

# **Emirates NBD Securities L.L.C.**

Reports and financial statements

For the year ended 31 December 2024

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**MANAGER'S REPORT**

We have pleasure in submitting our report together with the audited financial statements of Emirates NBD Securities L.L.C. (the "Company") for the year ended 31 December 2024.

**Financial Results**

The Company has reported a net profit of AED 23.86 million for the year ended 31 December 2024 (2023: AED 13.67 million).

Total equity holders' funds amount to AED 130.73 million as at 31 December 2024 (2023: AED 122.10 million).

**Directors**

The Directors of the Company during the year (and to date of this report) were as follows:

Mr. Ahmed Al Qassim	Chairman
Mr. Farid Al Mulla	Member
Mr. Marwan Mahmoud Hadi	Member
Mr. Mohammad Al Bastaki	Member
Mr. Ammar Al Haj	Member

**Proposed appropriations**

The management has recommended a Nil cash dividend based on the results of fiscal year 31 December 2024 (2023: AED 15.10 million based on the results of fiscal year 31 December 2023).

**Auditors**

Deloitte & Touche (M.E.) were appointed as Auditors of Emirates NBD Securities L.L.C. at the Emirates NBD Bank (P.J.S.C.) Group Annual General Meeting held on 20 February 2024.

**Signed by**

**Hessa Al Mulla**  
**General Manager**

Dubai, UAE

Date: 20 February 2025

## INDEPENDENT AUDITOR'S REPORT

**The Shareholders**  
**Emirates NBD Securities LLC**  
**Dubai**  
**United Arab Emirates**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Emirates NBD Securities LLC (the "Company")**, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement cash flows, and statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the Management report of the Company. We obtained the Board of Directors' report prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Emirates NBD Securities LLC (continued)

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with applicable provisions of UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Emirates NBD Securities LLC (continued)

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Company has maintained proper books of account;
- The financial information included in the Management report is consistent with the books of account and records of the Company;
- Note 8 to the financial statements discloses the Company's purchases or investments in shares or stocks during the year ended 31 December 2024;
- Note 10 to the financial statements discloses material related party transactions and the terms under which they were conducted and principles of managing conflict of interest;
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and
- Note 14 to the financial statements of the Company discloses social contributions made during the year ended 31 December 2024.

### **Deloitte & Touche (M.E.)**

Akbar Ahmad  
Registration No. 1141  
20 February 2025  
Dubai  
United Arab Emirates

**EMIRATES NBD SECURITIES L.L.C.**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

		2024	2023
	Notes	AED 000	AED 000
<b>Assets</b>			
Property and equipment	7	7,352	8,494
Investment securities	8	187	357
<b>Total non-current assets</b>		<b>7,539</b>	<b>8,851</b>
Cash and bank balances	11	129,180	124,352
Other receivables	9	113,619	10,084
<b>Total current assets</b>		<b>242,799</b>	<b>134,436</b>
Other payables	12	11,053	6,215
Due to Parent Bank	10	107,741	14,014
Client money	11.1	819	956
<b>Total current liabilities</b>		<b>119,613</b>	<b>21,185</b>
<b>Net current assets</b>		<b>123,186</b>	<b>113,251</b>
<b>Net assets</b>		<b>130,725</b>	<b>122,102</b>
<b>Represented by</b>			
Share capital	13	36,000	36,000
Statutory reserve	13	18,804	18,804
Fair value reserve		(39)	98
Capital contribution reserve		50,000	50,000
Retained earnings		25,960	17,200
<b>Total equity holders' funds</b>		<b>130,725</b>	<b>122,102</b>

The notes 1 to 19 form an integral part of these financial statements.

The independent auditor's report is set out on page 2 to 4.

