	347,172	39%
Quarter 2	16,778,848,743	12,042,644,154	218,725	24%
First Half	44,507,579,914	35,645,050,805	565,897	63%
Quarter 3	12,727,638,746	9,930,716,305	156,372	18%
Quarter 4	13,470,298,588	11,282,609,292	157,818	19%
Second Half	26,197,937,334	21,213,325,597	314,190	37%
Total	70,705,517,247	56,858,376,402	880,087	100%

Source: Securities and Commodities Authority

Comparison of Trading Turnover between ADX and DFM

In 2012, approximately 258,600 trades were plied on the Abu Dhabi Securities Exchange (ADX) by trading in 16.39 billion shares with a total value of AED 22.11 billion; whereas on the Dubai Financial Market (DFM) approximately 621,400 trades were transacted by trading in 40.4 billion shares with a total value of AED 48.6 billion. Table No. (9) shows trading turnover on both ADX & DFM in 2012

Table No. (9)

2012 Period	ADX			DFM		
	Value (AED)	Volume (Shares)	Trades	Value (AED)	Volume (Shares)	Trades
1st Quarter	7,256,509,336	6,070,270,911	91,600	20,472,221,835	17,532,135,740	255,572
2nd Quarter	4,941,713,290	3,246,234,755	60,805	11,837,135,452	8,796,409,399	157,920
1st Half	12,198,222,626	9,316,505,666	152,405	32,309,357,287	26,328,545,139	413,492
3rd Quarter	4,587,780,042	3,105,939,958	50,739	8,139,858,704	6,824,776,347	105,633
4th Quarter	5,324,379,078	3,970,445,087	55,509	8,145,919,510	7,312,164,205	102,309
2nd Half	9,912,159,120	7,076,385,045	106,248	16,285,778,214	14,136,940,552	207,942
Total 2012	22,110,381,746	16,392,890,711	258,653	48,595,135,501	40,465,485,691	621,434

Source: Securities and Commodities Authority

Monthly Traded Value of the ESM in 2012

Table No. (10)

month	ADX			DFM			Total		
	Trades	Volume	Value	Trades	Volume	Value	Total Trades	Total Volume	Total Value
1	20,477	1,316,028,112	1,464,340,916	36,149	2,070,878,278	2,164,489,456	56,626	3,386,906,390	3,628,830,372
2	35,260	2,563,668,139	2,900,990,045	102,577	7,607,753,091	8,744,746,314	137,837	10,171,421,230	11,645,736,359
3	35,863	2,190,574,660	2,891,178,374	116,846	7,853,504,371	9,562,986,066	152,709	10,044,079,031	12,454,164,440
4	22,803	1,228,389,563	1,671,264,394	80,610	4,696,530,069	6,743,969,984	103,413	5,924,919,632	8,415,234,378
5	21,529	1,218,383,519	2,028,773,418	48,707	2,475,187,924	3,241,323,495	70,236	3,693,571,443	5,270,096,913
6	16,473	799,461,673	1,241,675,479	28,603	1,624,691,406	1,851,841,973	45,076	2,424,153,079	3,093,517,452
7	15,909	758,989,605	1,139,330,342	36,907	2,160,903,651	2,839,214,382	52,816	2,919,893,256	3,978,544,724
8	15,759	1,239,395,581	1,778,375,278	31,255	1,948,760,509	2,234,946,309	47,014	3,188,156,090	4,013,321,587
9	19,071	1,107,554,772	1,670,074,422	37,471	2,715,112,187	3,065,698,012	56,542	3,822,666,959	4,735,772,435
10	18,625	1,216,928,678	1,809,736,566	38,546	2,904,799,489	3,120,259,647	57,171	4,121,728,167	4,929,996,213
11	18,700	1,455,480,758	1,683,923,572	30,382	1,957,998,118	2,263,649,879	49,082	3,413,478,876	3,947,573,451
12	18,184	1,298,035,651	1,830,718,939	33,381	2,449,366,598	2,762,009,984	51,565	3,747,402,249	4,592,728,923
Total 2012	258,653	16,392,890,711	22,110,381,746	621,434	40,465,485,691	48,595,135,501	880,087	56,858,376,402	70,705,517,247

Source: Securities and Commodities Authority

The following charts illustrate a number of inputs pertaining to trading activities on the ESM

Chart No. (6)

Distribution of trading activities between ADX and DFM in 2012

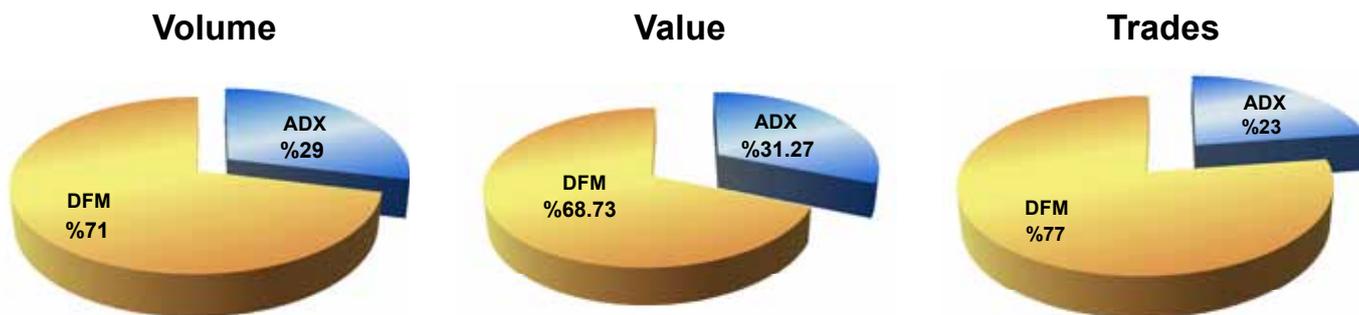


Chart No. (7)

Monthly traded value (in AED) on ESM in 2012



Chart No. (8)

Monthly traded volume on ESM in 2012



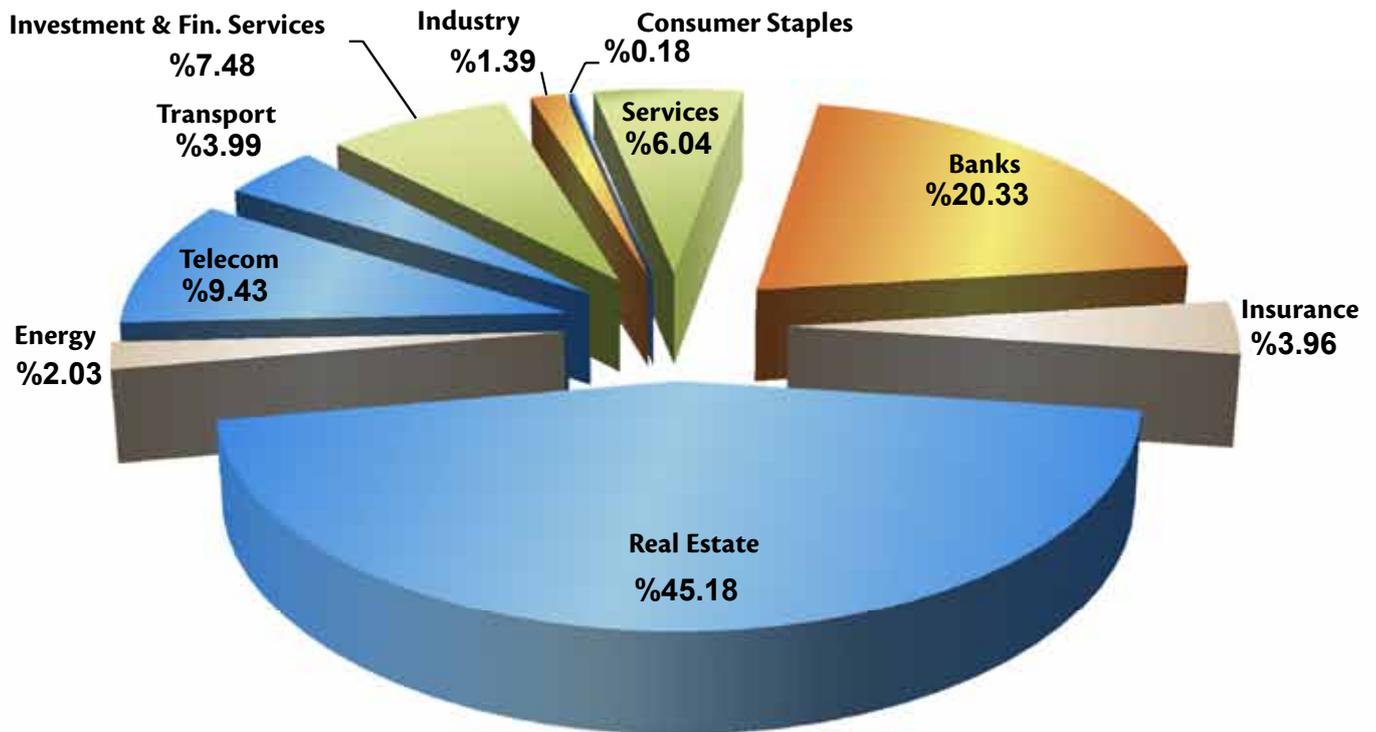
Chart No. (9)

