

framework for growth



DIFX | Dubai International Financial Exchange

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DIFX | DUBAI INTERNATIONAL FINANCIAL EXCHANGE
Annual Review 2007



BUSINESS REVIEW

BUSINESS REVIEW

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DIFX AT A GLANCE

The DIFX is a fully integrated electronic international financial marketplace with state-of-the-art technology. Its services include trading, clearing and settlement, a central counterparty, a central securities depository and a share registry. In 2007, the DIFX consolidated its position as the international exchange serving the region between Western Europe and East Asia.

2007 HIGHLIGHTS

- New corporate structure as part of Borse Dubai
- 33 new listings of equities, Sukuk, conventional bonds and structured products
- IPO by DP World, Middle East's largest, at \$4.96 billion
- 2007 total equities trading value \$1.45 billion
- Strengthened status as world's largest exchange for Sukuk by listed value
- Launched GCC's only structured products platform, DIFX TraX
- New Members and Market Makers and more international and regional connectivity

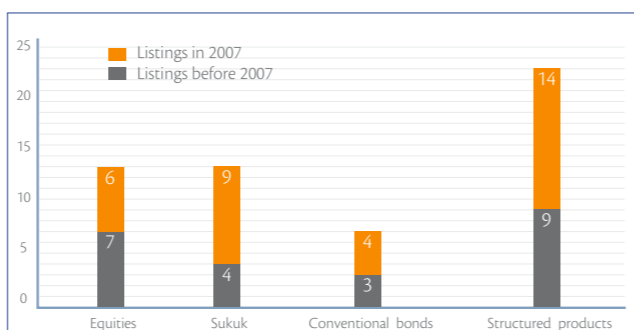
LISTED SECURITIES AS AT 31/12/2007

Listings gained in 2007 are highlighted

| EQUITIES | LISTED |
|---|----------|
| Albaraka Banking Group (ordinary shares) | 04/09/06 |
| Boulder Steel (ordinary shares) | 15/05/07 |
| Citigold Corporation (ordinary shares) | 19/03/07 |
| DP World (ordinary shares) | 26/11/07 |
| Fortune Management (ordinary shares) | 01/06/06 |
| Gold Fields (American depository shares) | 31/10/06 |
| Hikma Pharmaceuticals (global depository receipts) | 26/04/06 |
| Kingdom Hotel Investments (ordinary shares) | 01/03/06 |
| Man Industries (India) (global depository receipts) | 24/03/06 |
| Monarch Gold Mining Company (ordinary shares) | 11/06/07 |
| Rana Sugars (global depository receipts) | 18/05/06 |
| Sphere Investments (ordinary shares) | 18/07/07 |
| Unigold (ordinary shares) | 19/10/07 |

| SUKUK | LISTED |
|--|----------|
| Aabar Sukuk (\$460 million) | 30/06/06 |
| Cherating Capital (\$850 million) | 06/07/07 |
| DAAR International Sukuk (\$600 million) | 28/05/07 |
| Dar Al Arkan International Sukuk (\$1 billion) | 23/07/07 |
| DIB Sukuk (\$750 million) | 26/03/07 |
| Dubai Sukuk Centre (\$1.25 billion) | 18/06/07 |
| Dubai World Sukuk (\$1.5 billion) | 03/07/07 |
| IIG Funding (\$200 million) | 14/06/07 |
| JAFZ Sukuk (7.5 billion UAE dirhams) (\$2.04 billion) | 07/12/07 |
| Nakheel Development (\$3.52 billion) | 14/12/06 |
| Ports, Customs and Free Zone Corporation (\$3.5 billion) | 26/01/06 |
| RAKIA Sukuk Company (\$325 million) | 06/12/07 |
| TID Global Sukuk (\$150 million) | 16/10/06 |

| CONVENTIONAL BONDS | LISTED |
|---|----------|
| DP World (Medium Term Notes (MTN)) (\$1.75 billion) | 03/07/07 |
| DHCOG (MTN) (\$2.46 billion) | 01/02/07 |
| Kuwait Financial Centre S.A.K. (Closed) (Notes) (\$100 million) | 06/07/07 |
| MashreqBank (MTN) (\$750 million) | 06/02/06 |
| National Bank of Dubai (MTN) (Tier 1) (\$750 million) | 18/01/06 |
| National Bank of Dubai (MTN) (Tier 2) (\$500 million) | 31/10/06 |
| National Bank of Dubai (MTN) (Tier 3) (\$500 million) | 30/01/07 |



| STRUCTURED PRODUCTS | | LISTED |
|---------------------|---|----------|
| Deutsche Bank | DB CROCI (I) EU (Certificate over Index) | 29/12/05 |
| Deutsche Bank | DB CROCI (I) GL (Certificate over Index) | 29/12/05 |
| Deutsche Bank | DB CROCI (I) JP (Certificate over Index) | 29/12/05 |
| Deutsche Bank | DB CROCI (I) US (Certificate over Index) | 29/12/05 |
| Deutsche Bank | DB Dax 30 (Certificate over Index) | 26/09/05 |
| Deutsche Bank | DB EuroStoxx 50 (Certificate over Index) | 26/09/05 |
| Deutsche Bank | DB Nikkei 225 (Certificate over Index) | 26/09/05 |
| Deutsche Bank | DB S&P 500 (Certificate over Index) | 26/09/05 |
| Deutsche Bank | DB Stoxx 50 (Certificate over Index) | 26/09/05 |
| Deutsche Bank | Disc-1YDC-Abudhabi (Certificate over Index) | 28/08/07 |
| Deutsche Bank | Disc-1YDC-Dubai (Certificate over Index) | 28/08/07 |
| Deutsche Bank | Protect-2YCP-Croci (Notes) | 28/08/07 |
| Deutsche Bank | Protect-3YCP-Mixed (Notes) | 28/08/07 |
| Deutsche Bank | Xpert-IC-Abudhabi (Certificate over Index) | 28/08/07 |
| Deutsche Bank | Xpert-IC-Dubai (Certificate over Index) | 28/08/07 |
| Deutsche Bank | Xpert-IC-GCC (Certificate over Index) | 28/08/07 |
| Deutsche Bank | Xpert-IC-Qatar (Certificate over Index) | 28/08/07 |
| Merrill Lynch | RevrseT-1YRC-Dubai (Certificate over Index) | 28/08/07 |
| Merrill Lynch | Trackr-10YIC-Dubai (Certificate over Index) | 28/08/07 |
| Morgan Stanley | Eqtycom-3YCP-Baskt (Notes) | 28/08/07 |
| Morgan Stanley | Optimum-3YCP-Trend (Notes) | 28/08/07 |
| Morgan Stanley | Perform-4YCP-Target (Notes) | 28/08/07 |
| Morgan Stanley | Perform-5YCP-Smart (Notes) | 28/08/07 |

