

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

**Review report and condensed
interim financial information for the
period ended June 30, 2011**

AL DHABI BROKERAGE SERVICES L.L.C.

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for the period ended June 30, 2011**

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al Dhabi Brokerage Services LLC. ("the Company") as of June 30, 2011 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the six months 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.

The financial information and statements for the period ended 30 June 2010 and the year ended 31 December 2010 were reviewed and audited respectively by another auditor who expressed an unqualified review conclusion and audit opinion in their reports dated 27 July 2010 and 31 January 2011 respectively.

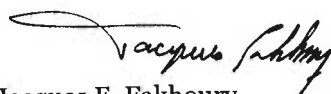
Scope of review

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.

For PricewaterhouseCoopers



Jacques E. Fakhoury
Registration Auditor Number 379
Abu Dhabi, United Arab Emirates

19 July 2011

**Condensed interim statement of financial position
as at June 30, 2011**

| | Notes | June 30 2011 (unaudited) AED'000 | December 31 2010 (audited) AED'000 |
|---|-------|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | | 4,234 | 4,863 |
| Available for sale investments | 3 | 487 | 629 |
| Total non-current assets | | 4,721 | 5,492 |
| Current assets | | | |
| Trade and other receivables | 4 | 5,701 | 5,560 |
| Due from a related party | 6 | 47,978 | 50,986 |
| Bank balances | 6 | 22,213 | 22,590 |
| Total current assets | | 75,892 | 79,136 |
| Total assets | | 80,613 | 84,628 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 30,000 | 30,000 |
| Statutory reserve | | 5,621 | 5,621 |
| Investment revaluation reserve | | 58 | 200 |
| Retained earnings | | 36,478 | 39,705 |
| Total equity | | 72,157 | 75,526 |
| Non-current liability | | | |
| Provision for employees' end of service benefit | | 1,006 | 959 |
| Current liability | | | |
| Trade and other payables | 5 | 7,450 | 8,143 |
| Total liabilities | | 8,456 | 9,102 |
| Total equity and liabilities | | 80,613 | 84,628 |



Ali Darwish
Director



Hassan Saleem 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 June 30, 2011**

| | <u>3months ended June 30</u> | | <u>6 months ended June 30</u> | |
|---|------------------------------|----------------|-------------------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | AED'000 | AED'000 | AED'000 | AED'000 |
| Income | | | | |
| Brokerage commission | 1,095 | 1,123 | 2,327 | 2,676 |
| Interest income | 64 | 92 | 154 | 173 |
| Gain on sale on investments | - | - | - | 895 |
| Other operating income | 29 | 30 | 58 | 59 |
| | <u>1,188</u> | <u>1,245</u> | <u>2,539</u> | <u>3,803</u> |
| Expenses | | | | |
| Staff expenses | (2,634) | (2,766) | (3,425) | (5,168) |
| Depreciation expense | (315) | (435) | (632) | (870) |
| Other operating expenses | (738) | (768) | (1,709) | (1,887) |
| | <u>(3,687)</u> | <u>(3,969)</u> | <u>(5,766)</u> | <u>(7,925)</u> |
| Net loss for the period | <u>(2,499)</u> | <u>(2,724)</u> | <u>(3,227)</u> | <u>(4,122)</u> |
| Other comprehensive income | | | | |
| Fair value changes reversed on disposal of available for sale investments | - | - | - | (870) |
| Fair value changes on available for sale investments | (59) | (195) | (142) | (167) |
| Net comprehensive loss for the period | <u>(2,558)</u> | <u>(2,919)</u> | <u>(3,369)</u> | <u>(5,159)</u> |

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

AL DHABI BROKERAGE SERVICES L.L.C.

Condensed interim statement of changes in equity (unaudited) for the period ended June 30, 2011

| | Share capital AED'000 | Statutory reserve AED'000 | Investment revaluation reserve AED'000 | Retained earnings AED'000 | Total AED'000 |
|--|-----------------------------|---------------------------------|---|---------------------------------|------------------|
| 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) |
| Balance at June 30, 2010 | 30,000 | 5,621 | 167 | 44,915 | 80,703 |
| Balance at January 1, 2011 | 30,000 | 5,621 | 200 | 39,705 | 75,526 |
| Net loss for the period | - | - | - | (3,227) | (3,227) |
| Fair value changes on available for sale investments | - | - | (142) | - | (142) |
| Balance at June 30, 2011 | 30,000 | 5,621 | 58 | 36,478 | 72,157 |