Monthly Number of trades on ESM in 2012



Chart No. (10)

Percentage of total trading value sector-wise in 2012



Trading Activity by Sector

The real estate sector topped the chart in terms of trade value in 2012 with 45.18% of the total value of traded shares, followed by the banking sector with 20.33%, the telecom sector followed with 9.43%, then the investment and financial services sector with 7.48%, followed by the services sector with 6.04%, followed by the transport sector with 3.99%, then the insurance sector with 3.96%, then the energy sector with 2.03%, followed by the industry sector with 1.39% and lastly, the consumer staples sector with 0.18%.

Table No. (11) shows trading activities by sector in 2012

Table No. (11)

Sectors	Trades	Volume (Shares)	Value (AED)	%
Banks	173,058	10,262,067,746	14,372,708,085	20.33%
Insurance	54,846	2,964,888,850	2,796,828,034	3.96%
Real Estate	340,308	23,138,424,468	31,944,443,517	45.18%
Energy	23,878	3,036,454,594	1,436,749,895	2.03%
Telecommunications	89,080	2,109,588,552	6,669,107,866	9.43%
Transportation	54,544	5,393,376,573	2,821,675,795	3.99%
Investment & Fin. Services	82,120	5,611,920,159	5,285,257,603	7.48%
Industry	14,070	1,083,891,458	983,998,942	1.39%
Consumer Staples	1,808	57,256,385	126,609,873	0.18%
Services	46,375	3,200,507,617	4,268,137,636	6.04%
ESM Index	880,087	56,858,376,402	70,705,517,247	100%

Source: Securities and Commodities Authority

Table No. (12) shows trading value in AED by sector and financial market and percentage to the gross total in 2012

Table No. (12)

Sectors	ADX		DFM		ESM	
	Value (AED)	%	Value (AED)	%	Value (AED)	%
Banks	5,500,362,373	7.78%	8,872,345,713	12.55%	14,372,708,085	20.33%
Insurance	1,081,488,846	1.53%	1,715,339,188	2.43%	2,796,828,034	3.96%
Industry	983,628,933	1.39%	370,009	0.00%	983,998,942	1.39%
Services	199,809,748	0.28%	4,068,327,888	5.75%	4,268,137,636	6.04%
Real Estate	8,762,146,046	12.39%	23,182,297,472	32.79%	31,944,443,517	45.18%
Telecommunications	3,836,186,903	5.43%	2,832,920,964	4.01%	6,669,107,866	9.43%
Transportation		0.00%	2,821,675,795	3.99%	2,821,675,795	3.99%
Investment & Fin. Services	207,400,215	0.29%	5,077,857,389	7.18%	5,285,257,603	7.48%
Energy	1,436,749,895	2.03%		0.00%	1,436,749,895	2.03%
Consumer Staples	102,608,787	0.15%	24,001,085	0.03%	126,609,873	0.18%
Total	22,110,381,746	43.27%	48,595,135,503	68.73%	70,705,517,246	100.00%

Source: Securities and Commodities Authority



Trading Activity in Shares of Listed Companies

The year 2012 has witnessed discrepancies in the prices of many shares, with the appreciation of the prices of 60 out of 106 companies whose shares were traded. The share prices for 41 companies depreciated, while those of five companies remained stable.

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 11.7billion, representing 16.67% of the total traded value, while that of Arabtec was approximately AED 6.8billion, accounting for 9.62% of the total traded value.

The shares of Asmak and Ektitab Holding Company recorded the highest increase in market value with the market value of their stock surging by 359.02% and 242.59% respectively. Meanwhile, the shares of both Al-Mazaya Holding and Al-Buhairah National Insurance Co. suffered the biggest slip of -70.36% and -54.71% respectively.

Table No. (13) shows the top traded companies on ESM

Table No. (13)
Top traded companies value-wise

Company	Closing Price (AED)	% of change	Value of change	Trading Value	% of Total Trading
Emaar Properties	3.750	45.91%	1.180	11,784,907,051.41	16.67%
Arabtec Holding	2.240	47.92%	0.726	6,801,341,805.02	9.62%
Aldar Properties	1.270	38.04%	0.350	4,469,822,422.85	6.32%
TABREED	1.210	143.95%	0.714	4,067,422,737.35	5.75%
Etisalat	9.070	-0.66%	-0.060	3,784,510,162.09	5.35%

Source: Securities and Commodities Authority

Table (14) shows the companies with the highest increase in share price on the ESM.

Table No. (14)
Highest increase in share prices

Company	Closing Price (AED)	% of change	Value of change	Trading Value	% of Total Trading
ASMAK	14.000	359.02%	10.95	745,426.12	0.001%
EKTTITAB	0.925	242.59%	0.66	221,099,920.29	0.31%
TABREED	1.210	143.95%	0.71	4,068,327,887.56	5.75%
AMAN	0.933	119.01%	0.51	481,455,944.16	0.68%
TAMWEEL	1.140	89.05%	0.54	3,424,880,033.65	4.84%

Source: Securities and Commodities Authority

Table (15) shows the companies with the highest decrease in share price on the ESM.

Table No. (15)
Highest decrease in share prices

Company	Closing Price (AED)	% of change	Value of change	Trading Value	% of Total Trading
Al-Mazaya Holding	0.747	% -70.36	-1.77	1,322,248.99	0.002%
Al-Buhaira Insurance	3.850	% -54.71	-4.65	35,858,462.24	0.051%
Mashreq Bank	55.000	% -45.81	-46.50	13,854,391.95	0.020%
Al-wathba National Insurance	2.120	% -43.21	-1.61	6,029,124.68	0.009%
Abu Dhabi Ship Building Co.	0.910	% -42.04	-0.66	2,725,809.53	0.004%

Source: Securities and Commodities Authority

Trading Activity by Sector and Company Capitalization

Table No. (16)

