

**EMIRATES NBD SECURITIES LLC**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024**

**EMIRATES NBD SECURITIES LLC**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**The Board of Directors**  
**Emirates NBD Securities LLC**  
**Dubai**  
**United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of **Emirates NBD Securities LLC** (the "Company"), **Dubai, United Arab Emirates** as at 31 March 2024 and the related condensed statements of comprehensive income, cash flows and changes in equity for the three months period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE 2410"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34.

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



Akbar Ahmad  
Registration No.: 1141  
13 May 2024  
Dubai  
United Arab Emirates

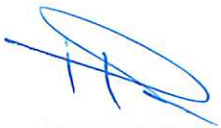
**EMIRATES NBD SECURITIES LLC****CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024 (UNAUDITED)**

		Unaudited 31 March 2024 AED 000	Audited 31 December 2023 AED 000
	Notes		
<b>Assets</b>			
Property and equipment		8,644	8,494
Investment securities	5	333	357
<b>Total non-current assets</b>		<b>8,977</b>	<b>8,851</b>
Cash and bank balances	6	124,330	124,352
Other receivables		6,118	9,922
<b>Total current assets</b>		<b>130,448</b>	<b>134,274</b>
Other payables	7	9,320	6,053
Due to Parent Bank	9	3,853	14,014
Client deposit	6	956	956
<b>Total current liabilities</b>		<b>14,129</b>	<b>21,023</b>
<b>Net current assets</b>		<b>116,319</b>	<b>113,251</b>
<b>Net assets</b>		<b>125,296</b>	<b>122,102</b>
<b>Represented by</b>			
Share capital		36,000	36,000
Statutory reserve		18,804	18,804
Fair value reserve		107	98
Capital contribution reserve		50,000	50,000
Retained earnings		20,385	17,200
<b>Total equity holders' funds</b>		<b>125,296</b>	<b>122,102</b>

The attached notes 1 to 12 form an integral part of these condensed interim financial statements.

The independent auditor's report is set out on page 1.

These financial statements were approved by the Board of Directors of Emirates NBD Securities LLC on 13 May 2024 and signed on their behalf by;



General Manager

**EMIRATES NBD SECURITIES LLC****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**

		<b>Unaudited three months period ended 31 March 2024 AED 000</b>	<b>Unaudited three months period ended 31 March 2023 AED 000</b>
	<i>Notes</i>		
Commission income		11,406	7,524
Administrative and general expenses		(7,570)	(5,753)
<b>Operating income</b>		<b>3,836</b>	<b>1,771</b>
Other (expenses) / income - net	8	(1,359)	345
Interest income from parent bank	9	1,063	474
Unrealised loss on investment securities		(33)	-
<b>Profit before taxation for the period</b>		<b>3,507</b>	<b>2,590</b>
Taxation	12	(322)	-
<b>Profit after taxation for the period</b>		<b>3,185</b>	<b>2,590</b>
Other comprehensive loss for the period		9	-
<b>Total comprehensive income for the period</b>		<b>3,194</b>	<b>2,590</b>

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**EMIRATES NBD SECURITIES LLC****CONDENSED INETRIM STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**

	Unaudited three months period ended 31 March 2024 AED 000	Unaudited three Months period ended 31 March 2023 AED 000
<b><u>OPERATING ACTIVITIES</u></b>		
Profit for the period before taxation	3,507	2,590
<b><u>Adjustments for non-cash items</u></b>		
Depreciation	895	256
Unrealised loss on investment securities	33	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>4,435</b>	<b>2,846</b>
Change in other receivables	3,804	(554)
Change in due to Parent Bank	(10,161)	369
Change in other payables	2,945	(2,167)
<b>Net cash flows from generated from operating activities</b>	<b>1,023</b>	<b>494</b>
Taxed paid	-	-
<b>Net cash flows from generated from operating activities</b>	<b>1,023</b>	<b>494</b>
<b><u>INVESTING ACTIVITY</u></b>		
Changes in property and equipment	(1,045)	(1,057)
<b>Net cash flows used in investing activities</b>	<b>(1,045)</b>	<b>(1,057)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(22)</b>	<b>(563)</b>
Cash and cash equivalents at the beginning of the period	30,955	31,404
<b>Cash and cash equivalents at the end of the period</b>	<b>30,933</b>	<b>30,841</b>

The notes on pages 1 to 12 form an integral part of these condensed interim financial statements.

The independent auditors' report is set out on page 1.

**EMIRATES NBD SECURITIES LLC****CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**

	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 (audited)	36,000	18,804	98	50,000	17,200	122,102
Total comprehensive income for the period	-	-	9	-	3,185	3,194
<b>Balance as at 31 March 2024 (unaudited)</b>	<b>36,000</b>	<b>18,804</b>	<b>107</b>	<b>50,000</b>	<b>20,385</b>	<b>125,296</b>
Balance as at 1 January 2023 (audited)	36,000	18,804	98	50,000	23,108	128,010
Total comprehensive income for the period	-	-	-	-	2,590	2,590
<b>Balance as at 31 March 2023 (unaudited)</b>	<b>36,000</b>	<b>18,804</b>	<b>98</b>	<b>50,000</b>	<b>25,698</b>	<b>130,600</b>

The notes on pages 1 to 12 form an integral part of these condensed interim financial statements.

The independent auditors' report is set out on page 1.



**EMIRATES NBD SECURITIES LLC**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)**
**1 LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Emirates International Securities LLC (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:

Name of equity holders	Shareholding (%)
Emirates NBD Bank (P.J.S.C.) ("Parent Bank")	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 STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2023. These condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards - Accounting Standards ("IFRS Accounting Standards") and should be read in conjunction with the financial statements as at and for the year ended 31 December 2023 except for the changes in accounting policies as explained in note 3.