MEMBERS AND MARKET MAKERS AS AT 31/12/2007

Firms gained in 2007 are highlighted

| TRADING MEMBERS | | |
|--------------------------------|-------------------------|------------------------|
| ABN AMRO | Deutsche Bank | Mashreq Capital (DIFC) |
| Arbutnot Securities | EFG-Hermes | Merrill Lynch |
| Barclays Capital | Hichens, Harrison & Co | Morgan Stanley |
| Citigroup | HSBC | NBD Investment Bank |
| Credit Suisse | ING Bank | SHUAA Capital |
| Daman Securities International | Jefferies International | UBS |

| GENERAL CLEARING MEMBERS | | |
|--------------------------|----------|---------------|
| Deutsche Bank | KAS Bank | Merrill Lynch |

| CONTRACTUAL MARKET MAKERS | | |
|---------------------------|---------------------|---------------|
| Deutsche Bank | Morgan Stanley | SHUAA Capital |
| Merrill Lynch | NBD Investment Bank | |



Soud BA'ALAWY
CHAIRMAN

DBSP5 136.25 DBNIK 12.70 DBSTX 48.50 DBEUR 56.20 DBDAX 100.70 DBGLC 128.95 DBUSC 119.50



CHAIRMAN'S STATEMENT

2007 was a challenging year for the development of the capital markets around the world. Locally at the DIFX we witnessed the creation of Borse Dubai, the issuance of the largest IPO in the Middle East and spectacular innovations in the capital markets infrastructure. Internationally, consolidation and integration among the world's leading exchanges gather pace.

The DIFX is at the heart of these developments. The creation of Borse Dubai, bringing the DIFX and the Dubai Financial Market into one holding company, is a major development of regional and international importance. Borse Dubai's growth mandate is extracted from the 2015 Dubai Strategic Plan which has defined financial services and capital markets as a key focus area to support the development and growth of regional capital markets to the highest international standards.

The listing of DP World, the Middle East's largest ever IPO, was a milestone. It sets a benchmark for future listings from the region, in its scale, its use of book-building to decide valuation, and its choice of the DIFX as its listing venue. No longer do world class companies have to

look outside our region when they seek an international listing.

Regional innovation includes greatly improved access to exchanges by foreign investors. It also includes new types of investment opportunity, notably the structured products that have listed on the DIFX TraX platform.

Wealth and power are shifting towards the Middle East and Asia. The changes underway in the capital markets do not merely reflect this process; they are one of the key mechanisms that are driving it forward. The capital markets play a key role in enabling economic progress and maintaining stability. The markets must continue to improve their effectiveness in bringing together those who wish to use money creatively with those who wish to invest, for the good of all in every part of the world.

Dubai has positioned itself at the forefront of this progress. As part of Borse Dubai and from its location inside the Dubai International Financial Centre, the DIFX looks forward to meeting the challenge in cooperation with its regional and international partners.

Soud Ba'alawy
Chairman



PER E. LARSSON

CHIEF EXECUTIVE OFFICER



CHIEF EXECUTIVE'S STATEMENT

Much has been accomplished in 2007. In its second full year of operation, the DIFX has fully replicated other international exchanges in its links with international investors and brokers. In addition, the DIFX provides something that those exchanges do not - easy access for investors in the wealthy MENA region and neighbouring areas that it serves.

In 2007 the DIFX listed 33 new securities, more than doubling its total to 56. The new securities came from companies across the world – Australia, Canada, Germany, Malaysia, the United States – as well as from the UAE, Kuwait and Saudi Arabia in the DIFX's own region.

The listing of DP World, the largest IPO in the Middle East, led to substantial growth in DIFX trading volumes. The exchange clearly demonstrated its capacity to handle these and is ready for further growth in trading.

While building up a track record, the DIFX is on course to attract more issuers as well as more Members.

The creation of Borse Dubai provides the DIFX with a platform on which to grow. Borse Dubai was created to consolidate the government of Dubai's two stock exchanges, the DIFX and the Dubai Financial Market (DFM), as well as current investments in other exchanges, expanding Dubai's position as a global capital market hub.

DDBJPC 104.65 KHI 8.10 MAN 2.88 FMI1 0.31 HIK 18.25 BARKA 2.25 GFI 13.82 CTO 0.33 BGD 0.19

LISTINGS

EQUITIES

The first four of 2007's six equity listings were by Australian companies. All had existing business links to the DIFX region and all have dual listed on the DIFX and the ASX in Sydney. They have done this through the share registry Computershare, which enables trading to take place in the same pool of ordinary shares on both exchanges. This creates a user-friendly environment for investors.

Citigold Corporation was the first to list, in March. It was the second gold mining company to come to the DIFX. **Boulder Steel** followed in May as the first steelmaker to list on the exchange. In June **Monarch Gold Mining Company** listed and in July **Sphere Investments** followed suit. Sphere is the first iron ore miner to join the DIFX.

In October **Unigold** of Canada became the first North American company to list on the exchange – a landmark for the DIFX and we look forward to welcoming many more companies from that part of the world. It is also the fourth gold miner to list on the exchange. Like the Australian companies it has dual listed using Computershare, in this case having a listing on the TSX in Toronto.

Significantly, these companies said they were listing on the DIFX to raise their profile and attract investors in its region.

In November came the largest IPO ever carried out by a Middle East company. The \$4.96 billion issue by **DP World**, the world's fourth largest marine terminal operator, accounted for nearly half of all GCC IPOs by value in 2007* and valued the company at \$21.6 billion. DP World was the first company to IPO exclusively on the exchange and the first UAE company to list its shares on it. The issue attracted international and regional subscribers alike, with 55,000 retail investors and more than 200 institutional investors receiving allocations.

The listing led to significant trading volumes on the DIFX. Turnover in the company's shares on the first day totalled more than \$400 million with 303 million shares traded, making it the most actively traded stock in the UAE on that day. Thereafter the DIFX continued to provide good liquidity, with narrow spreads on an efficient platform.

DP World is the first 'anchor' listing on the DIFX, ie its first major regional equity listing attracting significant trading volumes. I believe it will be the first of many. DP World has shown that regional companies now have a first-class international exchange in their own backyard and have

no need to list further afield on other exchanges to reach international investors and raise their visibility.

SUKUK

Nine Sukuk listed on the DIFX in 2007, with a total value equivalent to \$8.5 billion. The listings strengthened the DIFX's position as the world's largest exchange for Sukuk by listed value.

Dubai Islamic Bank was the first to list in March, with a \$750 million dollar issue. It was the first Sukuk issued by DIB and was widely sold to investors in Europe and Asia as well as the Middle East, demonstrating the global appeal of this asset class. In May the property developer **Dar Al Arkan** became the first Saudi Arabian company to list a Sukuk on the exchange, with a \$600 million issue. **International Investment Group** followed in June with a \$200 million listing that was the first international Sukuk changeable into shares of the Kuwaiti company to come to the exchange.