Company	Closing Price 2012	Closing Price 2011	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
Banks							
Abu Dhabi Commercial Bank	3.010	2.780	0.230	% 8.27	6,133	646,291,246.60	16,842,748,117
Abu Dhabi Islamic Bank	3.180	3.160	0.020	% 0.63	2,829	268,260,855.39	7,519,764,686
Bank Of Ajman	1.420	0.800	0.620	% 77.50	9,447	720,988,400.20	1,420,000,000
Al Salam Bank - Sudan	1.710	1.650	0.060	% 3.64	1,048	53,200,492.71	0
Amlak Finance Company	1.020	1.020	0.000	% 0.00			1,530,000,000
Bank of Sharjah	1.280	1.960	-0.680	% -34.69	904	179,253,601.59	2,688,000,000
Commercial Bank of Dubai	3.000	2.762	0.238	% 8.62	206	278,509,456.49	6,115,055,928
Commercial Bank International	1.260	0.800	0.460	% 57.50	39	332,828,042.43	1,772,839,848
Dubai Islamic Bank	2.010	1.940	0.070	% 3.61	16,685	1,157,326,766.84	7,635,092,535
Emirates Islamic Bank	0.790	0.790	0.000	% 0.00			1,920,033,281
Emirates Investment Bank	776.164	776.164	0.000	% 0.00			426,907,221
Emirates National Bank of Dubai	2.850	2.940	-0.090	% -3.06	3,429	300,971,917.51	15,839,657,963
First Gulf Bank	11.600	7.725	3.875	% 50.16	16,279	2,300,344,890.26	34,800,000,000
Finance House	3.050	3.400	-0.350	% -10.29	78	9,055,528.95	922,625,000
Gulf Finance House	0.419	0.508	-0.089	% -17.52	56,707	2,792,645,948.48	0
Invest Bank	1.700	1.478	0.222	% 14.99	215	64,617,928.81	2,125,000,000
Mashreq Bank	55.000	101.500	-46.500	% -45.81	19	13,854,391.95	9,299,233,625
National Bank of Abu Dhabi	10.300	8.111	2.189	% 26.99	5,024	927,683,026.46	39,907,951,685
National Bank of Fujairah	4.550	4.550	0.000	% 0.00	10	27,965,129.90	5,005,000,000
National Bank of Umm Al Qaiwain	1.850	1.810	0.040	% 2.21	91	41,066,328.16	2,960,000,028
Sharjah Islamic Bank	0.920	0.840	0.080	% 9.52	930	63,712,239.35	2,231,460,000
RAK Bank	4.100	4.545	-0.445	% -9.80	458	219,952,690.40	6,247,823,868
Al Salam Bank - Bahrain	0.506	0.390	0.116	% 29.74	3,747	129,968,304.70	0
Tamweel	1.140	0.603	0.537	% 89.05	45,463	3,424,880,033.65	1,140,000,000
United Arab Bank	3.080	3.640	-0.560	% -15.38	59	33,560,973.58	3,068,915,942
Union National Bank	3.030	2.890	0.140	% 4.84	3,258	385,769,890.88	7,561,743,750
Total					173,058	14,372,708,085.29	178,979,853,476
Consumer Staples							
Agthia Group	2.180	1.720	0.460	% 26.74	1,538	83,632,097.73	1,308,000,000
International Fish Farming Company	14.000	3.050	10.950	% 359.02	60	745,426.12	1,190,000,000
Dubai Refreshments	12.250	10.400	1.850	% 17.79	32	23,267,462.25	1,102,500,000
Emirates Refreshments (Jeema)	6.050	6.050	0.000	% 0.00			181,500,000
Foodco Holding	1.250	1.690	-0.440	% -26.04	64	4,556,140.57	125,000,000
Gulf LiveStock	6.980	6.980	0.000	% 0.00			698,000,000
GULFA Mineral Water	2.870	2.450	0.420	% 17.14	7	62,502.87	71,750,000

Continued..



Trading Activity by Sector and Company Capitalization

Company	Closing Price 2012	Closing Price 2011	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
RAK Poultry & Feeding	1.050	1.440	-0.390	% -27.08	103	13,675,123.06	90,720,000
United Foods	5.600	5.600	0.000	% 0.00			140,000,000
Kaipara Dairies	297.550	330.591	-33.041	% -9.99	4	671,120.00	90,008,875
Total					1,808	126,609,873	4,997,478,875
Energy							
DANA Gas	0.450	0.450	0.000	% 0.00	21,455	1,249,447,162.97	2,970,900,585
Abu Dhabi National Energy-TAQA	1.360	1.200	0.160	% 13.33	2,423	187,302,732.47	8,466,000,000
Total					23,878	1,436,749,895.44	11,436,900,585
Industry							
ACICO Industries(*)	5.500	5.500	0.000	% 0.00			0
Abu Dhabi Ships Building	0.910	1.570	-0.660	% -42.04	158	2,725,809.53	192,912,720
Arab Heavy Industries	193.350	193.350	0.000	% 0.00			129,981,278
Arkan Building Material	0.680	1.010	-0.330	% -32.67	2,391	61,191,370.43	1,190,000,000
AlJazeera Steel(*)	3.220	3.220	0.000	% 0.00			0
Abu Dhabi National Building - BILDCO	0.570	0.980	-0.410	% -41.84	282	15,867,628.62	171,000,000
Fujairah Building Industries	2.010	2.020	-0.010	% -0.50	2	202,005.00	254,265,000
Fujairah Cement	0.910	1.050	-0.140	% -13.33	29	626,852.02	323,837,440
Gulf Cement Co	1.010	0.710	0.300	% 42.25	321	14,357,481.74	829,307,788
Gulf Pharmaceutical - JULPHAR	3.020	2.027	0.993	% 48.97	313	138,118,068.88	2,369,753,795
National Cement	2.920	2.020	0.900	% 44.55	25	370,008.88	1,047,696,000
National Industries Group	21.700	21.700	0.000	% 0.00			0
Umm Al Qaiwain Cement	0.760	0.540	0.220	% 40.74	156	43,304,828.12	275,880,000
RAK Cement	0.670	0.640	0.030	% 4.69	9,317	523,264,334.67	324,280,000
RAK Ceramics	1.090	1.470	-0.380	% -25.85	716	67,407,981.59	810,090,679
RAK White Cement	1.350	1.600	-0.250	% -15.63	102	92,044,416.98	630,450,000
Sharjah Cement	0.780	0.500	0.280	% 56.00	150	21,925,875.39	431,307,203
Union Cement Co	0.820	1.100	-0.280	% -25.45	108	2,592,280.30	548,939,160
Total					14,070	983,998,942.15	9,529,701,063
Insurance							
Al-Ain Ahlia Insurance Co	32.000	39.000	-7.000	% -17.95	14	16,903,208.00	480,000,000
Al Buhaira National Insurance	3.850	8.500	-4.650	% -54.71	15	35,858,462.24	962,500,000
Abu Dhabi National Insurance	5.400	6.000	-0.600	% -10.00	54	11,998,544.40	2,025,000,000
Al Fujairah National Insurance	300.000	300.000	0.000	% 0.00			168,750,000
Al Khazna Insurance Co	0.680	0.488	0.192	% 39.40	94	7,869,291.10	278,800,000
Alliance Insurance	383.500	383.500	0.000	% 0.00	8	153,400,000.00	383,500,000
Aman Insurance	0.933	0.426	0.507	% 119.01	9,623	481,455,944.16	210,624,750
Arab Orient Insurance	81.806	81.806	0.000	% 0.00			331,312,680

Note: (*) Delisted during the year

Continued..