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

**Condensed interim statement of cash flows (unaudited)
for the period ended June 30, 2011**

| | 6 months ended June 30 | |
|--|-------------------------------|----------------|
| | 2011 | 2010 |
| | AED'000 | AED'000 |
| Operating activities | | |
| Net loss for the period | (3,227) | (4,122) |
| Adjustment for: | | |
| Depreciation of property and equipment | | 870 |
| Net movement in employees' end of service benefits | 47 | 130 |
| Gain on disposal of available for sale investments | - | (895) |
| Operating cash flows before changes in operating assets and liabilities | (2,548) | (4,017) |
| (Increase)/decrease in trade and other receivables | (141) | 4,818 |
| Decrease in amounts due from a related party | 3,008 | 4,180 |
| Decrease in trade and other payables | (693) | (5,136) |
| Net cash used in operating activities | (374) | (155) |
| Investing activities | | |
| Purchase of property and equipment, net | (3) | - |
| Proceeds from disposal of investments | - | 1,925 |
| Net cash (used in)/from investing activities | (3) | 1,925 |
| (Decrease)/increase in cash equivalents | (377) | 1,770 |
| Cash equivalents at the beginning of the period | 22,590 | 21,119 |
| Cash equivalents at the end of the period | 22,213 | 22,889 |

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

**Notes to the condensed interim financial information
for the period ended June 30, 2011****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, 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, 2010, 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, 2010.

The results for the six months period ended June 30, 2011 are not necessary indicative of the results that may be expected for the financial year ending December 31, 2011.

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 June 30, 2011 (continued)**

3 Available for sale investments

| | June 30 2011 (unaudited) AED'000 | December 31 2010 (audited) AED'000 |
|--|---|---|
| Quoted | | |
| Opening balance | 629 | 2,663 |
| Disposals | - | (1,030) |
| Fair value changes reversed on disposal of available for sale investments | - | (870) |
| Fair value changes on available for sale investments | (142) | (134) |
| Closing balance | 487 | 629 |

The above represents 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.

4 Trade and other receivables

| | June 30 2011 (unaudited) AED'000 | December 31 2010 (audited) AED'000 |
|----------------------------------|---|---|
| Trade receivables from customers | 4,904 | 1,503 |
| Receivables from other brokers | 791 | 4,057 |
| Prepayments | 6 | - |
| | 5,701 | 5,560 |

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.

**Notes to the condensed interim financial information
for the period ended June 30, 2011 (continued)**

5 Trade and other payables

| | June 30 2011 (unaudited) AED'000 | December 31 2010 (audited) AED'000 |
|-----------------------------|---|---|
| Trade payables to customers | 4,717 | 5,540 |
| Payables to other brokers | 964 | 13 |
| Other payables | 1,769 | 2,590 |
| | <hr/> | <hr/> |
| | 7,450 | 8,143 |
| | <hr/> | <hr/> |

Trade payables to customers consists 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

| | June 30 2011 (unaudited) AED'000 | December 31 2010 (audited) AED'000 |
|-----------------------------|---|---|
| Bank Balances with ADCB | | |
| Short term deposit | 15,490 | 15,342 |
| Current account | 6,723 | 7,248 |
| | <hr/> | <hr/> |
| | 22,213 | 22,590 |
| | <hr/> | <hr/> |
| | June 30 2011 (unaudited) AED'000 | December 31 2010 (audited) AED'000 |
| Due from the Parent Company | 47,978 | 50,986 |
| | <hr/> | <hr/> |

**Notes to the condensed interim financial information
for the period ended June 30, 2011 (continued)**

6 Transactions and balances with related parties (continued)

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

| | June 30 2011 (unaudited) AED'000 | June 30 2010 (unaudited) AED'000 |
|--------------------------------------|---|---|
| Brokerage commission | <u>603</u> | <u>838</u> |
| Interest income | <u>154</u> | <u>173</u> |
| Commission expense on bank guarantee | <u>525</u> | <u>375</u> |
| Rent expenses | <u>163</u> | <u>200</u> |

7 Contingent liabilities

| | June 30 2011 (unaudited) AED'000 | December 31 2010 (audited) AED'000 |
|-----------------|---|---|
| Bank guarantees | <u>215,000</u> | <u>210,000</u> |

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

8 Approval of condensed interim financial information

These condensed interim financial information was approved by management and authorised for issue on July 19, 2011.