These financial statements were approved by the Board of Directors of Emirates NBD Securities L.L.C. on 20 February 2025 and signed on their behalf by:



General Manager

**EMIRATES NBD SECURITIES L.L.C.****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>AED 000</b>	<b>AED 000</b>
Net commission income		<b>44,092</b>	35,154
General and administrative expenses	14	<b>(28,844)</b>	(23,379)
<b>Operating income</b>		<b>15,248</b>	11,775
Other income / (expenses) - net	15	<b>6,047</b>	(1,454)
Interest income from parent bank	10	<b>4,958</b>	3,346
Unrealized (loss) / gain on investment securities		<b>(33)</b>	3
<b>Profit for the year before taxation</b>		<b>26,220</b>	13,670
Taxation charge	16	<b>(2,360)</b>	-
<b>Profit for the year after taxation</b>		<b>23,860</b>	13,670
Other comprehensive loss		<b>(137)</b>	-
<b>Total comprehensive income for the year</b>		<b>23,723</b>	13,670

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The independent auditors' report is set out on page 2 to 4.



**EMIRATES NBD SECURITIES L.L.C.****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>AED 000</b>	<b>AED 000</b>
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the year before taxation		<b>26,220</b>	13,670
<b><u>Adjustments for non-cash items</u></b>			
Depreciation	14	<b>2,808</b>	1,738
Unrealized loss / (gain) on investment securities		<b>33</b>	(3)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>29,061</b>	15,405
Change in other receivables		<b>(103,697)</b>	(659)
Change in due to Parent Bank		<b>78,627</b>	(10,423)
Change in other payables		<b>2,640</b>	301
<b>Net cash flows from generated from operating activities</b>		<b>6,631</b>	4,624
<b><u>INVESTING ACTIVITIES</u></b>			
Increase in property and equipment		<b>(1,666)</b>	(3,579)
Change in short term deposits		<b>(4,276)</b>	(1,494)
<b>Net cash flows used in investing activities</b>		<b>(5,942)</b>	(5,073)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>689</b>	(449)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>30,955</b>	31,404
<b>Cash and cash equivalents at the end of the year</b>	11	<b>31,644</b>	30,955

The notes 1 to 19 form an integral part of these financial statements.

The independent auditors' report is set out on page 2 to 4.

**EMIRATES NBD SECURITIES L.L.C.****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital	Statutory reserve	Fair value reserve	Capital contribution reserve	Retained earnings	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Balance as at 1 January 2024	36,000	18,804	98	50,000	17,200	122,102
Total comprehensive (loss) / income for the year	-	-	(137)	-	23,860	23,723
Dividend declared	-	-	-	-	(15,100)	(15,100)
<b>Balance as at 31 December 2024</b>	<b>36,000</b>	<b>18,804</b>	<b>(39)</b>	<b>50,000</b>	<b>25,960</b>	<b>130,725</b>
Balance as at 1 January 2023	36,000	18,804	98	50,000	23,108	128,010
Total comprehensive income for the year	-	-	-	-	13,670	13,670
Dividend paid	-	-	-	-	(19,578)	(19,578)
<b>Balance as at 31 December 2023</b>	<b>36,000</b>	<b>18,804</b>	<b>98</b>	<b>50,000</b>	<b>17,200</b>	<b>122,102</b>

The notes 1 to 19 form an integral part of these financial statements.

The independent auditors' report is set out on page 2 to 4.

**EMIRATES NBD SECURITIES L.L.C.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

**1 Legal status and principal activities**

Emirates NBD Securities L.L.C. (the "Company") is a limited liability company incorporated in the emirate of Dubai on 10 November 2001.

The Company is in compliance with the applicable provision of the UAE federal law no. 32 of 2021 on Commercial Companies which came into effect on 2 January 2022, replacing the Federal Law No. 2 of 2015.

The shareholding pattern in the Company is as follows:

<b>Name of equity holders</b>	<b>Shareholding (%)</b>
Emirates NBD Bank (P.J.S.C.)	99%
Emirates NBD Capital (P.S.C.)	1%

The Company's majority shareholding is owned by Emirates NBD Bank (P.J.S.C.) (the "Parent Bank"). The ultimate parent company is Investment Corporation of Dubai, a company wholly owned by the Government of Dubai.

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and securities.

