

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

**Review report and interim
financial information for the
period ended June 30, 2010**

AL DHABI BROKERAGE SERVICES L.L.C.

**Review report and interim financial information
for the period ended June 30, 2010**

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of
Al Dhabi Brokerage Services L.L.C.
Abu Dhabi, United Arab Emirates (U.A.E.)

Introduction

We have reviewed the accompanying condensed statement of financial position of Al Dhabi Brokerage Services L.L.C. (the "Company") as of June 30, 2010 and the related condensed statements of comprehensive income, changes in shareholder's equity and cash flows for the three-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 interim financial information is not prepared, in all material respects, in accordance with IAS 34.


Deloitte & Touche

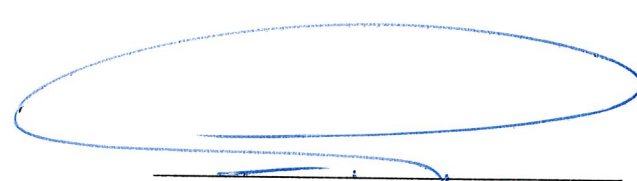


July 27, 2010

**Condensed statement of financial position
as at June 30, 2010**

	Notes	June 30 2010 (unaudited) AED'000	December 31 2009 (audited) AED'000
ASSETS			
Non-current assets			
Property and equipment		5,719	6,589
Available-for-sale investments	3	596	2,663
Total non-current assets		6,315	9,252
Current assets			
Trade receivables	4	58,277	67,289
Prepayments		70	56
Deposit with a related party	6	15,158	21,000
Cash and bank balances		7,731	119
Total current assets		81,236	88,464
Total assets		87,551	97,716
EQUITY AND LIABILITIES			
Equity			
Share capital		30,000	30,000
Statutory reserve		5,621	5,621
Investments revaluation reserve		167	1,204
Retained earnings		44,915	49,037
Total equity		80,703	85,862
Non-current liabilities			
Provision for end of service benefits		727	597
Current liabilities			
Trade and other payables	5	6,121	11,257
Total liabilities		6,848	11,854
Total equity and liabilities		87,551	97,716


Ala'a Eraiqat
Chairman


Hassan Saleem Al Hossani
General Manager

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

**Condensed statement of comprehensive income (unaudited)
for the period ended June 30, 2010**

	<u>3 months ended June 30</u>		<u>6 months ended June 30</u>	
	2010	2009	2010	2009
	AED'000	AED'000	AED'000	AED'000
Income				
Brokerage commission	1,123	8,922	2,676	11,292
Other operating income	30	113	59	113
Interest Income	92	19	173	75
Gain on sale of investment	-	-	895	-
	1,245	9,054	3,803	11,480
Expenses				
Staff expenses	(2,766)	(3,470)	(5,168)	(4,978)
Other operating expenses	(1,203)	(1,228)	(2,757)	(3,243)
	(3,969)	(4,698)	(7,925)	(8,221)
Net (loss)/profit for the period	(2,724)	4,356	(4,122)	3,259
Other comprehensive income/(loss):				
Fair value changes on available for sale investments	(195)	566	(167)	538
Fair value changes reversed on disposal of available for sale investments	-	-	(870)	-
Total comprehensive (loss)/income for the period	(2,919)	4,922	(5,159)	3,797

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

AL DHABI BROKERAGE SERVICES L.L.C.

Condensed statement of changes in shareholder's equity (unaudited) for the period ended June 30, 2010

	Share capital AED'000	Statutory reserve AED'000	Investments revaluation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at January 1, 2009	30,000	5,621	311	50,586	86,518
Net loss for the period	-	-	-	3,259	3,259
Fair value changes on available-for-sale investments	-	-	538	-	538
Total comprehensive income for the period	-	-	538	3,259	3,797
Balance at June 30, 2009	30,000	5,621	849	53,845	90,315
Balance at January 1, 2010	30,000	5,621	1,204	49,037	85,862
Net loss for the period	-	-	-	(4,122)	(4,122)
Fair value changes reversed on disposal of available for sale investments	-	-	(870)	-	(870)
Fair value changes on available for sale investments	-	-	(167)	-	(167)
Total comprehensive income for the period	-	-	(1,037)	-	(1,037)
Balance at June 30, 2010	30,000	5,621	167	44,915	80,703

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

**Condensed statement of cash flows (unaudited)
for the period ended June 30, 2010**

	6 months ended	
	June 30	June 30
	2010	2009
	AED'000	AED'000
Operating activities		
Net loss/(profit) for the period	(4,122)	3,259
Adjustment for:		
Gain on sale of investment	(895)	-
Depreciation of property and equipment	870	988
Net movement in end of service benefit	130	(78)
Operating cash flows before movements in working capital	(4,017)	4,169
Decrease/(increase) in trade receivables	9,012	(59,201)
(Increase)/decrease in prepayments	(14)	150
(Decrease)/increase in trade and other payables	(5,136)	54,105
Net cash used in operating activities	(155)	(777)
Investing activities		
Purchase of property and equipment	-	(50)
Proceeds from disposal of investments	1,925	-
Net cash from/(used in) investing activities	1,925	(50)
Financing activities		
Decrease in deposit to a related party	5,842	-
Net cash from financing activities	5,842	-
Increase/(decrease) in cash and cash equivalents	7,612	(827)
Cash and cash equivalents at the beginning of the period	119	22,303
Cash and cash equivalents at the end of the period	7,731	21,476

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

**Notes to the condensed financial statements
for the period ended June 30, 2010**

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., a public joint stock company incorporated and registered in the U.A.E. The registered head office of the Company is P.O. Box 939, Abu Dhabi, 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

The interim financial information has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* issued by the International Accounting Standards Board and also comply with the applicable requirements of the laws in the U.A.E.