In addition, results for the three months ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**3 CHANGES IN ACCOUNTING POLICIES**

In preparing these condensed interim financial statements, significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation were the same as those that were applied in the annual financial statements as at and for the year ended 31 December 2023 except for the accounting policy disclosed under note 12.

**4 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2023.



**EMIRATES NBD SECURITIES LLC****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)****5 INVESTMENT SECURITIES**

These comprise the following:

	Unaudited 31 March 2024 AED 000	Audited 31 December 2023 AED 000
Equity securities:		
FVTPL	162	195
FVOCI	171	162
	<b>333</b>	<b>357</b>

The company has not purchased or invested in shares or stocks during the three month period ended 31 March 2024.

Included in FVTPL - equity securities are:

AED 162,500 (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)"). The remaining 99% equity interest in NI-Egypt is collectively owned by Network International Holdings Plc and Emirates NBD Capital (P.S.C.) and the latter being a subsidiary of the Parent Bank.

Included in FVOCI - equity securities are:

AED 139,400 of Emirates NBD Egypt S.A.E. and AED 31,200 representing shares of Emirates NBD Capital (P.S.C.).

**6 CASH AND BANK BALANCES**

	Unaudited 31 March 2024 AED 000	Audited 31 December 2023 AED 000
Current account	30,933	30,955
Cash and cash equivalents	30,933	30,955
Client money (Refer note 6.1)	956	956
Short term security deposit (maturity after three months)	92,441	92,441
	<b>124,330</b>	<b>124,352</b>

- 6.1** 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.

**EMIRATES NBD SECURITIES LLC****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)****7 OTHER PAYABLES**

	Unaudited 31 March 2024 AED 000	Audited 31 December 2023 AED 000
Accrued loyalty points*	2,072	1,900
Accrued bonus	1,682	3,770
Others	5,244	383
Provision for taxation	322	-
	<b>9,320</b>	<b>6,053</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.

**8 OTHER (EXPENSES) / INCOME - NET**

	Unaudited Three months period ended 31 March 2024 AED 000	Unaudited three months period ended 31 March 2023 AED 000
Foreign exchange income	3	1
Other operating (expense) / income	(246)	966
Clearing fee expense	(1,116)	(622)
	<b>(1,359)</b>	<b>345</b>

**EMIRATES NBD SECURITIES LLC****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)****9 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:

	<b>Unaudited three months period ended 31 March 2024 AED 000</b>	<b>Unaudited three months period ended 31 March 2023 AED 000</b>
Commission income from related parties (note 9.1)	<b>3,572</b>	2,240
Interest income from Parent Bank on fixed deposit and call account	<b>1,063</b>	474
Group recharges expense	<b>811</b>	673

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

	<b>Unaudited three months period ended 31 March 2024 AED 000</b>	<b>Unaudited three months period ended 31 March 2023 AED 000</b>
Short term employee benefits	<b>107</b>	938
Post-employment benefits	<b>6</b>	19

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:

	<b>Unaudited 31 March 2024 AED 000</b>	<b>Audited 31 December 2023 AED 000</b>
Due to Parent Bank	<b>3,853</b>	14,014
Interest receivable from Parent Bank	<b>4,102</b>	3,039
Bank balances held with Parent Bank (Note 6)	<b>124,330</b>	124,352

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:

**9.1 Commission income from related parties comprised:**

	<b>Unaudited three months period ended 31 March 2024</b>		<b>Unaudited three months period ended 31 March 2023</b>	
	<b>Trade value AED 000</b>	<b>Commission income AED 000</b>	<b>Trade value AED 000</b>	<b>Commission income AED 000</b>
Subsidiary of the Parent Bank	<b>71,314,657</b>	<b>3,323</b>	49,626,050	1,822
Parent Bank	<b>690,159</b>	<b>249</b>	560,243	418
Directors of the Company	<b>273</b>	-	2	-
	<b>72,005,089</b>	<b>3,572</b>	<b>50,186,295</b>	<b>2,240</b>



**EMIRATES NBD SECURITIES LLC****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)****10 CONTINGENT LIABILITIES**

	<b>Unaudited 31 March 2024 AED 000</b>	Audited 31 December 2023 AED 000
Letters of guarantee (Issued by the Parent Bank in favor of DGCX)	<b>3,673</b>	3,673
Letters of guarantee (Issued by the Parent Bank in favor of SCA)	<b>1,000</b>	1,000

**11 FAIR VALUE MEASUREMENT PRINCIPLES*****Fair values*****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).

	<b>AED 000</b>
<b>Unaudited 31 March 2024</b>	<b>Level 3</b>
<b>Equity Securities:</b>	
FVTPL	<b>162</b>
FVOCI	<b>171</b>
	<b>333</b>
<b>Audited 31 December 2023</b>	
<b>Equity Securities:</b>	195
FVTPL	162
FVOCI	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. Favorable and unfavorable 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 LLC****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (UNAUDITED)****12 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 assets and liabilities are recognised for the full tax consequences of all temporary difference between the Company financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax 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.

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 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.

**Corporate Tax in UAE**

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 the accounting periods beginning on or after 1 June 2023.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. It is not currently foreseen that the Company's operations will be subject to the application of the Global Minimum Tax rate of 15% in 2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) – Pillar Two rules by the countries where the Company operates and the implementation of a top-up tax regime by UAE MOF.

The tax charge for period ended 31 March 2024 is AED 322 thousand, representing effective tax of 9% (31 March 2023: 0%).