

**Emirates Islamic Financial  
Brokerage LLC**

Condensed Interim Financial Statements (unaudited)

For the nine months period ended 30 September 2022

# **Emirates Islamic Financial Brokerage LLC**

## **Condensed Interim Financial Statements**

For the nine months period ended 30 September 2022 (unaudited)

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## INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors  
Emirates Islamic Financial Brokerage LLC  
Dubai  
United Arab Emirates**

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of **Emirates Islamic Financial Brokerage LLC, Dubai, United Arab Emirates** (the "Company") as at 30 September 2022, and the related statements of comprehensive income, changes in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34.

### *Emphasis of Matter*

We draw attention to Note 2 of the interim financial information, which describes that the interim financial information has been prepared on a liquidation basis. Our conclusion is not modified in respect of this matter.

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



Akbar Ahmad  
Registration No.: 1141  
9 November 2022  
Dubai  
United Arab Emirates

Emirates Islamic Financial Brokerage LLC  
Condensed interim statement of financial position  
As at 30 September 2022 (unaudited)

		<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2021</b> <b>AED</b>
	<i>Notes</i>		
<b>ASSETS RELATED TO DISCONTINUED OPERATIONS</b>			
Cash at banks	4	198,125,898	198,125,679
Other receivables	5	-	5,991
Property and equipment		-	356,928
<b>TOTAL ASSETS</b>		<b>198,125,898</b>	<b>198,488,598</b>
<b>LIABILITIES DIRECTLY ASSOCIATED WITH DISCONTINUED OPERATIONS</b>			
Due to the Holding Company	9	27,315,714	26,475,425
Other payables	6	-	602,536
<b>Total liabilities</b>		<b>27,315,714</b>	<b>27,077,961</b>
<b>Equity</b>			
Share capital		30,000,000	30,000,000
Retained earnings		125,810,184	126,410,637
Statutory reserve		15,000,000	15,000,000
<b>Total equity</b>		<b>170,810,184</b>	<b>171,410,637</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>198,125,898</b>	<b>198,488,598</b>

  
Chairman

  
Managing Director

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

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

**Emirates Islamic Financial Brokerage LLC**  
**Condensed interim statement of comprehensive income**  
**For the nine months period ended 30 September 2022 (unaudited)**

		<i>(Unaudited)</i> <b>Three months</b> <b>period ended</b> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Unaudited)</i> <b>Three months</b> <b>period ended</b> <b>30 September</b> <b>2021</b> <b>AED</b>	<i>(Unaudited)</i> <b>Nine months</b> <b>period ended</b> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Unaudited)</i> <b>Nine months</b> <b>period ended</b> <b>30 September</b> <b>2021</b> <b>AED</b>
	<i>Notes</i>				
<b>DISCONTINUED OPERATIONS</b>					
Commission income		-	1,517,089	-	5,670,673
Other income	7	-	90,646	-	279,260
<b>Total operating income</b>		-	1,607,735	-	5,949,933
Administrative and general expenses	8	<b>(220,546)</b>	(778,782)	<b>(600,453)</b>	(3,206,185)
Impairment loss reversal on wakala deposits		-	-	-	551,937
<b>(LOSS)/ PROFIT FOR THE PERIOD</b>		<b>(220,546)</b>	828,953	<b>(600,453)</b>	3,295,685
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD</b>		<b>(220,546)</b>	828,953	<b>(600,453)</b>	3,295,685

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**Emirates Islamic Financial Brokerage LLC**  
**Condensed interim statement of changes in equity**  
**For the nine months period ended 30 September 2022 (unaudited)**

	<i>Share capital AED</i>	<i>Retained earnings AED</i>	<i>Statutory reserve AED</i>	<i>Total AED</i>
<b>Balance at 1 January 2022 (audited)</b>	<b>30,000,000</b>	<b>126,410,637</b>	<b>15,000,000</b>	<b>171,410,637</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(600,453)</b>	<b>-</b>	<b>(600,453)</b>
<b>At 30 September 2022 (unaudited)</b>	<b>30,000,000</b>	<b>125,810,184</b>	<b>15,000,000</b>	<b>170,810,184</b>
Balance at 1 January 2021 (audited)	30,000,000	122,779,613	14,767,127	167,546,740
Total comprehensive income for the period	-	3,295,685	-	3,295,685
At 30 September 2021 (unaudited)	30,000,000	126,075,298	14,767,127	170,842,425

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

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

**Emirates Islamic Financial Brokerage LLC**  
**Condensed interim statement of cash flows**  
**For the nine months period ended 30 September 2022 (unaudited)**

	<i>Notes</i>	<i>(Unaudited) Nine months period ended 30 September 2022 AED</i>	<i>(Unaudited) Nine months period ended 30 September 2021 AED</i>
<b>DISCONTINUED OPERATIONS</b>			
<b>OPERATING ACTIVITIES</b>			
(Loss) / profit for the period		<b>(600,453)</b>	3,295,685
Adjustments for:			
Depreciation	8	<b>340,624</b>	143,077
Impairment reversal on wakala deposits		-	(551,937)
<b>Operating (loss) / profit before changes in working capital</b>		<b>(259,829)</b>	2,886,825
Changes in other receivables		<b>5,991</b>	875,496
Changes in other payables		<b>(586,232)</b>	(1,392,298)
Changes in due to holding company		<b>840,289</b>	3,444,366
<b>Net cash generated from operating activities</b>		<b>219</b>	5,814,389
<b>INVESTING ACTIVITIES</b>			
Increase in wakala deposits maturing after three months		-	3,671,737
		-	3,671,737
<b>Net increase in cash and cash equivalents</b>		<b>219</b>	9,486,126
Cash and cash equivalents at beginning of the period		<b>198,125,679</b>	187,416,677
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>198,125,898</b>	196,902,803

The attached notes 1 to 10 form an integral part of these condensed interim financial statements.