Trading Activity by Sector and Company Capitalization

Company	Closing Price 2012	Closing Price 2011	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
Arab Insurance - ARIG	1.620	1.900	-0.280	% -14.74	6	49,856.80	0
Scandinavian Insurance	2.090	2.090	0.000	% 0.00			292,600,000
Al Saqr National Insurance	4.550	4.550	0.000	% 0.00	3	27,300,000.00	1,046,500,000
Al Whathba Insurance	2.120	3.733	-1.613	% -43.21	37	6,029,124.68	381,600,000
Takaful House	0.524	0.667	-0.143	% -21.44	3,727	97,779,227.40	52,400,000
Al Dharfra Insurance Co	6.000	5.850	0.150	% 2.56	9	10,950,771.97	600,000,000
Dubai Insurance Company	2.720	2.610	0.110	% 4.21	21	4,959,687.38	272,000,000
Dubai National Insurance	2.300	2.029	0.271	% 13.38	10	128,593.95	265,650,000
Emirates Insurance Co	6.110	6.400	-0.290	% -4.53	62	28,058,144.42	824,850,000
Green Crescent Insurance Company	0.400	0.380	0.020	% 5.26	2,823	93,229,643.00	100,000,000
Insurance House	0.990	0.900	0.090	% 10.00	38	3,559,621.92	118,800,000
Methaq	1.000	1.210	-0.210	% -17.36	16,109	832,000,071.34	150,000,000
National General Insurance	7.600	6.700	0.900	% 13.43	16	11,103,886.56	1,139,651,251
Oman Insurance Company	6.750	7.100	-0.350	% -4.93	1	16,875.00	3,117,636,844
RAK National Insurance	3.750	3.850	-0.100	% -2.60	1	39,375.00	375,000,000
Islamic Arabic Insurance	0.611	0.569	0.042	% 7.38	15,970	761,861,770.83	739,310,000
Sharjah Insurance	5.000	5.250	-0.250	% -4.76	2	5,428,863.96	687,500,000
Takaful Emarat	0.624	0.599	0.025	% 4.17	5,589	177,283,346.04	93,600,000
Takaful	5.060	5.672	-0.612	% -10.79	3	6,513,415.00	506,000,000
United Insurance Company	2.000	2.000	0.000	% 0.00			200,000,000
Union Insurance Company	1.120	1.640	-0.520	% -31.71	16	3,059,456.44	370,651,882
National Takaful	1.020	0.630	0.390	% 61.90	595	19,990,852.70	153,000,000
Total					54,846	2,796,828,034.29	16,327,237,407
Investment & Fin. Services							
Al Madina For Finance	0.677	0.451	0.226	% 50.11	2,423	79,442,812.95	0
Dubai Financial Market	1.020	0.840	0.180	% 21.43	43,670	3,292,951,686.83	8,160,000,000
Dubai Investment	0.852	0.605	0.247	% 40.83	22,404	1,314,552,530.73	3,122,388,641
Ektitab Holding	0.925	0.270	0.655	% 242.59	5,663	221,099,920.29	0
Gulf General Investment Co.	0.348	0.210	0.138	% 65.71	1,860	97,437,733.44	623,384,000
Global Investment	0.615	0.615	0.000	% 0.00			0
Financial Advisors	0.590	0.867	-0.277	% -31.95	36	431,976.06	0
International Investment Group	4.000	4.000	0.000	% 0.00			0
Oman & Emirates Investment Holding	0.700	0.700	0.000	% 0.00	51	606,419.93	0
Oasis Capital	0.550	0.490	0.060	% 12.24	3,587	206,793,794.59	1,043,398,125
SHUAA Capital	0.549	0.550	-0.001	% -0.18	2,426	71,940,728.36	584,685,000
Total					82,120	5,285,257,603.18	13,533,855,766

Continued..



Trading Activity by Sector and Company Capitalization

Company	Closing Price 2012	Closing Price 2011	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
Real Estate							
AL Dar Properties	1.270	0.920	0.350	% 38.04	56,113	4,473,219,679.20	5,188,113,952
Arabtec Holding Company	2.240	1.514	0.726	% 47.92	58,903	6,806,189,851.86	3,516,240,000
Dubai Development	2.240	2.240	0.000	% 0.00			22,400,000
Deyaar Development	0.352	0.213	0.139	% 65.26	21,470	1,187,951,216.47	2,033,856,000
Drake & Scull	0.704	0.750	-0.046	% -6.19	34,242	2,505,421,645.18	1,609,813,334
Emaar Properties	3.750	2.570	1.180	% 45.91	97,075	11,853,835,695.94	22,861,230,000
Eshraq Properties	0.410	0.230	0.180	% 78.26	6,503	308,892,667.61	615,000,000
Al Mazaya Holding	0.747	2.520	-1.773	% -70.36	146	1,322,248.99	0
RAK Properties	0.380	0.290	0.090	% 31.03	7,264	456,809,088.79	760,000,000
Sorouh Real Estate	1.250	0.850	0.400	% 47.06	39,996	3,523,224,610.29	3,281,250,000
Union Properties	0.395	0.258	0.137	% 53.10	18,596	827,576,813.15	1,329,908,311
Total					340,308	31,944,443,517.48	41,217,811,596
Services							
Abu Dhabi Aviation Co	2.880	3.210	-0.330	% -10.28	142	27,145,131.76	1,164,533,760
Abu Dhabi National Hotels	1.770	2.200	-0.430	% -19.55	225	90,484,716.66	1,770,000,000
Al Firdous Holding	0.700	0.700	0.000	% 0.00			420,000,000
Emirates Driving Company	2.790	3.450	-0.660	% -19.13	25	6,871,293.61	250,504,056
Gulf Medical	1.320	1.990	-0.670	% -33.67	73	2,278,453.38	796,950,000
National Corporation of Tourism	5.630	3.960	1.670	% 42.17	81	27,992,614.20	1,126,000,000
National Marine Dredging Co	10.000	9.160	0.840	% 9.17	171	45,037,538.54	2,278,485,020
Commercial Markets Complex(*)	5.780	5.780	0.000	% 0.00			0
TABREED	1.210	0.496	0.714	% 143.95	45,658	4,068,327,887.56	294,489,800
Total					46,375	4,268,137,635.71	8,100,962,636
Telecommunication							
Integrated Telecom -du	3.490	2.890	0.600	% 20.76	16,328	1,486,894,471.57	15,954,285,713
Emirates Telecom - ETISALAT	9.070	9.130	-0.060	% -0.66	47,625	3,778,476,727.83	71,708,689,800
Hits Telecom Holding	0.771	0.687	0.084	% 12.23	24,197	1,346,026,492.15	0
Qatar Telecom - QTEL	107.000	159.500	-52.500	% -32.92	183	35,769,813.60	0
Sudan Telecom - SUDATEL	1.110	1.030	0.080	% 7.77	747	21,940,361.21	0
Total					89,080	6,669,107,866.36	87,662,975,513
Transportation							
Agility	17.600	17.600	0.000	% 0.00			0
Air Arabia	0.835	0.586	0.249	% 42.49	23,926	1,304,231,973.70	3,896,694,500
ARAMEX	2.000	1.800	0.200	% 11.11	5,873	522,634,714.69	2,928,200,000
Gulf Navigation Holding	0.272	0.215	0.057	% 26.51	24,745	994,809,106.38	450,160,000
Total					54,544	2,821,675,794.77	7,275,054,500
Grand Total					880,087	70,705,517,247.27	379,061,831,416

Note: (*) Delisted during the year

Source: Securities and Commodities Authority

Comparing ESM with Some International Markets

The table below displays the performance of the UAE securities markets and those of some international and Gulf markets in 2012.

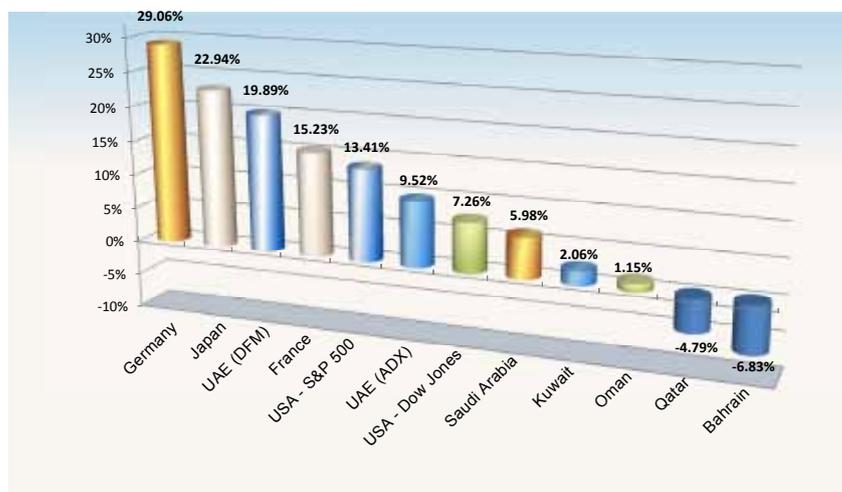
The table shows that DFM index performed well to place at top of Gulf markets, followed by the ADX. The performances of international markets were also generally positive.

Table No. (17)

Country	Performance Index
Germany	29.06%
Japan	22.94%
UAE (DFM)	19.89%
France	15.23%
USA - S&P 500	13.41%
UAE (ADX)	9.52%
USA - Dow Jones	7.26%
Saudi Arabia	5.98%
Kuwait	2.06%
Oman	1.15%
Qatar	-4.79%
Bahrain	-6.83%

Chart No. (11)

Comparing annual performance of securities indices in many countries in 2012



Source: GCC stock markets/ bloomberg websites

Comparing the rates of change in the volume of trading

Table No. (18) shows the daily rates of changes in the volume of trading on some Gulf and international markets from 2007 to 2012; In 2008, the negative impact of the global financial crisis on securities markets was very great. This negatively affected the attraction of investors to the stock markets in all countries of the world, particularly the Gulf markets, pushing down significantly the volume of trade on those markets.