Also in June the DIFX welcomed the listing of the first Sukuk issued by **DIFC Investments** at \$1.25 billion, issued through Dubai Sukuk Centre. DIFC Investments, the investment arm of the DIFC Authority, is a shareholder of Borse Dubai. The Sukuk received ratings of A1 from Moody's and A+ from Standard & Poor's. It was the largest Sukuk to have received a rating. The listing raised the total value of Sukuk on the exchange above \$10 billion for the first time.

In July **DP World** listed a Sukuk worth \$1.5 billion through Dubai World Sukuk and the same month **Khazanah Nasional** became the first East Asian issuer of any type of security on the DIFX, with an \$850 million Sukuk issued through Cherating Capital. Khazanah is the investment holding arm of the Malaysian government. The same month **Dar Al Arkan** listed its second Sukuk on the DIFX at \$1 billion.

In December **Ras Al Khaimah Investment Authority** (RAKIA) listed a \$325 million Sukuk, raising money for its Al Marjan artificial island tourism project being built in the Gulf off the northern UAE. Also in December

Jebel Ali Free Zone FZE listed a 7.5 billion UAE dirham (\$2.04 billion) Sukuk. This was the first listing of any security on the DIFX in a currency other than dollars.

CONVENTIONAL BONDS

Four bonds listed on the DIFX during the year. In January **National Bank of Dubai** listed \$500 million of Floating Rate Notes. It was the bank's third bond listing on the exchange, taking its total to \$1.75 billion. **Dubai Holding Commercial Operations Group** listed bonds worth \$2.46 billion in February, in the largest corporate bond issue in the Middle East made under an EMTN programme.

In July **DP World** listed a conventional bond worth \$1.75 billion at the same time as it listed a Sukuk - becoming the first issuer to list both conventional and Islamic securities on the DIFX.

The **Kuwait Financial Centre**, known as Markaz, listed bonds worth \$100 million in July to raise capital for expansion of its investment banking and asset management activities across the Middle East and North Africa. It was the first company outside the UAE to list conventional bonds on the DIFX.

STRUCTURED PRODUCTS

The launch of the DIFX TraX structured products platform in August was a milestone not just for the DIFX but for the region's capital markets. TraX is the only structured products platform to have been created on an exchange in the GCC and introduces regional and international investors to exciting new investment opportunities.

TraX launched with eight products from **Deutsche Bank**, two from **Merrill Lynch** and four from **Morgan Stanley**. Senior representatives of all three banks took part in a press conference with the DIFX to announce the launch, together with the broker Direct Broker for Financial Services (part of Mubasher).

Listed instruments include capital-protected notes and index trackers. Some are unique products based on specially created share indices of the DFM, the Abu Dhabi Securities Market and other GCC stock markets as well as commodities such as oil, soy, corn, wheat, sugar and cotton.

TraX will expand significantly in size and scope. In October, Citigroup, Deutsche Bank, Merrill Lynch and Morgan Stanley proposed to list Islamic structured products on TraX in the near future.



Sultan Ahmed Bin Sulayem, Chairman of Dubai World and of DP World, and Per E. Larsson, Chief Executive of the DIFX, celebrate the listing of DP World on November 26, 2007

* GCC IPOs totaled \$10.5 billion in 2007 according to Gulf Capital



Launch of DIFX TraX, August 2007: Hedi Ben Mlouka, Director of Structured Solutions Group, Merrill Lynch; Geert Bossuyt, Managing Director, Global Markets, and Regional Head of Middle East Structuring, Deutsche Bank; Michael John Lytle, Executive Director, Morgan Stanley; Armen Papazian, Managing Director, Innovation and Development, DIFX

MEMBERS

Four more firms became Trading Members of the DIFX in 2007, bringing the total to 18 and further strengthening the exchange's links with investors. In January Dubai-based **NBD Investment Bank** joined the exchange, followed by the Netherlands bank **ING** in February.

Arbuthnot Securities, based in London, became a Member in March in its first move into Middle East markets. Then Dubai-based **Daman Securities International** joined in August, commenting that the DIFX was a uniquely attractive platform with its high liquidity and international standards.

Two regionally-based Members, **NBD Investment Bank** and **SHUAA Capital**, signed contractual market making agreements with the DIFX in 2007. So too did the international banks **Merrill Lynch** and **Morgan Stanley**, joining **Deutsche Bank** which became a market maker in 2006.

Market making agreements are a key provider of liquidity and a crucial element in the DIFX's success in offering investors easy access.

CONNECTIVITY

Another important step in building connectivity was taken in May when **Merrill Lynch** became the second broker to offer Direct Market Access to the DIFX, following **Deutsche Bank** which started offering the service in 2006. Many brokers, including regional brokers with retail clients, are

now accessing the exchange in this way, which is a highly effective alternative to Membership.

In a further enhancement to connectivity, the regulator in the Netherlands, the **Netherlands Authority for the Financial Markets**, gave permission in January for brokers there to connect directly to the DIFX. In July the Swiss regulator, the **Swiss Federal Banking Commission**, gave the same authorisation, followed in November by the regulator in Germany, the **Federal Financial Services Authority**. The Irish Republic and the UK already allowed this.

In April the DIFX opened links with **Clearstream** facilitating both settlement of DIFX securities and dual listings. The exchange has similar arrangements with **Euroclear**. These connections to the world's largest international central securities depositories further integrate the exchange into the global financial services community. They make it easier for investors anywhere to trade using their existing accounts with brokers.

INDICES

In October the DIFX and HSBC jointly unveiled a unique family of indices, which track international Sukuk and conventional Middle East bonds. The HSBC-DIFX indices are updated daily at www.difxhsbcindices.com. They facilitate trading and can be used to create new tradeable structured and other investment products.

ACADEMY

The DIFX Academy ran 43 financial courses in 2007 with more than 750 professionals and members of the public participating. These included the 'Trading Manager' course, together with an exam, for traders wishing to trade on the exchange, as well as 'Islamic Finance: Principles, Core Values & Strategic Issues', a 'Capital Markets Programme' and 'Anti-Money Laundering and Combating the Financing of Terrorism.'

The Academy has linked up with the UK's Securities & Investment Institute, NASD, the University of Reading and other leading international training bodies to produce many of its courses.

MARKET OF MARKETS

In 2008 and beyond the DIFX will pursue its 'Market of Markets' strategy, by which it will introduce new asset classes as well as increase listings in its existing ones. This will

enable it to offer investors the widest range of opportunities in its region, as befits an international exchange of global significance.