The registered address of the Company is P.O. Box 2923, Dubai, U.A.E.

**2 Basis of preparation**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as issued by the International Accounting Standards Board (IASB) and applicable requirements of the laws of the U.A.E.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented. These financial statements have been approved for issue by the Board of Directors on 20 February 2025.

Certain prior year comparatives have been reclassified wherever necessary to conform to the presentation adopted in the current year.

**(b) Basis of measurement**

These financial statements are prepared under the historical cost convention, except for investment securities designated at Fair Value Through Profit or Loss (FVTPL) and Fair Value through Other Comprehensive Income (FVOCI) which are measured at fair value. The methods used to measure fair value are discussed further in note 4.

**(c) Functional and presentation currency**

These financial statements are presented in UAE Dirhams ("AED"), which is the functional currency of the Company, rounded to the nearest thousands, except where stated otherwise.

**(d) Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amount of financial assets and liabilities and the resultant allowances for impairment and fair values. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

**EMIRATES NBD SECURITIES L.L.C.**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2024

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**2 Basis of preparation**

**(d) Use of estimates and judgments (continued)**

*Financial instruments*

Judgements made in applying accounting policies that have most significant effects on the amounts recognised in the financial statements of the year ended 31 December 2024 are:

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payment of principal and profit of the principal amount outstanding.
- Calculation of expected credit losses (ECL): changes to the assumptions and estimation uncertainties that have a significant impact on ECL. The impact is mainly driven by inputs, assumptions and techniques used for ECL calculation under IFRS 9 methodology.

**3 Material accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

**(a) Revenue recognition**

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Interest income is recognised in the statement of comprehensive income for all instruments measured at amortised cost using the effective interest method.

Realised gains and losses on investments sold are determined using the average cost basis and are disclosed net of sales commission.

Commission income

The Company earns commission income on those transactions in which it acts as an agent. Commission income is recognised on an accrual basis when the right to receive is established.

**(b) Property and equipment**

Property and equipment is stated at cost less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in statement of comprehensive income.

**EMIRATES NBD SECURITIES L.L.C.**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2024

**3 Material accounting policies (continued)**

**(b) Property and equipment (continued)**

*Useful lives of property and equipment*

The estimated useful lives of the Company's property and equipment for calculating depreciation are in line with the Parent Bank's policies. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates. Estimated useful lives are as below:

Freehold improvements	10 years
Leasehold improvements	7 years
Office equipment	5 years
Computers	4 years
Right of use assets	5 years

Capital work in progress is stated at cost. When completed, they are transferred to the appropriate property and equipment category and depreciated in accordance with the Company's policies.

**(c) Leases**

The Company initially measures the right-of-use asset at cost and subsequently measures at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The Company initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease.

Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

**(d) Financial instruments**

• Classification of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.



**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Material accounting policies (continued)****(d) Financial instruments (continued)**

- Classification of financial assets and financial liabilities (continued)

Business model assessment:

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about the future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic financing risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money - e.g. periodical reset of profit rate.
- Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

- Impairment

The Company recognises loss allowances for ECL on financial instruments that are not measured at FVTPL, primarily financial assets that are financing instruments.

The Company measures loss allowances at an amount equal to lifetime ECL. For financial instruments on which credit risk has not increased significantly since their initial recognition, loss allowances are measured at 12-month ECL.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Material accounting policies (continued)****(d) Financial instruments (continued)**

- Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances with the Parent Bank.

- Derecognition of financial instruments

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(e) Income taxes and deferred taxation**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be settled with the tax authorities.

Deferred tax is accounted for using the asset and liability method. Deferred tax liabilities are recognised for the full tax consequences of all taxable temporary difference between the Company financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax asset are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled in line with the expected manner of recovery or settlement.

Deferred tax assets are reviewed periodically to reduce the carrying amount by the extent to which it is no longer probable that sufficient taxable profits will be available to utilise the differences.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same tax authorities and the Company intends to settle its current tax assets and current tax liabilities on a net basis.