Table No. (18) shows the rates of change in the volume of trading on some Gulf and international markets from 2007 to 2012

Table No. (18)

Market	% change between 2007-2008	% change between 2008-2009	% change between 2009-2010	% change between 2010-2011	% change between 2011-2012
Saudi Arabia	-58.10%	-50.80%	50.10%	45.30%	75.53%
UAE	-52.50%	-21.90%	-57.70%	-44.80%	24.73%
Kuwait	-20.10%	-57.90%	-12.60%	-51.40%	19.09%
Qatar	11.50%	-76.40%	138.00%	14.30%	-26.23%
USA Dow Jones	-20.10%	-22.70%	-24.70%	-7.40%	-23.33%

Source: GCC stock markets/ bloomberg websites

- The average daily trading volume of local indices appreciated in Saudi Arabia, UAE and Kuwaiti in 2012, but depreciated in Qatar market and the Dow Jones (USA) during the same year.



Commodities Markets

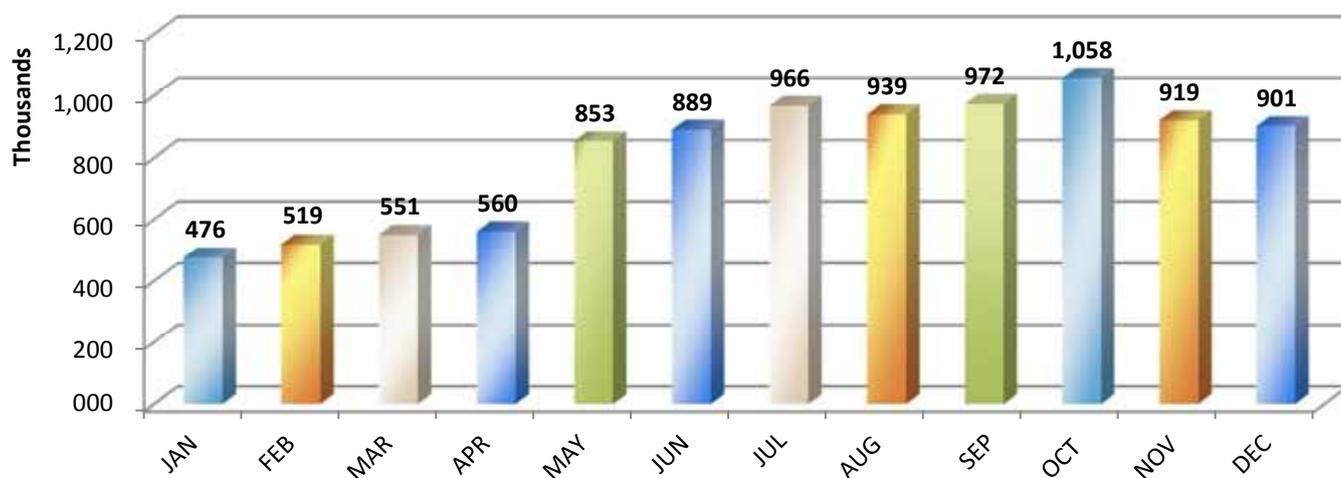
The Securities and Commodities Authority (SCA) has an oversight responsibility over the Dubai Gold and Commodities Exchange (DGCX) under the power vested in the SCA to supervise and monitor the securities and commodities markets in the UAE. A Memorandum of Understanding was signed in 2006 between the 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 first electronic state-of-the-art commodities market 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 transaction in DGCX took place on November 22 of the same year.

Following are the most significant achievements recorded on the UAE Commodities Market in 2012.

Chart No. (12)
Monthly Traded Contracts - 2012



Performance and Achievements of Commodities Market in 2012:

- In 2012, SCA constituted a Team for the Review of the SCA Regulations related to commodities, which included representatives from the DGCX. This team successfully reviewed and suggested changes to the SCA resolution no. 157r of 2005 related to listing and trading in commodities and commodities contracts. As a result, a new resolution no. 56 of 2012 which amended the resolution no. 157r of 2005 was issued in October, 2012 further enhancing the licensing and supervision requirements of commodities brokers.
- For the first time, SCA received a proposal from DGCX to list a future contract based on an Index of shares listed on the Bombay Stock Exchange. The in-principle approval for listing of this future contract was provided by SCA to DGCX. This future contract is proposed to be settled in cash upon it's expiry.
- The cash settled futures contract based on Copper for which SCA had granted in-principle approval for listing in November, 2011, was finally listed for trading in April, 2012. The listing of the contract was welcomed by the brokers and investors.

- On the basis of the exceptional interest from commodities traders for trading in commodities contracts listed on DGCX, SCA granted 3 new licenses to act as brokers of DGCX.
- DGCX recorded an increase of 137% in the trading volume of listed futures and options commodities contracts in 2012 as compared to 2011. The exchange recorded trading of 9,601,553 contracts through 6,715,498 trades totally valued at USD 372.83 Billion.
- The highest traded contract in 2012 was the futures contract based on the Indian Rupee known as the Dubai INR futures contract. This contract alone traded 8,638,993 contracts which comprised 89.97 % of the total contracts traded on DGCX.
- Gold Futures rise 42% from last year to touch 552,001 contracts
- Exchange launched the first copper contract in the MENA region
- DGCX entered into an MOU with the Dalian Commodity Exchange in China to facilitate closer cooperation in areas such as product development, price risk management and the sharing of market resources.
- In 2012, DGCX launched the middle east's first Derivatives Trading Academy. The Academy will offer seminars, webinars and certification courses to traders and retail investors seeking to use the derivatives for investment and will offer hedging tools to manage currency and commodity risk to corporates and institutions.
- The reputed global magazine Global Banking & Finance declared that DGCX was the world's 'Best Global Commodities Exchange in 2012'.
- Another reputed global magazine Futures & Options World granted 'Contract of the year' award to the DGCX listed Dubai Indian Rupee (DINR) futures contract.

Chart No. (13)
Monthly value of traded commodities contracts - 2012

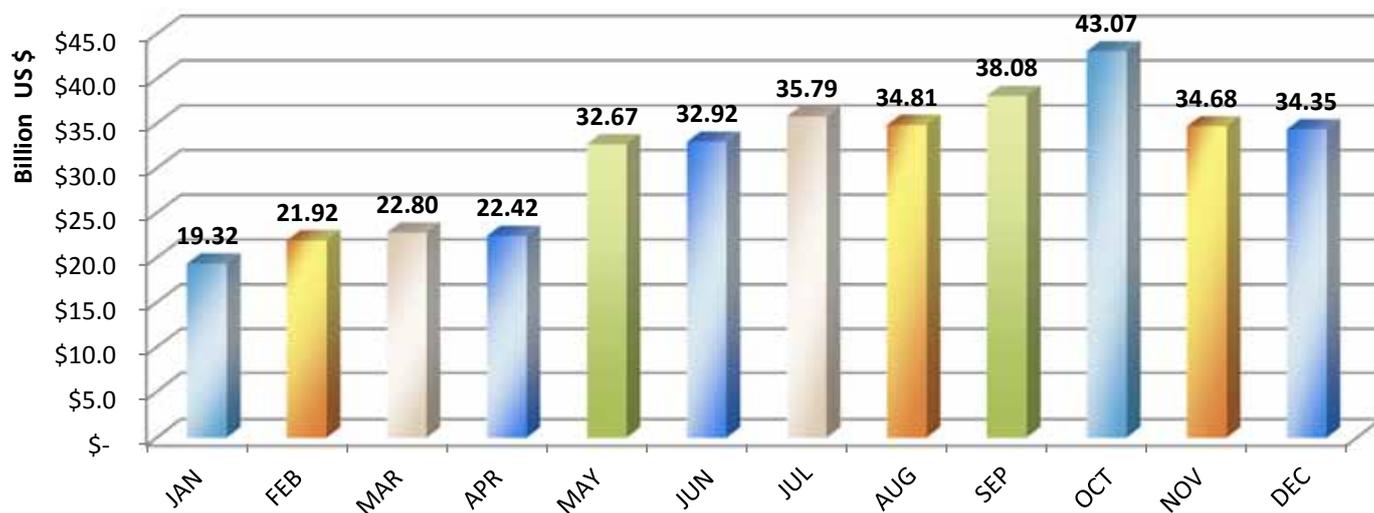


Table No. (19)

