

**AL DHABI BROKERAGE SERVICES L.L.C.**

**Review report and condensed interim financial information  
for the period ended September 30, 2012**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of  
Al Dhabi Brokerage Services L.L.C.  
Abu Dhabi, U.A.E.

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of Al Dhabi Brokerage Services L.L.C. ("the Company") as of September 30, 2012 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the nine month period then ended. 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." 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers

Jacques Fakhoury  
Registration Auditor Number 379  
October 30, 2012

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W Hunt, AH Nasser, P Suddaby and JE Fakhoury are registered as practising auditors with the UAE Ministry of Economy

**Condensed interim statement of financial position  
as at September 30, 2012**

	Notes	September 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		3,097	3,673
Available for sale investments	3	406	350
<b>Total non-current assets</b>		<b>3,503</b>	<b>4,023</b>
<b>Current assets</b>			
Trade and other receivables	4	8,566	9,731
Due from Parent company	6	37,811	43,683
Cash and cash equivalents	6	21,161	21,749
<b>Total current assets</b>		<b>67,538</b>	<b>75,163</b>
<b>Total assets</b>		<b>71,041</b>	<b>79,186</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		30,000	30,000
Statutory reserve		5,621	5,621
Investment revaluation reserve		(23)	(79)
Retained earnings		22,691	29,795
<b>Total equity</b>		<b>58,289</b>	<b>65,337</b>
<b>Non-current liability</b>			
Provision for employees' end of service benefit		1,110	1,269
<b>Current liability</b>			
Trade and other payables	5	11,642	12,580
<b>Total liabilities</b>		<b>12,752</b>	<b>13,849</b>
<b>Total equity and liabilities</b>		<b>71,041</b>	<b>79,186</b>

\_\_\_\_\_  
Ala'a Eraiqat  
Director

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Hassan Salem Al Hossani  
General Manager

The accompanying notes form an integral part of these condensed interim financial information.

**Condensed interim statement of comprehensive income (unaudited)  
for the period ended September 30, 2012**

	<b>3months ended September 30</b>		<b>9months ended September 30</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Income</b>				
Brokerage commission	960	695	3,137	3,022
Interest income	123	38	365	192
	<u>1,083</u>	<u>733</u>	<u>3,502</u>	<u>3,214</u>
<b>Expenses</b>				
Staff expenses	(2,381)	(3,169)	(7,183)	(6,594)
Depreciation expense	(210)	(308)	(695)	(940)
Other operating expenses	(1,036)	(797)	(2,728)	(2,448)
	<u>(3,627)</u>	<u>(4,274)</u>	<u>(10,606)</u>	<u>(9,982)</u>
<b>Net loss for the period</b>	<u>(2,544)</u>	<u>(3,541)</u>	<u>(7,104)</u>	<u>(6,768)</u>
<b>Other comprehensive income</b>				
Fair value changes on available for sale investments	15	(37)	56	(179)
<b>Net comprehensive loss for the period</b>	<u>(2,529)</u>	<u>(3,578)</u>	<u>(7,048)</u>	<u>(6,947)</u>

The accompanying notes form an integral part of these condensed interim financial information.

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**Condensed interim statement of changes in equity (unaudited)  
for the period ended September 30, 2012**

	Share capital AED'000	Statutory reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at January 1, 2011	30,000	5,621	200	39,705	75,526
Net loss for the period	-	-	-	(6,768)	(6,768)
Fair value changes on available for sale investments	-	-	(179)	-	(179)
Balance at September 30, 2011	30,000	5,621	21	32,937	68,579
<b>Balance at January 1, 2012</b>	<b>30,000</b>	<b>5,621</b>	<b>(79)</b>	<b>29,795</b>	<b>65,337</b>
Net loss for the period	-	-	-	(7,104)	(7,104)
Fair value changes on available for sale investments	-	-	56	-	56
<b>Balance at September 30, 2012</b>	<b>30,000</b>	<b>5,621</b>	<b>(23)</b>	<b>22,691</b>	<b>58,289</b>

The accompanying notes form an integral part of these condensed interim financial information.

**Condensed interim statement of cash flows (unaudited)  
for the period ended September 30, 2012**

	<b>9 months ended September 30</b>	
	<b>2012</b>	<b>2011</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Operating activities</b>		
Net loss for the period	(7,104)	(6,768)
<b>Adjustment for:</b>		
Depreciation of property and equipment	695	940
Employees' end of service benefit charge	203	74
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>(6,206)</b>	<b>(5,754)</b>
Decrease in trade and other receivables	1,165	1,029
Decrease in amounts due from Parent company	5,631	5,238
Decrease in trade and other payables	(938)	(1,084)
Payment for employees' end of service benefit	(122)	-
<b>Net cash used in operating activities</b>	<b>(470)</b>	<b>(571)</b>
<b>Investing activities</b>		
Purchase of property and equipment, net	(118)	(32)
<b>Net cash used in investing activities</b>	<b>(118)</b>	<b>(32)</b>
<b>Decrease in cash equivalents</b>	<b>(588)</b>	<b>(603)</b>
Cash and cash equivalents at the beginning of the period	21,749	22,590
<b>Cash and cash equivalents at the end of the period</b>	<b>21,161</b>	<b>21,987</b>
<b>Non-cash transaction:</b>		
Transfer of provision for employees' end of service benefit to Parent company	240	-

The accompanying notes form an integral part of these condensed interim financial information.