**(f) Offsetting**

Financial assets and liabilities are offset and the net amount is reported on the statement of the financial position only when the Company has a legally enforceable right to set off the recognised amount and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS or IAS or if gains or losses are arising from a group of similar transactions.

**(g) Foreign currencies**

Monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Material accounting policies (continued)****(h) Employee benefits**Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**(j) Dividend income**

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

**(k) Related parties**

A party is considered to be related to the Company if:

- (a) the party, directly or indirectly through one or more intermediaries,
  - (i) controls, is controlled by, or is under common control with, the Company;
  - (ii) has an interest in the Company that gives it significant influence over the Company;
 or
  - (iii) has joint control over the Company;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Company;
- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

**(l) Customer loyalty programme**

The Company operates a rewards programme which allows customers to accumulate points when they trade with the Company. The points can then be redeemed and credited to customer trading account, subject to a minimum number of points being obtained.

The sale proceeds received are allocated between the customer trades and the points issued, with the proceeds allocated to the points being equal to their fair value. Fair value is determined by applying statistical techniques. The fair value of the points issued is deferred and recognised in revenue when the points are redeemed.

**(m) Trade and other debtors**

All receivables are stated at amortised cost less impairment losses, if any.

**(n) Payables**

Payables are stated at amortised cost.



**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****3 Material accounting policies (continued)****(o) New standards and interpretations not yet effective**

Certain new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2024, with the Company not opting for early adoption.

**New and revised IFRSs****Effective for  
annual periods  
beginning on or after*****Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability***

1 January 2025

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

***Amendments to IFRS 9 and IFRS 7***

1 January 2026

The amendments address matters identified during the post implementation review of the classification and measurement requirements of IFRS 9.

***IFRS 18 Presentation and Disclosures in Financial Statements***

1 January 2027

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

The Company anticipates that these new standards, interpretations, and amendments will be adopted in the Company's financial statements as and when they are applicable. The impact of these standards and amendments is currently being assessed by management.

**4 Determination of fair value**

Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**Investment securities**

The fair value of financial assets at FVTPL and FVOCI is determined by reference to their quoted bid price at the reporting date. The fair value of investments in recognised financial markets is their quoted price.

Where the investments are not traded in an active market, traded in small volumes, or where there is no quoted market price, a reasonable estimate of fair value is determined by reference to the current market value of another instrument that is substantially the same or is based on discounted cash flow analysis or maintainable earnings models or other reliable valuation methods. Investments whose fair value cannot be reliably measured are carried at cost (being the most recent estimate of fair value) less any impairment losses.

**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****5 Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout in the financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has authorised the quality assurance department to develop and monitor the Company's risk management policies. The Quality Assurance Manager reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company has in place group standards; regulations of Securities and Commodities Authority ("SCA"), Abu Dhabi Securities Exchange ("ADX") and the Dubai Financial Market ("DFM"), and policies and procedures dedicated to monitor and manage risk from such activities.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company's credit risk is mainly attributable to the trade margin facilities extended to the Company's customers. The exposure to credit risk on these facilities is monitored on an on-going basis by the management.

The Company has a policy in place under which each new customer is analysed individually for creditworthiness before the Company allows these customers to open a trading account with the Company. A trading limit is established for each customer, which represents the maximum open amount of margin facilities that is available to the customer for trading purposes. These individual limits are monitored and reviewed on an on-going basis.

The Company's cash is placed with its Parent Bank and financial institutions of good repute.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>2024</b>	<b>2023</b>
	<b>AED 000</b>	<b>AED 000</b>
Cash and bank balances (note 11)	<b>129,180</b>	124,352
Other receivables (note 9)	<b>113,619</b>	10,084
<b>Total</b>	<b>242,799</b>	<b>134,436</b>

The unsettled trade debtors of the Company as at the reporting date are derived from Gulf Cooperation Council countries ("GCC").

ECL of these balances are not considered significant.



**EMIRATES NBD SECURITIES L.L.C.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

**5 Financial risk management (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company is not significantly exposed to liquidity risks as its primary source of funding is through approved financing arrangements with the Parent Bank, which itself is a reputable bank in the UAE.