Number and value of contracts traded annually (Since inception)

Year	Value (US\$ million)	Number of contracts	% of change in contracts
2005 - 2006	15,453	615,898	
2007	34,678	907,439	47%
2008	57,429	1,142,493	26%
2009	78,714	1,503,905	32%
2010	104,183	1,925,463	28%
2011	185,128	4,044,138	110%
2012	372,832	9,601,553	137%

Chart No. (14)

Number and value of contracts traded annually

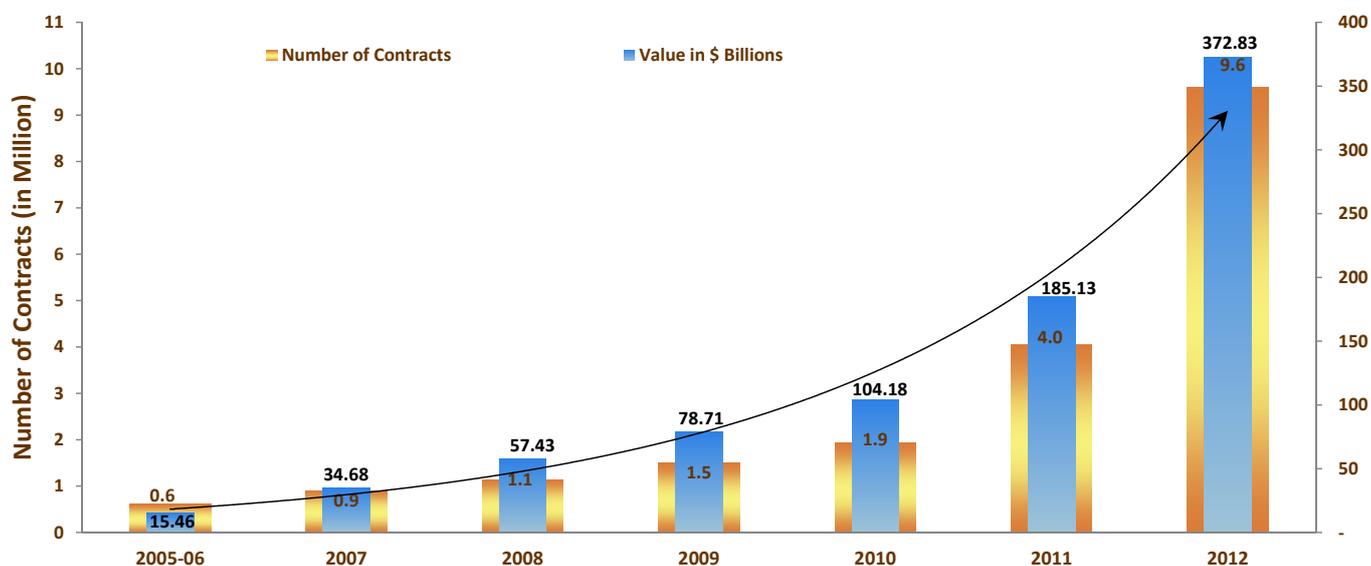


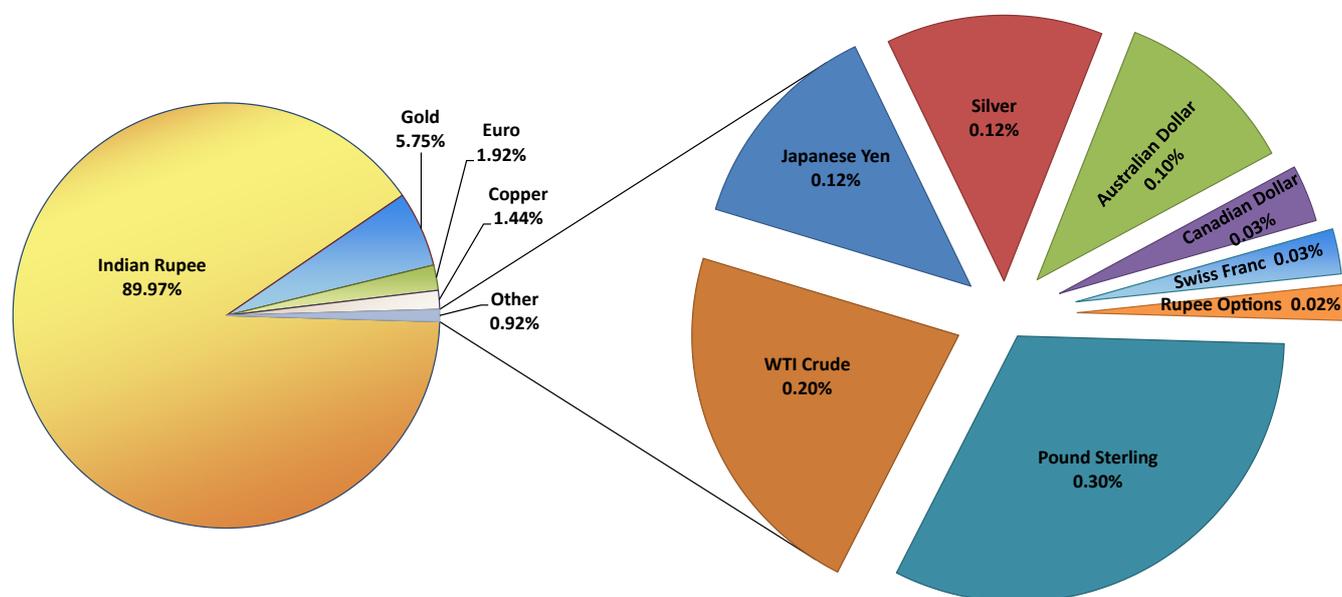
Table No. (20)

Trade Statistics - Comparing 2011 and 2012

Commodity	Number of contracts		% of change	Value (USD mn)		% of change	No of Trades		% of change
	2012	2011		2012	2011		2012	2011	
Rupee	8,638,993	3,184,979	171%	320,118.97	133,936.72	139%	6,119,534	1,929,407	217%
Gold	552,001	389,019	42%	29,379.40	19,155.87	53%	427,929	208,059	106%
Euro	184,096	220,916	-17%	11,925.66	15,566.48	-23%	35,868	74,882	-52%
CU	137,887	NA	NA	5,412.25	NA	NA	80,281	NA	NA
Pound	28,376	77,927	-64%	2,248.83	6,271.54	-64%	14,006	28,412	-51%
WTI	19,643	42,640	-54%	1,859.50	4,028.54	-54%	13,306	31,869	-58%
Yen	11,675	14,570	-20%	724.31	909.81	-20%	6,789	7,765	-13%
Silver	11,619	44,870	-74%	367.85	1,674.73	-78%	7,830	28,000	-72%
AUD	9,862	30,406	-68%	510.91	1,581.59	-68%	4,944	12,039	-59%
CAD	3,071	8,326	-63%	153.19	424.84	-64%	2,359	4,602	-49%
CHF	2,433	26,785	-91%	130.81	1,576.60	-92%	1,785	12,560	-86%
Rupee Options	1,897	3,700	-49%	0.60	0.94	-36%	867	2,897	-70%
Gold Options	-	-	-	-	-	-	-	-	-
HSFO	-	-	-	-	-	-	-	-	-
Steel	-	-	-	-	-	-	-	-	-
Brent	-	-	-	-	-	-	-	-	-
Total	9,601,553	4,044,138	137%	372,832.28	185,127.67	101%	6,715,498	2,340,492	187%