**Notes to the condensed interim financial information  
for the period ended September 30, 2012****1 General**

Al Dhabi Brokerage Services L.L.C (the "Company") is a limited liability company incorporated in the Emirate of Abu Dhabi, United Arab Emirates (U.A.E.). The Company was established on February 7, 2005 and commenced its operations on May 14, 2005 and is a wholly owned subsidiary of Abu Dhabi Commercial Bank P.J.S.C. ("the Parent Company"), a public joint stock company incorporated and registered in the U.A.E. The registered head office of the Company is at Level 5, Abu Dhabi Commercial Bank Head Office Building, Salam Street, Plot C-33, Sector E-11, P. O. Box 939, Abu Dhabi, and U.A.E.

The Company is registered as a brokerage company in accordance with U.A.E. Federal Law No. 4 of 2000.

The principal activity of the Company is to provide brokerage services pertaining to financial instruments and commodities.

**2 Summary of significant accounting policies****Basis of preparation**

These condensed interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2011, which were prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) Interpretations.

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial information as were applied in the preparation and presentation of the audited annual financial statements for the year ended December 31, 2011.

The results for the nine months period ended September 30, 2012 are not necessary indicative of the results that may be expected for the financial year ending December 31, 2012.

These condensed interim financial information are prepared and presented in United Arab Emirates Dirhams (AED) which is the Company's functional and presentation currency and are rounded off to the nearest thousand ("000") unless otherwise indicated.



**Notes to the condensed interim financial information  
for the period ended September 30, 2012 (continued)**

**3 Available for sale investments**

	September 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
<b>Quoted</b>		
<b>Opening balance</b>	<b>350</b>	629
Fair value changes on available for sale investments	56	(279)
<b>Closing balance</b>	<b>406</b>	350

The above represents investment of 416,341 shares in Dubai Financial Market P.J.S.C.

**4 Trade and other receivables**

	September 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
Trade receivables from customers	4,166	9,603
Receivables from exchanges	4,080	-
Other receivables	320	128
	<b>8,566</b>	9,731

The credit period for trade receivables is two days (trade date plus two working days).

Before accepting any new customer, it is the Company's policy that customers hold current accounts with the Parent Company.

There are no receivables which are past due at the reporting date.

The fair value of trade and other receivables approximates their carrying value.

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**Notes to the condensed interim financial information**  
**for the period ended September 30, 2012 (continued)**

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**5 Trade and other payables**

	September 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
Trade payables to customers	8,229	2,451
Payables to exchanges	-	7,136
Other payables	3,413	2,993
	<hr/> 11,642 <hr/>	<hr/> 12,580 <hr/>

Trade payables to customers consist of only those customers holding a current account with the Parent Company. The settlement date of these balances is after two working days from the transaction date and is settled to the customer's current account that it holds with the Parent Company.

**6 Transactions and balances with related parties**

Related parties comprise the Parent Company – Abu Dhabi Commercial Bank P.J.S.C. ("ADCB"), its Directors and entities in which they have significant influence in operating and financial decisions.

Related party Balances

	September 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
Bank Balances with ADCB		
Short term deposit	20,107	15,546
Current account	1,054	6,203
	<hr/> 21,161 <hr/>	<hr/> 21,749 <hr/>
Due from the Parent Company	<hr/> 37,811 <hr/>	<hr/> 43,683 <hr/>

**AL DHABI BROKERAGE SERVICES L.L.C.**  
**Notes to the condensed interim financial information**  
**for the period ended September 30, 2012 (continued)**

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**6 Transactions and balances with related parties (continued)**

Significant transactions with related parties during the period are as follows:

	<b>September 30 2012 (unaudited) AED'000</b>	<b>September 30 2011 (unaudited) AED'000</b>
Brokerage commission	<u>643</u>	<u>756</u>
Interest income	<u>365</u>	<u>192</u>
Commission expense on bank guarantee	<u>769</u>	<u>775</u>
Rent expenses	<u>449</u>	<u>236</u>
Transfer of provision for employees' end of service benefit	<u>240</u>	<u>-</u>

**7 Commitments and contingent liabilities**

	<b>September 30 2012 (unaudited) AED'000</b>	<b>December 31 2011 (audited) AED'000</b>
Bank guarantees	<u>205,000</u>	<u>205,000</u>

The above bank guarantees have been issued by the Parent Company in the normal course of business.

The Company has commitment for future capital expenditure of AED 587,680 (December 31, 2011 - AED NIL).

**8 Approval of condensed interim financial information**

These condensed interim financial information was approved by management and authorised for issue on October 30, 2012.