Further, the Company comprises mainly other payables which are non-interest bearing with a maturity of less than twelve months. The contractual cash flows are not materially different from their carrying amounts.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

All the company's transactions are conducted in AED or US Dollar ("USD"). The AED is currently pegged to the USD and while this continues to be the case, the Company has no significant exposure to currency risk. Apart from this, Company holds an investment valued in EGP. The investment being immaterial does not carry any significant currency risk.

Interest rate risk

The Company has exposure to interest rate risk in relation to the amount due from Parent Bank. The Company pays/receives interest to/from the Parent Bank on intra-group net payables / receivables. All interest bearing financial assets and liabilities are at fixed interest rates.

At the reporting date, the interest profile of the Company's interest bearing financial instruments are as follows:

	2024 AED 000	2023 AED 000
Fixed rate instruments:		
Fixed deposits (Note 11)	96,717	92,441
Variable rate instruments:		
Call accounts	17,828	17,828

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have resulted in the following increases / (decreases) being recognised in the profit and loss account or directly in equity as shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit and Loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 December 2024</b>				
Financial instruments	178	(178)	-	-
<b>31 December 2023</b>				
Financial instruments	178	(178)	-	-

**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****5 Financial risk management (continued)****Market risk (continued)**Equity price risk

Equity price risk arises from investment securities of the Company. Exposure to price risk is monitored by senior management on an ongoing basis to assess the impact of changes in market conditions. Investment securities are managed on a fair value basis.

The amounts mentioned in the table below reflect an equal but opposite potential effect on profit before tax and equity based on an assumed 5% strengthening or weakening in prices, with all other variables held constant:

	31 December 2024			31 December 2023		
	Total	Effect on	Effect on	Total	Effect on	Effect on
	AED 000	profit	equity	AED 000	profit	equity
		AED 000	AED 000		AED 000	AED 000
<b>Effect of change in equity price by 5%</b>						
Equity Securities	<u>187</u>	<u>±8</u>	<u>±1</u>	<u>357</u>	<u>±10</u>	<u>±8</u>

**Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

To mitigate the operational risk, the Company has obtained fidelity and indemnity insurance cover against possible errors from its brokers while executing customers' orders for trade of securities in stock markets.

**6 Capital management**

The Company's capital management approach is driven by strategy and organisational requirements, taking into account the commercial environment in which it operates. The Company's capital management takes into account assets growth and the optimal amount and mix of capital required to support planned business growth.

***Regulatory Capital***

The Company is regulated by SCA, which sets and monitors the capital requirements for the Company. As per the Chairman of the Authority's Board of Directors' Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularisation Mechanisms, the minimum paid up capital for a brokerage company (Trading Member) must not be less than AED 30 million (2023: AED 30 million). The Company has complied with all externally imposed capital requirements throughout the period. There were no changes in the Company's approach to capital management during the year.

**7 Property and equipment**

Property and equipment of the Company comprises of freehold improvements, leasehold improvements, office equipment, computer, right of use asset and capital work in progress.

**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****8 Investment securities**

These comprise the following:

	2024 AED 000	2023 AED 000
Equity securities:		
FVTPL	162	195
FVOCI	25	162
	<b>187</b>	<b>357</b>

Included in FVTPL - equity securities are:

AED 162,000 (31 December 2023: AED 195,000) representing 1% equity interest in Egyptian Company for Electronic System Development ("Network International Egypt (NI-Egypt) (S.A.E)").

Included in FVOCI - equity securities are:

AED 6,900 (31 December 2023: AED 73,800) of Emirates NBD Egypt (S.A.E.), AED 17,700 (31 December 2023: 88,000) of Emirates NBD Capital (P.S.C.).

The Company has not purchased or invested in shares or stocks during the year ended 31 December 2024.