Chart No. (15)

Percentage of Total Number of contracts Traded During 2012 As Per Commodity



SCA Achievements

As part of the role entrusted to the Securities and Commodities Authority (SCA) since its establishment to efficiently organize business transactions on the local markets and to supervise and monitor the markets, the listed companies, brokerage and financial services firms, and to promulgate advanced and international best practices legislations to help protect the rights of investors, the SCA has succeeded in 2012 in recording a number of significant achievements, notable among them are:

- His Highness Sheikh Mohammed bin Rashid Al-Maktoum honored the SCA for winning the Unique Technical Team Award (at the federal level) and the Prime Minister's Medal in Management at the 2nd award ceremony of the Emirates Government Excellence Awards of the Sheikh Khalifa Government Excellence Program.
- Co-established a "Stock market virtual screen" center at the University of Sharjah (UoS). The center was inaugurated by H.H. Dr. Sheikh Sultan bin Mohammed Al-Qasimi, Supreme Council Member and Ruler of Sharjah, in the presence of SCA Chief Executive Officer and senior officials of the local markets and the UoS.
- The UAE organized and hosted, for the first time in the Middle East region, an international conference of the XBRL in which 450 experts from 40 countries of the world participated. Phase 2 of the XBRL program is currently being implemented in the country which has generalized the use of XBRL in all local financial markets as all listed companies are obliged to disclose their financial statement using the XBRL system.
- The SCA issued during the year a number of regulations, including the Market-Maker Regulation, whose promulgation has injected greater vitality to the UAE markets, making the UAE the first in the region to issue such regulation to its markets.



New SCA premise in Dubai

- The SCA signed memorandum of Understanding (MoU) with a number of its counterparts and local partners, crowning that with the signing of a Multi-lateral Memorandum of Understanding

(MMoU) with the International Organization of Securities Commissions (IOSCO). The MMoU is now one of the major criteria being used by international institutions and many international financial and investment institutions in ranking financial markets of the world. The SCA also signed bilateral MoU with its counterparts from Belgium and Luxemburg.

- The Chartered Institute of Securities and Investment (CISI) honored the SCA, in the person of its CEO, in appreciation of the latter's generous contributions to the financial services industry. Alderman Alan Yarrow, CISI Chairman and Sheriff of the City of London and Alderman David Wootton, Lord Mayor of London, conferred the CISI Honorary Fellowship to SCA's CEO, who made history as the first person to be conferred Honorary Fellowship of the Chartered Institute of Securities and Investment (CISI) outside UK by the CISI, a reputable

international institute specialized in the training of personnel of the financial services industry.

- For its perfect application of IT security and protective standards, the SCA was also awarded the ISO 27001:2005 certificate in information security and also bagged-in an ISO 10002:2004 Quality Assurance certificate in the handling of client observations, to become the first federal institution to achieve that feat.
- SCA inaugurated its new Dubai premise, which was built and furnished according to the highest international standards and in line with Green Building attributes. The premise comprises of offices for SCA staff and a reception lobby. It accommodates the headquarters of the Union of Arab Securities Authorities (UASA) and the SCA Training Center, which has well-equipped auditoria capable of accommodating a large number of trainees to undergo high-level

orientation programs. The building also boasts of a high-tech conference hall with modern technical and training equipment.

- The Human Resources and Financial Affairs Department won two Middle East regional awards at the Human Resources Leadership Forum held at the Dubai World Trade Center, including the "2012 Best Public Sector Nationalization Initiative" award and the "2012 Best strategy for maintaining attractive environment for human resources" award.
- SCA's Facebook won the "Best Facebook Application" Award for the public sector category as part of the eGovernment Web Awards Contest, held on the fringe of the meeting of the Arab League affiliated Arab Administrative Development Organization (ARADO), in collaboration with the Egypt-based Pan-Arab Web Awards Academy (PAWA).

SCA achievements can be summarized in six major areas, as follows:

In the area of legislation:

Five new regulations were issued. They are:

- SCA Board Resolution No. (46) of 2012 concerning regulation for market-maker. This made the SCA the first regulator in the region to issue such a regulation.
- SCA Board Resolution No. (47) of 2012 concerning regulation for securities lending and borrowing
- SCA Board Resolution No. (48) of 2012 concerning regulation for short-selling of securities
- SCA Board Resolution No. (49) of 2012 concerning regulation for liquidity provider
- SCA Board Resolution No. (37) of 2012 concerning regulation for mutual funds

The SCA also amended the following five regulations:

- SCA Board Resolution No. (3) of 2000 concerning regulation for disclosure and transparency

- SCA Board Resolution No. (17) of 2011 concerning regulation for settlement on the basis of Delivery versus Payment (DVP).
- SCA Board Resolution No. (2) of 2001 concerning regulation for trading, clearance, settlement and securities ownership transfer.
- SCA Board Resolution No. (25/R) of 2008 concerning regulation for margin trading
- SCA Board Resolution No. (157/R) of 2005 concerning regulation for listing and trading of commodities and commodities contracts.

In addition to the above, the SCA board issued a resolution concerning fines for late payment of dues for renewal of PJSC listing.

At the supervision level:

- Conducting of regular inspection on 71 securities and commodities brokerage companies.



- Conducting of surprise inspection on 31 securities brokerage firms
- Conducting of surprise inspection on (5) financial services companies
- Executing joint surprise inspection with Dubai Financial Services Authority on 6 brokerage companies.
- Monitoring of financial status of brokerage firms and preparing twelve (12) comprehensive reports about the company's status regarding issues like segregation of account, monthly assessment of financial adequacy and defaults.
- Scrutinizing for insider-trading and preparing four quarterly reports.
- Assessing brokerage companies' level of adherence to the unified account agreement form issued by the SCA.
- Detection of (6) Front-running cases were recorded, as well as (10) market manipulation and (7) insider trading cases with all having been referred to the concerned authorities for necessary actions to be taken.
- Training of brokerage company employees on the use of XBRL system.
- Training of some Interior Ministry employees on how to check for and detect manipulations on the ESM and making presentation about the duties of the Supervision Department to the Judiciary Studies Academy.
- Settling of 64 complaints related to securities disputes.
- The SCA investigated 311 various violations, including those related to inspection and supervision of trading, separation of accounts, defaults, financial adequacy and disclosure of financial statements or board of directors.
- It referred 4 of those cases to the public prosecutor to enhance transaction safety on the financial markets.
- Providing "dispute Resolution" service electronically by receiving online complaints and disputes related to trading on Securities and commodities markets, as one can follow up his/her complaints online without the need to come in person to the SCA. Clients can post electronically all documents they wish to present to the SCA, know the SCA's decision regarding their complaint and receive a copy of that decision online.
- The SCA laid down rules for its employees to represent it as experts in court cases before the courts or the public prosecution in the UAE, within the framework of cooperation with the judiciary in securities related cases.
- Participation in a number of investigation committees of the public prosecution, contributing with expertise in various issues.
- 37 listed companies were punished with various penalties including caution, fine and other forms of penalties.
- Similar actions were taken against 40 brokerage firms.
- One (1) broker representative and (3) were suspended from trading on the markets, while 10 other investors were cautioned.
- Two studies were prepared about SCA's role in protecting the financial market.

At the Organization level:

- Implementing corporate governance and institutional discipline standards became compulsory by having in place enforcement mechanism. Implementation rate was 98% at the end of 2012.
- Boosting of corporate investment in securities sector as SCA started licensing mutual funds in the country in accordance with the Mutual Fund Regulation, following the transfer of jurisdiction from the Central Bank to the SCA, which has so far licensed 3 local mutual funds in accordance with the Mutual Fund Regulation and approved the promotion of 92 foreign funds to operate in UAE markets.
- The SCA has issued license to 8 financial consultancy and financial analysis companies.
- It has also licensed 3 commodities brokerage firms.
- The SCA accredited 10 financial analysts to work in financial consultancy companies.
- In implementation of the directives of UAE's wise leadership to launching corporate initiatives in order to uplift the status of the UAE at the international arena, the UAE organized and hosted, for the first time in the Middle East region, an international conference of the XBRL in which 450 experts from 40 countries of the world participated. Phase 2 of the XBRL program is currently being implemented in the country which has generalized the use of XBRL in all local financial markets as all listed companies are obliged to disclose their financial statement using the XBRL system.
- Approval for and launching of unified GCC rules for stock listing on the market.
- Contributing to the uplifting of the UAE's status in international reports as a result of amending the corporate governance resolution in collaboration with Emirate Competitiveness Council.