As part of this strategy the DIFX plans to introduce an equity derivatives market. Subject to regulatory approval, the DIFX will offer derivatives based on stocks listed on the exchange itself and on equities and indices from other regional exchanges. This market will help to meet the ever growing demand for new and more sophisticated financial

instruments from both inside and outside the region.

I would like to thank all the market participants of the DIFX for their support for the exchange. My thanks also go to our shareholder, Borse Dubai, and all the staff of the DIFX for their support.

I look forward to another year of exciting progress at regional and international level.

Per E. Larsson
Chief Executive Officer

FRAMEWORK FOR GROWTH

The DIFX's growth in 2008 and beyond will be underpinned by its position at the heart of Dubai's financial services strategy. This position was strengthened in 2007 by several key developments.

The creation of Borse Dubai as a holding company for exchanges will help the DIFX to play a leading role in the 2015 Dubai Strategic Plan. The Plan, unveiled in February 2007, defines financial services as a major focus area, to support the expansion of regional capital markets to the highest international standards.

Borse Dubai is owned by three leading organisations - Investment Corporation of Dubai, DIFC Investments and Dubai Group. It is incorporated inside the Dubai International Financial Centre (DIFC), like the DIFX itself.

Borse Dubai's role as a holding company for exchanges, including the DFM, has the potential to create many synergies for the DIFX.

The relationship with the NASDAQ and OMX exchanges will also support the regional and international growth of the DIFX. The transaction, conceived in 2007 for completion in 2008, gives Borse Dubai an equity stake in a combined NASDAQ and OMX, while giving NASDAQ an equity stake in the DIFX.

This structure will create a global financial marketplace with a unique footprint spanning the U.S., Europe, the Middle East and strategic emerging markets.

CAPITAL MARKETS HUB

The DIFX benefits greatly from the growth of the DIFC as the region's capital markets hub. Many international and regional brokers with offices inside the DIFC are now DIFX Members and many banking and law firms based there have played an advisory role in DIFX listings.

The DIFC hosts growing numbers of trading and investment professionals for whom the expansion of the DIFX represents a major business opportunity.

The DIFX also benefits from the respect in which the Dubai Financial Services Authority (DFSA) is held in the region and around the world, as a regulator that operates to international standards.

Both the exchange and the DFSA work with the Securities & Commodities Authority, the UAE regulator,

and with the UAE Central Bank as appropriate.

Supported by this framework, the DIFX is in an excellent position to welcome more equity listings of UAE and regional firms as well as international ones. We provide a first class venue for privately owned businesses in the UAE and elsewhere to go public, as they expand and broaden their horizons in search of international as well as regional investment.

We look forward also to welcoming more government-owned entities from the UAE and the MENA region that wish to carry out IPOs, including established organisations with global reputations.

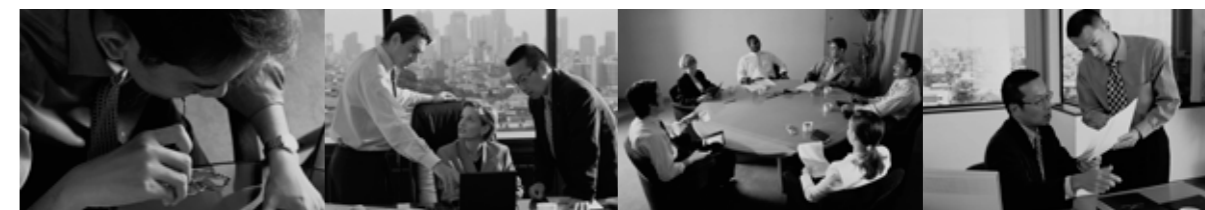
SUCCESSFUL LISTING

The integration of the DIFX into the local, regional and international capital markets was demonstrated by the efficiency of the listing of DP World. More than 200 institutions and 55,000 retail investors received share allocations. As the book building process unfolded, nine UAE brokers took subscriptions from investors in the GCC for the retail tranche of the offering. Four UAE receiving banks handled the applications. For those who were successful (the offer was more than 15 times oversubscribed) and for those individuals who wanted to buy once the stock was listed, many UAE brokers offered trading access. These included those brokers that are DIFX Members and brokers that trade on the exchange via Direct Market Access.

Regional and international brokers meanwhile handled institutional subscriptions and subsequent trading from the region and around the world, enabling investors to access the DIFX as easily as they would any other international exchange.

Success breeds success. More brokers are in the pipeline to join the DIFX as Members and others are planning Direct Market Access. It all adds up to an exchange where investors will find increasingly attractive opportunities.

None of this could be achieved without the excellent team of experienced and highly professional staff on board the DIFX. From Head of Department level to support staff, the DIFX has been able to attract a talented group of employees from the region and around the world who are committed to realising the vision of building one of the world's great stock exchanges.



GOVERNANCE

BOARD OF DIRECTORS

1

SOU D BA'ALAWY ⁽³⁾

Chairman (Non-Executive)

Mr Ba'alawy is the Executive Chairman of Dubai Group, the leading diversified financial company of Dubai Holding with a focus on banking, investments and insurance, both at a regional and global level. Mr Ba'alawy has overseen the growth of Dubai Group and its local office network that spans from New York through London to Kuala Lumpur and Hong Kong. Mr Ba'alawy was previously Chief Executive Officer of Dubai Investment Group and played a key role in its foundation and growth. He is also Vice Chairman of Borse Dubai, a holding company that wholly owns the DIFX. He has more than ten years experience in banking and investment with Citigroup, and was the Vice President of Gulf Treasury in Citibank Dubai. He has also served as Chief Investment Officer of Dubai Internet City and Vice President of The Executive Office. Mr Ba'alawy's other Board memberships and affiliations include: Executive Committee member, Dubai Holding; Chairman, Marfin Popular Bank; Chairman and Board member of Executive Committee, Noor Islamic Bank; Chairman, Taib Bank; Vice Chairman of Marfin Investment Group; Vice Chairman and Board member, Dubai Bank; Board member, Emirates Investment Authority; Board member, Dubai Financial Market; Board member, du; Chairman, Manzil, a non-profit centre for persons with special needs. A UAE National, Mr Ba'alawy is a member of the Chartered Institute of Management Accountants, UK.