**9 Other receivables**

	2024 AED 000	2023 AED 000
Interest receivable	3,721	3,039
Others	109,898	7,045
	<b>113,619</b>	<b>10,084</b>

Others included AED 108 million (2023: AED Nil) of pending markets settlement and AED 1.8 million (2023: AED 1.9 million) of cash placed with DGCX as collateral on 26 August 2013.

**10 Related party transactions**

The Company, in the normal course of business, carries out transactions with entities that fall within the definition of a related party contained in International Accounting Standard 24. The transactions and balances with the related parties, other than those as disclosed elsewhere in the financial statements, are as follows:

The total amount of compensation paid to directors and key management personnel during the year was as follows:

	2024 AED 000	2023 AED 000
Short term employee benefits	1,034	1,710
Post-employment benefits	63	63



**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****10 Related party transactions (continued)**

Key management personnel are those persons, including non-executive directors, having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

At the reporting date, balances with related parties were as follows:

	2024 AED 000	2023 AED 000
Due to Parent Bank	107,741	14,014
Interest receivable from Parent Bank	3,721	3,039
Bank balances held with Parent Bank (Note 11)	129,133	124,332

ECL on these balances are not significant.

The transactions and balances with Parent Bank and related parties, other than as disclosed elsewhere in the financial statements, were as follows:

	2024 AED 000	2023 AED 000
Commission income from related parties (note 10.1)	11,961	8,011
Interest income from Parent Bank on fixed deposit and call account	4,958	3,346
Group recharges expense	3,018	2,493

**10.1 Commission income from related parties comprised**

	2024		2023	
	Trade value AED 000	Commission income AED 000	Trade value AED 000	Commission income AED 000
Subsidiary of the Parent Bank	216,795,924	10,138	186,218,729	6,906
Parent Bank	5,357,322	1,662	2,651,542	1,105
Directors of the Company	144,241	161	9	-
	<b>222,297,487</b>	<b>11,961</b>	<b>188,870,280</b>	<b>8,011</b>

**11 Cash and bank balances**

	2024 AED 000	2023 AED 000
Current account with Parent Bank	31,597	30,935
Current account with local banks	47	20
<b>Cash and cash equivalents</b>	<b>31,644</b>	<b>30,955</b>
Client money (Refer note 11.1)	819	956
Short term deposits (Refer note 11.2)	96,717	92,441
	<b>129,180</b>	<b>124,352</b>

**11.1** In accordance with the regulations issued by the SCA the Company maintains separate bank accounts for advances received from its customers ("Clients' Money"). The Client Money is not available to the Company other than to settle transactions executed on behalf of the customers maintaining deposits with the Company.

**11.2** These deposits are short term in nature having maturity of 12 months from their original placement date.

**EMIRATES NBD SECURITIES L.L.C.**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

**12 Other payables**

	2024 AED 000	2023 AED 000
Accrued loyalty points*	2,001	1,900
Accrued bonus	5,250	3,770
Provision for taxation	2,360	-
Others	1,442	545
	<b>11,053</b>	<b>6,215</b>

\* Customer loyalty program was implemented in 2013. The program was designed to pay incentive "Points" to eligible customers based on customers trading volume per month. The total points are accrued each month and will be valid for redemption within 24 months. Points are credited to customer's trading account upon request. Each point has an equivalent value of AED 1.

**13 Share capital and reserves**

	2024 AED 000	2023 AED 000
<b>Authorised, issued and fully paid up:</b>		
36,000 shares of AED 1,000 each	<b>36,000</b>	<b>36,000</b>

The Company is proposing a Nil cash dividend for the year (2023: AED 419.54 per share; amounting to AED 15.10 million).

**Statutory reserve**

The total reserve of the Company has reached 50% of the issued capital, therefore, no appropriation to statutory reserve (2023: AED Nil) was made.

**14 General and administrative expenses**

	2024 AED 000	2023 AED 000
Staff costs	18,591	15,071
Group recharges expense	2,900	2,343
Depreciation	2,808	1,738
Occupancy costs	119	151
Others	4,426	4,076
Total	<b>28,844</b>	<b>23,379</b>

The number of employees at 31 December 2024 were 48. (2023: 42).