The condensed financial statements have been prepared on the historical cost basis except for available-for-sale investment which is carried at fair value.

The accounting policies and estimates used in the preparation of these interim financial information are consistent with those used in the audited annual financial statements for the year ended December 31, 2009.

The condensed financial statements are presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Company's transactions are denominated.

Available for sale

Investments not classified as either "fair value through profit or loss" or "held to maturity" are classified as "available for sale".

Available for sale investments are initially recognized at fair value plus any directly attributable transaction cost and are subsequently measured at fair value. Unquoted equity investments whose fair value cannot be measured reliably are carried at cost and tested for impairment, if any.

Gains and losses arising from changes in fair value are recognised in other comprehensive income statement and recorded in cumulative changes in fair value with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in the profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income statement in the cumulative changes in fair value is included in the profit or loss for the period.

**Notes to the condensed financial statements
for the period ended June 30, 2010**

2 Summary of significant accounting policies (continued)

Available for sale (continued)

Dividends on available for sale equity instruments are recognised in the profit or loss when the Bank's right to receive the dividends is established.

If available for sale investment is impaired, the difference between the acquisition cost (net of any principal repayments and amortization) and the current fair value, less any previous impairment loss recognised in the profit or loss is removed from other comprehensive income statement and recognized in the profit or loss.

Once an impairment loss has been recognised on an available-for-sale financial asset, the subsequent accounting treatment for changes in the fair value of that asset differs depending on the nature of the available-for-sale financial asset concerned:

- For an available-for-sale debt security, a subsequent decline in the fair value of the instrument is recognised in the profit or loss when there is further objective evidence of impairment as a result of further decreases in the estimated future cash flows of the financial asset. Where there is no further objective evidence of impairment, the decline in the fair value of the financial asset is recognised directly in other comprehensive income statement. If the fair value of a debt security increases in a subsequent period, and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss to the extent that the carrying value of the investment does not exceed what it would have been had the impairment not been recognised at the date of reversal of impairment.
- For an available-for-sale equity security, all subsequent increases in the fair value of the instrument are treated as a revaluation and are recognised directly in other comprehensive income statement. Impairment losses recognised on the equity security are not reversed through the profit or loss.

3 Available-for-sale investments

	June 30 2010 (unaudited) AED'000	December 31 2009 (audited) AED'000
Quoted		
At 1 January	2,663	1,770
Disposal for the period	(1,030)	-
(Decrease)/increase in fair value	(1,037)	893
Fair value as at June 30/December 31	596	2,663

The above represent investment of 1,416,341 shares in Dubai Financial Market P.J.S.C made on December 8, 2006, of which 1,000,000 shares were sold on March 29, 2010

**Notes to the condensed financial statements
for the period ended June 30, 2010 (continued)**

4 Trade receivables

	June 30 2010 (unaudited) AED'000	December 31 2009 (audited) AED'000
Due from related party (Note 6)	54,118	58,298
Trade receivables from customers	4,159	8,991
	<u>58,277</u>	<u>67,289</u>

5 Trade and other payables

	June 30 2010 (unaudited) AED'000	December 31 2009 (audited) AED'000
Trade payables to customers	2,161	5,421
Payables to other brokers	1,989	3,550
Other payables	1,971	2,286
	<u>6,121</u>	<u>11,257</u>

6 Related party transactions

Related parties comprise the parent company – Abu Dhabi Commercial Bank P.J.S.C., its Directors and entities in which they have significant influence in operating and financial decisions. Details of material transactions with such related parties in the normal course of business are as follows:

	6 months ended June 30 2010 (unaudited) AED'000	June 30 2009 (unaudited) AED'000
Brokerage commission	838	694
Interest income	173	75
Commission expense on bank guarantee	375	876
Rent expenses	200	310

Bank balances and deposit amounting to AED 22.89 million (December 31, 2009 – AED 21.89 million) are held with Abu Dhabi Commercial Bank P.J.S.C. The bank deposit carries interest at the rate of 2.5% per annum and matures on 24 July 2010.

**Notes to the condensed financial statements
for the period ended June 30, 2010 (continued)**

7 Contingent liabilities

	June 30 2010 (unaudited) AED'000	December 31 2009 (audited) AED'000
Bank guarantees	300,000	300,000

The above bank guarantees have been issued by Abu Dhabi Commercial Bank P.J.S.C., a related party (Note 6) in the normal course of business.

8 Approval of condensed financial statements

The condensed financial statements were approved by the management and authorised for issue on July 27, 2010.