- Receiving electronically most applications for renewal of brokers' license.
- Launching of SCA Training Center website, which becomes the window for display of the center's services and programs to all concerned bodies and other interested parties.
- Laid down standards for risk management regulations for brokerage companies in light of the new regulations issued by the SCA.
- Issued a monetary stability report, in collaboration with the Monetary Stability Section of the UAE Central Bank. The report consists of a presentation of the most significant financial and bank statements related to the risk indicators and conclusions reached by the two teams, leading to enhancing of financial statement transparency and better explanation of the country's financial situation.

Investment awareness:

Regarding its role in educating and sensitizing market clients during the 2012, the SCA implemented the following initiatives:

- It launched a number of awareness campaigns via satellite TV channels, in collaboration with Abu Dhabi Satellite TV channel, Sama Dubai, Dubai TV, Dubai 1 and CNBC Arabia, as well as the "Al-Etihad", the "Al-Bayan" and the "Al-Khaleej" Arabic dailies.
- Established a "Stock market virtual screen" center at the University of Sharjah (UoS). The center was inaugurated by H.H. Dr. Sheikh Sultan bin Mohammed Al-Qasimi, Supreme Council Member and Ruler of Sharjah, in the presence of senior officials of the local markets and the UoS.
- Organized 28 awareness forums for various categories of investors (general public, financial analysts, brokers, specialists and university students).
- Organized workshops to sensitize financial managers of listed companies about the significance of disclosure, transparency and providing financial statement of listed companies.
- Issued 3 booklets as part of a series of simplified awareness booklets targeting investors on the local markets.
- Issued a financial terms dictionary to serve as a reference for all those doing business in financial markets, including financial experts, researchers and other financial industry stakeholders, in general.

International Relations:

On the international front, the SCA took the following initiatives:

- Signed a multilateral memorandum of understanding (MMoU) with the International Organization of Securities Commissions (IOSCO). The signing of the MMoU is now one of the major criteria being used by international institutions and many international financial and investment institutions in ranking financial markets of the world and evaluate the strength of their legislative and supervisory frameworks.
- Signed memorandum of understanding with the Belgian Financial Services and Market Authority (FSMA), the Commission de Surveillance du Secteur Financier (CSSF) of Luxemburg and the Capital Market Commission of Greece.
- Signed MoU with the International Compliance Association, the International Compliance Center and the International Capital Market Association.
- Signed agreement with the UK-based Chartered Institute of Securities and Investment (CISI) to boost cooperation with them in the area of training of human resources working in the UAE local markets. The SCA Training Center was declared open for offering of joint training programs and exams in Arabic soon after the signing of the MoU with the CISI.
- Organized training program with the IOSCO and another program with the International Financial Services Board (IFSB).
- Participated in the 37th IOSCO Conference in Beijing – China.
- Participated in the 3rd meeting of ministerial committee of board chairpersons of GCC market regulators, which was held in Riyadh and presented a number of initiatives to boost cooperation and integration among GCC markets in the areas of joint listing, disclosure, corporate governance, IPOs and training. SCA also participated in the 6th and 7th meetings of the same committee, which were also held in Riyadh.
- Within the framework of cooperation among GCC market regulators, the SCA shared expertise with GCC counterparts on how to assess market risks, particularly Risk management systems of the Qatar Financial Center Regulatory Authority and the Capital Market Authority of Saudi Arabia.
- Participated in the 6th meeting of the Union of Arab Securities Authorities (UASA) which was held in Doha with the aim of supporting projects aimed at boosting the performance of Arab market regulators.



- Organized its 4th Annual Conference under the theme: "The priorities of Arab capital markets in light of current economic developments". A large number of international experts and economic and banking icons attended the conference.
- Participated in the "International Arab Banking Summit - 2012" which was held in Berlin.

Organization and Support Services:

- The Human Resources and Financial Affairs Department won two Middle East regional awards at the Human Resources Leadership Forum held at the Dubai World Trade Center, including the "2012 Best Public Sector Nationalization Initiative" award and the "2012 Best strategy for maintaining attractive environment for human resources" award.
- Created a "Knowledge Bank" page, a guidebook in Arabic and English and a page for research works and studies, as well as reports about field visits by SCA employees, on SCA's internal website to facilitate knowledge sharing among SCA employees.
- Signing of MoU with a number of local partners – the Emirates Identity Authority (EIA), the National Media Council (NMC), the National Human Resources Development and Employment Authority (TANMIA), Abu Dhabi University and the Khalifa University of Science, Technology and Research.
- As part of its social responsibilities, the SCA organized a number of voluntary initiatives, including: "Color My Life" in collaboration with Rashid Child Care Center, "Eid Clothing" donation, in collaboration with the UAE Red Crescent Authority, and cash donation on the occasion of 41st UAE national day, in collaboration with the Ajman-based Human Appeal International, visiting the Senior Citizens Home and the "My Health, My Safety" blood donation program, in collaboration with the UAE Red Crescent Authority.
- By the end of the year, the total number of SCA employees reached 186, with the rate of Emiratization of the leadership positions standing at 100%, supervision posts at 80%, executive posts at 70%, while the rate of Emiratization of new job positions filled stood at 97%.
- Developed a number of digital systems, including the internal audit system, the mutual fund system, companies system, technical rules system of electing board members via general assembly meetings and updated the systems of correspondence, the "Talaby" and Technical Support and the SMS Gateway.
- In accordance with UAE's Vision 2021, and to enhance the government's preparation towards its eGovernment

program and boost the digital and knowledge economy, the SCA has completed automating Phase 1 of its services to public joint stock companies, brokerage firms, financial services companies and investors. Phase 1 covers 11 services, including: Public Joint Stock Company (PJSC) Registration Renewal, Approval of General Assembly Meeting (Ordinary), Approval of General Assembly Meeting (Extraordinary), To Whom It May Concern certificate, Complaints Appeal System, Securities Brokerage Company License, Securities Brokerage Company License Renewal, Custodian License, Custodian License Renewal, PJSC Record-keeper License and PJSC Record-keeper License Renewal. This is within a framework of an action plan ending at the end of 2013 and targeting 32 online services through the SCA portal.

- Linked up electronically with other government institutions, including the Ministry of Finance, with whom the SCA is now linked up via the Payment Gateway.
- Activated its comprehensive quality assurance system by implementing special info system for automating operations chart of the technical departments, as a step towards updating and restructuring it to ensure maximum effectiveness.
- SCA's Facebook won the "Best Facebook Application" Award for the public sector category as part of the eGovernment Web Awards Contest, held on the fringe of the meeting of the Arab League affiliated Arab Administrative Development Organization (ARADO), in collaboration with the Egypt-based Pan-Arab Web Awards Academy (PAWA).
- Upgraded SCA's portal and fed the digital media center with media materials.
- Sponsored a number of events and publications like the sponsoring of the Corporate Governance Conference organized by the Abu Dhabi Center for Corporate Governance (ADCCG), an affiliate of the Abu Dhabi Chamber of Commerce and Industry, the sponsoring of awareness drama entitled: "Water.. It has a pure language", which was showcased in Sharjah by Friends of the Arabic Language to mark the World Arabic Language Day and the sponsoring of the "Watani Al-Emarat" publication.
- A study was conducted in collaboration with Nielson Research Company to assess customer satisfaction with SCA services. The study shows that 38% of respondents were very satisfied with SCA services, 53% satisfied, while 9% were neutral or not satisfied.
- The SCA, in collaboration with Thomson Reuters and the TwoFour54, organized training program in Abu Dhabi and Dubai for editors and other media personnel on "Media coverage of financial markets".