Non-Independent

2

PER E. LARSSON

Chief Executive Officer

Mr Larsson became Chief Executive in July 2006. In August 2007 he was also appointed Chief Executive of Borse Dubai, a holding company that wholly owns the DIFX. Mr Larsson was President and Chief Executive of the Sweden-based OMX (the former OM Group and owner and operator of several Nordic and Baltic exchanges and clearing houses) from 1996-2003. In his 18-year career at OMX, Mr Larsson served earlier as Chief Operating Officer of the OM Group and as President of OM Stockholm, its derivatives arm. As Chief Executive he led the successful acquisition of the Stockholm Stock Exchange where he became Chairman of the Board in 1998. As a director of the Finnish Options Market (SOM) he was actively involved in the successful acquisition of the Helsinki Stock Exchange (HAP) to form HEX (Helsinki Exchanges). Before leaving OMX in 2003, he finalised OMX's acquisition of HEX. Mr Larsson has served as Chairman of OMLX, a Recognized Investment Exchange in the UK which was founded by OMX in 1989. He has also been a Director of VPC (the Swedish Central Securities Depository) and a Director of OTOB (the Austrian Options and Futures Exchange).

3

MAHA AL-GHUNAIM

Chairperson and Managing Director
Global Investment House

Mrs Al-Ghunaim co-founded Global Investment House in Kuwait in 1998 and is currently the Chairperson and Managing Director. Previously she was Assistant General Manager of the asset management arm of Kuwait Investment Company. She is also Chairperson of Global Bahrain, a Board member of the National Industries Group (NIG) in Kuwait and of Bank Muscat International (Bahrain), Board member of Barings Private Equity Asia Ltd (Hong Kong), Board member of Kinan International Real Estate Development Company (Spin of Savola Group) (KSA), Vice Chairman of Shurooq Investment Services Co (Oman), and a Board member of DEPA United Group in the UAE. In 2007 she was included in Forbes International Magazine's "The Top 100 Women in the World" in which she was ranked as the first woman in the Arab world.

Independent

4

BISHER BARAZI

Managing Director, DIFC Investments

In August, 2007, Mr Barazi was appointed Managing Director of DIFC Investments, the investment arm of DIFC. DIFC Investments' objective is to develop the infrastructure of the Dubai International Financial Centre and ensure its financial sustainability. Previously, he spent more than two years as Chief Financial Officer of the DIFC Authority, and prior to this as the Financial Controller of the Technology and Media Free Zone (TECOM). During his public practice career, he managed audit, consulting and corporate finance assignments in several industries, including oil & gas, financial services, telecom and media, hospitality and leisure and public utilities. Mr Barazi is Chairman of a number of local and international companies including SmartStream Technologies and Unicontrol Commodity Finance. He is also a Board member of Abraaj Capital and is an Investment Committee member of Dubai Aerospace Enterprise, and Global Strategic Equities Fund. He started his financial career with Arthur Andersen in Syria and then in Saudi Arabia before being appointed by Deloitte & Touche Kuwait as Head of its Enterprise Risk Services practice.

Non-Independent



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MOHAMED BINBREK ^(1,2)

Chief Executive, Dubai Properties

Mr Binbrek joined Dubai Properties, the real estate arm of Dubai Holding, in 2002 and served as Chief Operating Officer and later Chief Officer - Administration & Portfolio Management before becoming Chief Executive in December 2006. Previously he worked for 14 years at Citibank in the UAE where he managed daily operations and business development for the Consumer Bank, as well as serving as Service Quality Director, Director of Access Channels and Head of Investments and Distribution. Mr Binbrek started his professional career with ABN Bank in the UAE and spent five years in the Corporate Bank as a Relationship Manager as well as in the Operations area.

Independent

6

ESSA KAZIM ⁽²⁾

Chairman, Dubai Financial Market
Chairman, Borse Dubai

Mr Kazim is the Chairman of the Dubai Financial Market (DFM), a secondary market established in March 2000 for the trading of securities, bonds, units of investment funds and other financial instruments. He is Chairman of Borse Dubai, the holding company that owns the DIFX and DFM, and a member of the DIFC Authority Board. He is the Chairman of Dubai Statistics Centre, a Board member of the General Pension & Social Security Authority, a member of the Dubai Council for Economic Affairs and a Board member of Noor Islamic Bank. Mr Kazim was previously Director of the Planning and Development Division for the Department of Economic Development and Senior Analyst in the Research and Statistics Department at the UAE Central Bank.

Non-Independent

7

GERALD LAWLESS ⁽³⁾

Executive Chairman, Jumeirah Group

Mr Lawless joined Jumeirah in June 1997 as Managing Director. Earlier he spent 23 years working with Forte Hotels including in the United Kingdom, South Africa, Ireland and Dubai. He was also responsible for the Caribbean and later the Middle East region. Mr Lawless oversaw the development of Forte Hotels in the region from three properties in 1991 to more than 20 when he left in 1997 to join Jumeirah, where he oversaw the opening of Jumeirah Beach Hotel, Wild Wadi Water Park and Burj Al Arab. Since then, Mr Lawless has overseen the expansion of Jumeirah Group's regional and international portfolio.

Independent

8

GEORGE MÖLLER ^(1,2)

Chief Executive Officer, Robeco Groep NV

Mr Möller is Chief Executive Officer of Robeco Groep NV, an international asset manager which is wholly owned by Rabobank. He is a former member of the Managing Board and Chief Operating Officer of Euronext NV and was the President of the Federation of European Securities Exchanges. He was General Manager of the European Options Exchange and following its merger with the Amsterdam Stock Exchange became Chief Executive (President) of Amsterdam Exchanges NV. Mr Möller was also a director of LIFFE plc from 1992-1996 and its Deputy Chairman from 2002-2004.

Independent

9

SHADI SANBAR ^(1,3)

Chief Financial Officer, Kingdom Holding Company

Mr Sanbar is Chief Financial Officer of Kingdom Holding Company, a Saudi joint stock company listed on the Saudi Stock Exchange. Kingdom is a global investor with interests in international and regional equities, hotels, real estate, and private equity investments. Until 2005, Mr Sanbar was with Ernst & Young, specialising in audits and special examinations. He started his career with the Los Angeles office of Arthur Andersen in 1973 and in 1994, following his transfer to Riyadh, he was appointed Managing Partner for Andersen's Assurance and Business Advisory practice for all of the Middle East offices until 2003.

Independent



Member of:

¹ Audit and Risk Management Committee

² Market Oversight Committee

³ Nomination and Remuneration Committee

CORPORATE GOVERNANCE

The DIFX believes that sound corporate governance enhances the Company's ability to achieve its objectives in accordance with the interests of its shareholder. In developing and implementing its governance practices, it has referred to the corporate governance principles set out in the UK Combined Code on Corporate Governance, the Markets Law DIFC Law No.12 of 2004 and the Offered Securities Rules of the DFSA Rule book.

BOARD OF DIRECTORS

The Board comprises the Non-Executive Chairman, the Chief Executive Officer and a further 7 Non-Executive Directors, of which 5 are independent.

Biographical details of the Directors, the Committees on which they serve and a reference to which Directors are considered by the Board to be independent are set out on pages 14 to 17.

The biographies demonstrate a range of experience and sufficient calibre to discharge the Board's responsibilities and duties and to bring independent judgement on issues of strategy, performance and standards of conduct which are important to the success of the Company.