The social contributions (including donations and charity) made during the year amount to Nil (2023: Nil).

**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****15 Other income / (expenses) - net**

	2024 AED 000	2023 AED 000
Foreign exchange income	353	6
Clearing fee expense	(1,582)	(3,278)
Other operating income	7,276	1,818
	<u>6,047</u>	<u>(1,454)</u>

**16 Taxation**

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT" Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

As the Company's accounting year ends on 31 December, the first tax period will be 1 January 2024 to 31 December 2024, with the first return to be filed by the parent entity on or before 30 September 2025.

The Company is part of a group that is in scope of Pillar Two (i.e exceeding the revenue threshold of EUR 750 million and operating in multiple jurisdictions). The Parent Bank is in process of assessing its potential exposure to Pillar Two income taxes.

The Company's UAE operations will be subject to Pillar Two effective 1 January 2025. The effective tax rate is expected to be 15% on profits earned in the UAE (9% in 2024).

The amendments to IAS 12 introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing Pillar Two. The Company has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The tax charge for year ended 31 December 2024 is AED 2.4 million, representing Company's effective tax rate of 9%. (31 December 2023: NIL).

**A. Amounts recognised in statement of income:**

	2024 AED 000	2023 AED 000
<b>Current Income tax expense</b>		
Current income tax charge	2,360	-
<b>Income tax expense reported in the statement of income</b>	<u>2,360</u>	<u>-</u>

**B. Reconciliation of effective tax rate**

	2024 AED 000	2023 AED 000
Profit before tax	26,220	13,670
Tax using the domestic tax rate (9%)	2,360	-
Tax effect of:		
Tax-exempt income	-	-
Taxable amount excl. in PBT	-	-
Non-deductible expenses	-	-
<b>Total income tax expense</b>	<u>2,360</u>	<u>-</u>



**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****17 Contingent liabilities**

	<b>2024</b> <b>AED 000</b>	2023 AED 000
Letter of guarantee (Issued by the Parent Bank in favor of DFM)	<b>100,000</b>	-
Letter of guarantee (Issued by the Parent Bank in favor of ADX)	<b>75,000</b>	-
Letters of guarantee (Issued by the Parent Bank in favor of DGCX)	<b>3,673</b>	3,673
Letter of guarantee (Issued by the Parent Bank in favor of NASDAQ)	<b>3,673</b>	-
Letters of guarantee (Issued by the Parent Bank in favor of SCA)	<b>1,000</b>	1,000

**18 Fair value measurement principles****Fair value**Fair values versus carrying amounts

The fair values of the financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

In AED 000

**31 December 2024**

**Equity Securities:**

FVTPL

FVOCI

**Level 3**

**162**

**25**

**187**

31 December 2023

**Equity Securities:**

FVTPL

FVOCI

195

162

357

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Company employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental.

**EMIRATES NBD SECURITIES L.L.C.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024****18 Fair value measurement principles (continued)**

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy.

	2024			2023		
	FVTPL - equity instrument AED 000	FVOCI - equity instrument AED 000	Total AED 000	FVTPL - equity instrument AED 000	FVOCI - equity instrument AED 000	Total AED 000
Balance as at 1 January	195	162	357	192	162	354
Total gains or (losses):						
- in profit or loss	(33)	-	(33)	3	-	3
- in other comprehensive income	-	(137)	(137)	-	-	-
Balance as at 31 December	162	25	187	195	162	357

**19 Environmental, social and governance (ESG) risk**

The rapidly changing global landscape, marked by challenges such as climate change, the evolving expectations of our stakeholders, as well as a continuous evolution of international standards, particularly in the areas of sustainability accounting, audit and ethics necessitates a proactive approach to ESG. The Company continues to develop its approach to ESG in line with progressing standards, both regionally and globally.

**Impact of climate risk on accounting judgments and estimates**

At this time, the Company believes that the effects climate related risks which could arise in the short and medium term will have limited effect on accounting judgements and estimates.