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

# Emirates Islamic Financial Brokerage LLC

## Notes to the condensed interim financial statements

For the nine months period ended 30 September 2022 (unaudited)

### 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Emirates Islamic Financial Brokerage LLC (the “Company”) is a fully owned subsidiary of Emirates Islamic Bank PJSC (the “Holding Company”). It is registered in the Emirate of Dubai as a Limited Liability Company under the UAE Federal Law No.8 of 1984, (as amended) applicable to commercial companies and is regulated by Securities and Commodities Authority. The Company was established on 26 April 2006 and commenced commercial operations on 18 February 2007.

The Federal Law No.2 of 2015, concerning commercial companies has come into effect from 1 July 2015, replacing the existing Federal Law No.8 of 1984.

The principal activity of the Company is to conduct intermediation in dealing in local market shares.

The principal office of the Company is located at Building 16, District 7, Dubai Health Care City, P.O. Box 119191, Dubai, United Arab Emirates.

The Company has transferred its business operations to a subsidiary of the ultimate Holding Company to promote operational efficiency. The restructuring plan was approved by the Board of Directors whereby all customers were transferred. The dissolution and cancellation of Company’s license is currently in process.

The shareholding pattern in the Company is as follows:

Name of equity holders	Shareholding (%)
Emirates Islamic Bank PJSC (the “Holding Company”)	99%
Emirates NBD Bank PJSC (the “Ultimate Holding Company”)	1%

### 2 BASIS OF PREPARATION

#### a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘Interim Financial Reporting’. They do not include all the information and disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2021.

In addition, results for the nine months ended 30 September 2022 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2022.

#### b) Basis of measurement

These financial statements are not prepared on going concern basis. Accordingly, assets are stated at lower of cost and net realizable value, while liabilities are stated at the amount at which they are expected to be discharged. All assets and liabilities are classified as current in statement of financial position.

#### c) Functional and presentation currency

These condensed interim financial statements are presented in United Arab Emirates Dirham (AED), which is the Company’s functional currency.

### 3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its most recent audited annual financial statements for the year ended 31 December 2021.

In preparing these condensed interim financial statements, significant judgments made by the management in applying the Company policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2021.



# Emirates Islamic Financial Brokerage LLC

## Notes to the condensed interim financial statements

For the nine months period ended 30 September 2022 (unaudited)

### 4 CASH AT BANKS

	<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2021</b> <b>AED</b>
Cash at banks	<b>198,125,898</b>	198,125,679

Included in cash at bank are balances denominated in USD amounting to AED 1,618,484 as at 30 September 2022 (2021: AED 1,618,484).

### 5 OTHER RECEIVABLES

	<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2021</b> <b>AED</b>
Advances	-	4,960
Other receivables	-	1,031
	<u>-</u>	<u>5,991</u>

### 6 OTHER PAYABLES

	<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2021</b> <b>AED</b>
Other liabilities	-	602,536

### 7 OTHER INCOME

	<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED</b>
Income from wakala deposits	-	233,890
Custody fees	-	45,370
	<u>-</u>	<u>279,260</u>

# Emirates Islamic Financial Brokerage LLC

## Notes to the condensed interim financial statements

For the nine months period ended 30 September 2022 (unaudited)

### 8 ADMINISTRATIVE AND GENERAL EXPENSES

	<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED</b>
Staff salaries and other benefits	<b>143,416</b>	1,938,911
IT expenses	-	292,538
Trade licences	-	408,600
Telephone and postage	<b>196</b>	31,875
Depreciation	<b>340,624</b>	143,077
Others	<b>116,217</b>	391,184
	<b><u>600,453</u></b>	<b><u>3,206,185</u></b>

### 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 (“IAS”) 24, ‘Related Party Disclosures’. Such transactions were also made on substantially the same terms, as those prevailing at the same time for comparable transactions with third parties and do not involve more than a normal amount of risk.

No impairment losses have been recorded against balances outstanding during the period with related parties at the period end. The transactions and balances with related parties are as follows:

	<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2021</b> <b>AED</b>
<b><i>Balances with related parties:</i></b>		
Due to the Holding Company	<b><u>27,315,714</u></b>	<b><u>26,475,425</u></b>
Cash at bank with the Holding Company & the Ultimate Holding Company	<b><u>198,113,190</u></b>	<b><u>198,113,170</u></b>
Letters of guarantee issued by the Holding Company (refer note 10)	<b><u>175,000,000</u></b>	<b><u>175,000,000</u></b>

# Emirates Islamic Financial Brokerage LLC

## Notes to the condensed interim financial statements

For the nine months period ended 30 September 2022 (unaudited)

### 10 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited)</i> <b>30 September</b> <b>2022</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2021</b> <b>AED</b>
Letters of guarantee	<b>175,000,000</b>	175,000,0000

Emirates Islamic Bank PJSC, the Holding Company, issued bank guarantees amounting to AED 125,000,000 (2021: AED 125,000,000) and AED 50,000,000 (2021: AED 50,000,000) to Dubai Financial Market (DFM) and Abu Dhabi Securities Exchange (ADX) respectively, for the Company's fulfilment of obligations under the contract / arrangement with both DFM and ADX (Note 9).

#### **Commitments**

The Company had no significant capital commitments on 30 September 2022 (31 December 2021: Nil).