The Board is responsible to the shareholder for the DIFX's system of corporate governance, its strategic objectives and the stewardship of the Company's resources.

It determines the policies and practices which govern the operation and management of the DIFX and has the responsibility to ensure that the Company carries out its objectives. It is the purpose of the executive and senior management to manage the DIFX in accordance with the directions of the Board.

The Board has a formal schedule of matters specifically reserved for its decision-making, which includes the annual budget, strategy and long term business objectives, major projects and contracts, and significant capital expenditure. In accordance with the charters, certain matters are delegated to Committees of the Board, which is described in detail overleaf.

During the financial year, the Board met 8 times, of which 5 occasions were in person and the remainder via teleconference.

BOARD CHARTER

The Board adopts the view that corporate governance should promote performance and integrity as well as conformance with the legislation. The DIFX's governance framework is set out in its Board Charter which describes this framework, coordinates and aligns supporting policy documents and establishes an environment that enables the Board and officers of the DIFX to meet their responsibilities under the prevailing law and to demonstrate good governance practices.

NON-EXECUTIVE DIRECTORS & INDEPENDENCE

In accordance with the DFSA Authorised Market Institution regulation and the Articles of Association, at least one half of the Board shall be Independent Non-Executive Directors.

A review of Directors' independence is carried out at appointment and annually. The annual review was carried out in February 2008, and in the same month in 2007, by means of a questionnaire. Each Director provided answers to questions based on criteria covering independence as set out in the Offered Securities Rules and the definitions laid out in the Articles of Association. Responses were reviewed by the Managing Director, Legal and Compliance who, in reference to the criteria, made a determination as to whether a Director is independent. The determinations were reviewed by the Nomination and Remuneration Committee and its recommendations made to the Board for its approval.

During 2007, Non-Executive Directors received an annual retainer together with meeting attendance fees for Board and, where applicable, Committee meetings.

Each Non-Executive Director has a service agreement detailing their duties, terms and obligations. The term of the agreement is one year which is renewable by mutual agreement and is subject to the annual re-election by the shareholder at the Annual General Meeting.

BOARD ATTENDANCE

The following table details the Directors' attendance at Board and Committee meetings during 2007.

| | BOARD | AUDIT & RISK MANAGEMENT | MARKET OVERSIGHT | NOMINATION & REMUNERATION |
|-----------------------------------|----------|-------------------------|------------------|---------------------------|
| No. of Meetings | 8 | 5 | 4 | 6 |
| Soud Ba'alawy ⁽¹⁾ | 2 of 3 | - | - | 1 of 1 |
| Maha Al-Ghunaim ⁽²⁾ | 1 of 2 | - | - | - |
| Nasser Alshaali ⁽³⁾ | 5 of 5 | - | - | - |
| Adel Al Shirawi ⁽⁴⁾ | 1 of 1 | - | - | - |
| Hussain Al Qemzi ⁽⁵⁾ | 4 of 5 | - | - | 5 of 5 |
| Henry Azzam ⁽⁶⁾ | 5 of 5 | - | - | 5 of 5 |
| Bisher Barazi | 8 of 8 | - | - | - |
| Mohamed Binbrek ⁽⁷⁾ | 2 of 2 | 1 of 1 | 1 of 1 | - |
| Yassine Bouhara ⁽⁸⁾ | 5 of 5 | - | - | - |
| Osama Elansari ⁽⁹⁾ | 5 of 5 | 4 of 4 | 3 of 3 | - |
| Sameh El-Torgoman ⁽¹⁰⁾ | 5 of 5 | - | 3 of 3 | - |
| Mukhtar Hussain ⁽¹¹⁾ | 4 of 5 | - | - | - |
| Lynton Jones ⁽¹²⁾ | 4 of 5 | - | - | 5 of 5 |
| Essa Kazim | 6 of 8 | - | 1 of 1 | - |
| Per E. Larsson ⁽¹³⁾ | 7 of 7 | - | - | - |
| Gerald Lawless ⁽¹⁴⁾ | 2 of 2 | - | - | 1 of 1 |
| George Möller | 7 of 8 | 5 of 5 | 4 of 4 | - |
| Michael Philipp ⁽¹⁵⁾ | 5 of 5 | - | - | - |
| Saad Abdul Razak ⁽¹⁶⁾ | 0 of 1 | - | - | - |
| Shadi Sanbar | 8 of 8 | 5 of 5 | - | 1 of 1 |

NOTES:

- Soud Ba'alawy was appointed Chairman and member of the Board on 25 June 2007.
- Maha Al-Ghunaim was appointed a member of the Board with effect from 7 November 2007.
- Nasser Alshaali stepped down from the Board on 25 June 2007.
- Adel Al Shirawi was appointed a member of the Board on 25 June 2007 and stepped down on 6 November 2007.
- Hussain Al Qemzi stepped down from the Board on 25 June 2007.
- Henry Azzam stepped down as Chairman and a member of the Board on 25 June 2007.
- Mohamed Binbrek was appointed a member of the Board on 7 November 2007.
- Yassine Bouhara stepped down from the Board on 25 June 2007.
- Osama Elansari stepped down from the Board on 25 June 2007.
- Sameh El-Torgoman stepped down from the Board on 25 June 2007.
- Mukhtar Hussain stepped down from the Board on 25 June 2007.
- Lynton Jones stepped down from the Board on 25 June 2007.
- Per E. Larsson stepped down from the Board on 25 June 2007 and was re-appointed on 7 November 2007.
- Gerald Lawless was appointed a member of the Board on 7 November 2007.
- Michael Philipp stepped down from the Board on 25 June 2007.
- Saad Abdul Razak was appointed a member of the Board on 25 June 2007 and stepped down on 6 November 2007.

CORPORATE GOVERNANCE

BOARD COMMITTEES

The following Committees deal with specific aspects of the Company's affairs. Each Committee has a written charter detailing its role, responsibilities and membership requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee is chaired by Shadi Sanbar. The other members are Mohamed Binbrek and George Möller. The company secretary acts as secretary to the Committee. The Committee is responsible for the independent and objective oversight of internal control and risk management, internal compliance, governance issues, financial reporting, external and internal auditors and financial controls. The Board has determined that Shadi Sanbar has recent and relevant financial experience.

During the year, the Committee met on 5 occasions. It has reviewed the annual budget, monthly and annual financial statements, and recommended for Board approval amendments to its charter and to the signing authority matrix. The Committee received an overview of the corporate compliance function's activities during the year and approved the Money Laundering Reporting Officer annual report.

Internal Audit has direct access to Shadi Sanbar and met regularly with the Committee, which reviewed the annual internal audit plan, its implementation and results and internal audit reports, together with other internal audit activities as set out in more detail overleaf.

During the year, the Committee met with its independent auditors, PricewaterhouseCoopers (PwC). It approved their remuneration and terms of engagement and considered the results of the annual audit, PwC's performance and independence, and the effectiveness of the overall audit process. The Committee recommended PwC's re-appointment as auditors to the Board and this resolution will be put to the shareholder at the Annual General Meeting.

MARKET OVERSIGHT COMMITTEE

The Market Oversight Committee is chaired by George Möller. The other members are Mohamed Binbrek and Essa Kazim. The company secretary acts as secretary to

the Committee. The Committee is responsible for the independent oversight of the Markets Authority which includes the Listings Authority and Surveillance, Compliance and Enforcement functions. It also oversees the regulatory functions carried out by other areas of the DIFX, including the application of the exchange's Rules, Members' conduct of business and the regulatory aspects of the clearing and settlement functions.

During the year, the Committee met on 4 occasions, all of which were held in person. It meets regularly with the Markets Authority and Listing Authority and receives weekly reports on market conduct and regular monthly departmental reports from the Markets Authority. The Committee also receives ad hoc reports on any market incidents as part of its oversight function.

The Committee received feedback on regular meetings between the Markets Authority and the DFSA. It reviewed and recommended to the Board amendments to the Business Rules including the introduction of conditional trading. It also received a presentation on the proposed revision of the Listing Rules. The Committee reviewed internal audit reports on the Listings Authority and Surveillance function and has considered and made recommendations on budget, performance and staffing of the Markets Authority. During the year, it reviewed its charter for adequacy and recommended amendments for Board approval.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is chaired by Gerald Lawless. The other members are Soud Ba'alawy and Shadi Sanbar. The company secretary acts as secretary to the Committee. The Committee is responsible for the independent oversight of appointments to the Board, succession planning for the Board and executive management and reviewing the independence of Directors. It is also responsible for recommending Executive and Non-Executive Directors remuneration for Board approval, approving performance measures and target setting for the Chief Executive Officer, service agreements for Executive and Non-Executive Directors and broad policies and programs for employee benefits.

During the year, the Committee met on 6 occasions, of which 4 were held in person. The Committee reviewed and recommended for approval revisions to the Board and Board Committees' composition and revision to the Non-Executive Director service agreement. The Committee

met with the Managing Director, Legal and Compliance to consider the findings and determinations of Directors' independence reviews, carried out for new appointments and annually, and recommended these for Board approval. It received presentations from the Head of Human Capital on the results of the Employee Satisfaction Survey and on the staff performance management system.

INTERNAL CONTROL & RISK MANAGEMENT

INTERNAL CONTROL

The Directors have responsibility for ensuring that Management maintains an effective system of internal control and for reviewing its effectiveness. Such a system is designed to support the identification and management of risks affecting the DIFX and the business environment in which it operates. Throughout the year and to date, the DIFX has operated a system of internal control which provides reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the exchange. The Board, through the Audit and Risk Management Committee (ARMC), regularly reviews these processes. The effectiveness of controls is periodically reviewed within the business areas. Regular reports are made to the ARMC by Management, Internal Audit and the legal & compliance functions covering matters such as financial controls, compliance and operational controls. The ARMC monitors resolution of any identified control issues of significance through to a satisfactory conclusion.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. In accordance with International Financial Reporting Standards (IFRS), the internal control over financial reporting is a process designed under the supervision of the Chief Executive and the principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes. The DIFX's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorisations of Management and the Board; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Management has assessed the effectiveness of internal controls and is satisfied that the processes followed for the financial year and to date is effective. The system of internal financial and operational controls is also subject to regulatory oversight by the DFSA.

RISK MANAGEMENT

Risk management is a systematic and continuous process which aims to identify, evaluate, manage, control and report significant risks to which the DIFX may be exposed. The risk management process at the DIFX is integrated in the business activities, and thus decentralized to each unit and function. Management is responsible for establishing and maintaining pertinent risk management. The functions and systems for internal control and Internal audit are part of the overall risk management process. The Head of Risk Management assists in the management of these traditional corporate risks.

The DIFX's exchange, clearing and central securities depository operations require focus on business continuity and incident management. As an exchange and clearing house and, indirectly, central securities depository, the DIFX is subject to specific regulation and supervision. As a clearing house, the DIFX is exposed to specific risks related to the provision of central counterparty clearing, whereby the DIFX acts as counterparty for transactions between the buyer and the seller. One of the primary obligations of clearing members is to provide collateral to the DIFX as required by the applicable rules as protection against the counterparty risk assumed. The Head of Risk Management is responsible for the management and mitigation of these clearing risks.

During the second half of the year, a quarterly risk reporting to the Executive Management was introduced. During the year, there was a continuous focus on reviewing and enhancing the business continuation of the DIFX's core functions in case of unplanned events, and this will continue during 2008. The Head of Risk Management is supported by an internal Risk Committee with regard to the clearing risks, and particularly regarding the setting of margin parameters; and by an internal Business Continuation Committee with regard to the systematic planning and development of business continuation.

INTERNAL AUDIT

The purpose of the Internal Audit (IA) function is to assist the Board and Management in the effective discharge of their fiduciary and administrative responsibilities by providing independent, objective assurance and consulting services with respect to evaluating risk management, control

and governance process. To ensure independence and objectivity, Internal Audit reports directly to the ARMC.

The DIFX's IA follows a risk based audit approach. An annual risk based internal audit plan is prepared based on inputs from multiple stakeholders. The plan is both inclusive and exclusive meaning that all key areas subject to high risk are included in the plan while the non-priority and low risk areas are excluded from the plan. All key stakeholders are involved in the planning process during which key business and operational risks are identified, compiled, risk rated, ranked and voted upon by business unit heads and line managers to draw a final risk assessed audit scope of work that factors in all high risk areas at minimum. The audit plan executive summary, submitted to the Board and Executive Management for their approval, provides information about the risk assessment, the current order of priority of audit projects and how they are to be carried out. The audit plan outlines the key departments, activities, processes and sub-processes subject to audit together with an estimate of resource requirements, budgeted hours and estimated start dates and completion timelines. This becomes the benchmark key performance indicator together with quality feedback from the auditee to assess the IA's performance.

The IA submits quarterly activity reports to the ARMC and the Executive Management summarizing the results of the audit work including significant risk exposures and control issues. Quality assurance on the IA's performance is provided by independent feedback obtained through a formalized quality survey completed by the business unit head of the audited activity. Moreover, the IA ensures that adequate checks and balances are maintained and adhered to in order to ensure professional and qualitative service delivery. These include, but are not limited to, ensuring a clear audit mandate through an approved Internal Audit Charter communicated to all in the organization, maintaining and following standardized policies, procedures and processes as outlined in the Internal Audit Manual, hiring and allocating skilled and professional audit resources to the audit process and consistent reporting of actual versus budgeted performance.

The IA liaises regularly with both internal and external stakeholders. The key internal stakeholders include legal & compliance, company secretariat and risk management functions, while the external stakeholders include the shareholder, regulator and external auditors.

CORPORATE RESPONSIBILITY

People are very much at the heart of the service that the DIFX provides. As part of its commitment to its employees, several new initiatives were introduced during the year.

In providing staff with opportunities to share their views and give feedback on issues that are important to them, the first annual Employee Satisfaction Survey was carried out with the results being reported to the Nomination and Remuneration Committee as well as to all staff. Employees are often in the best position to know how things can be improved and therefore a staff scheme called Rayek (meaning 'your opinion' in Arabic) was introduced which rewards and encourages staff to provide ideas and suggestions to improve our business. Employees are kept informed of matters of concern to them in a variety of ways, including a weekly staff gathering, quarterly staff briefings and regular e-mails.

The DIFX is committed to the highest ethical standards of professional conduct and integrity. In order to meet this objective, employees are required to comply with the spirit and letter of the company's Code of Ethics and Conduct.

Due to the nature of its business, the DIFX does not have a high environmental impact. Its principal impact arises from energy, paper and water consumption. In an effort to responsibly manage this impact, it encourages a reduction in energy wastage, it recycles paper and toner cartridges, and encourages staff to print on both sides of the paper. As part of its ongoing shredding and recycling programme, the DIFX saved 38 trees from destruction in 2007.

During the year, the DIFX staff participated in various community activities including blood donation drives in conjunction with Al Wasl Hospital and the UAE blood bank, the Standard Chartered Dubai Marathon 2007 charity run benefiting 'Seeing is Believing', Standard Chartered's global initiative to alleviate blindness around the world, and the Dubai Autism Center awareness and fund raising campaign "Together Again – Autism April".



GLOSSARY

GLOSSARY

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| American depositary share | Share issued under a deposit agreement representing the underlying ordinary share which trades in the issuer's home market. |
| Bond | Interest-bearing or discounted government or corporate security that obligates the issuer to pay the bondholder a specified sum of money, usually at specific intervals, and to repay the principal amount of the loan at maturity. |
| Capital-protected note | Investment product which at maturity guarantees the investor (or final holder of the note) the initial principal. Any returns above that are often capped at a certain limit. Alongside the capital protection the product is exposed to various underlying(s) within a predefined structure. |
| Capital market | The market for securities where companies can raise long-term funds. It includes the stock market and the bond market. It consists of the primary market, where new issues are distributed to investors, and the secondary market, where existing securities are traded. |
| Central counterparty | Generally a Clearing House, which undertakes and guarantees settlement of transactions executed on the exchange through the principle of novation thereby becoming a party to every trade (ie, a buyer to every seller and a seller to every buyer). Also reduces the amount of counterparty risk to which the market participants are exposed. |
| Central securities depository | Entity holding securities in uncertificated (dematerialised) form and facilitating electronic book entry transfer of securities, custody/safekeeping and transaction processing such as settlement of securities, off-exchange transfers and corporate actions processing. |
| Certificate over index | Instrument normally issued by financial institutions that ties the return on the instrument to the performance of a specified index. |
| Clearing | As a post-trading function, imposes a contractual obligation on the member to settle the transaction. In the DIFX context, this is performed by multilateral netting of transactions resulting in one net position per security and one net cash position. |
| Custodian | An entity that holds, manages, controls or takes custody of securities on a central securities depository on behalf of third parties. |
| Derivative | Contract the value of which is based on the performance of an underlying asset, index, interest rate, currency or other investment. Derivatives involve the trading of rights or obligations based on the underlying product but do not directly transfer property. They are used to hedge risk or to exchange a floating rate of return for a fixed rate of return. |
| Equity | Ownership interest possessed by shareholders in a corporation. |
| Euro Medium Term Note | A flexible medium-term debt instrument that is issued and traded outside Canada and the United States and requires fixed dollar payments. |
| Exchange-traded fund | Open-ended index fund that allows investors to trade a portfolio of securities (index stocks) in a single transaction. |
| Floating rate note | Debt instrument with a variable interest rate. |
| Global depositary receipt | Receipt for shares in a foreign corporation traded in capital markets around the world. |
| Index tracker | Investment product that is designed to follow the performance of a particular index, such as an index of shares. |

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| Initial public offering (IPO) | The first sale of a company's shares or other securities to investors on a public stock exchange. The main purpose is to raise capital for the issuer of the IPO. |
| Issuer | Company, government or other organisation which creates and sells securities to finance its operations. The most common types of securities issued include shares, bonds, notes and derivatives. |
| Islamic product | A security which is in compliance with a Sharia structure approved by a Sharia Supervisory Board. One of the most common Islamic products is the Sukuk (Islamic bond). |
| Listing Rules | Rule book of the DIFX that provides the framework for listing securities on the DIFX. |
| Liquidity | The extent to which a financial instrument is readily available to buy or sell without causing a significant change in its price. A market where it is easy to do this is a liquid market. Liquidity is prized by both issuers and investors because it increases the efficiency of a market. |
| Market capitalisation | A measurement of the size of a company, being the number of common shares multiplied by the current price of those shares. It may also refer to the total market value of other issued securities such as bonds. |
| Market maker | A member appointed by an exchange which is obligated to enter bid and ask orders for each admitted security for which it is registered to act as a market maker, in order to provide liquidity. |
| Member | A person or entity accepted by an exchange to carry out transactions on that market. The DIFX has Trading Members which may also be Clearing Members. A Trading Member clears and settles transactions through a General Clearing Member. A General Clearing Member clears and settles transactions on its own behalf and/or on behalf of other Trading Members with which it has entered into a Clearing Agreement. An Individual Clearing Member clears and settles transactions only on its own behalf. |
| Ordinary share | Equivalent to common stock; it represents units of ownership of a corporation. |
| Settlement | The process whereby securities and cash are exchanged between the members in fulfilment of their contractual net obligations. |
| Share index | A listing of stocks expressed by a number that reflects the composite value of those stocks. Many indices compiled by news or financial services firms are used to benchmark the performance of portfolios such as mutual funds. |
| Share registry | Register of shareholders of the issuer maintained by a share registrar or transfer agent or any other agent of the issuer and which evidences the legal ownership of the securities held. |
| Structured product | Instrument the financial return of which is based on the movement of an underlying index, stock, interest rate, currency or other asset. |
| Sukuk | Sharia-compliant certificate created by the packaging or structuring of pools of Sharia-compliant assets with or without credit enhancement into securities. |

Sources: Barrons Financial Guides, Wikipedia, Investopedia

