

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

**Review report and condensed interim financial information  
for the period ended June 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 June 30, 2012 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the six 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  
July 30, 2012

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

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

	Notes	June 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		3,298	3,673
Available for sale investments	3	391	350
<b>Total non-current assets</b>		<b>3,689</b>	<b>4,023</b>
<b>Current assets</b>			
Trade and other receivables	4	3,303	9,731
Due from Parent company	6	40,604	43,683
Cash and cash equivalents	6	21,378	21,749
<b>Total current assets</b>		<b>65,285</b>	<b>75,163</b>
<b>Total assets</b>		<b>68,974</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		(38)	(79)
Retained earnings		25,236	29,795
<b>Total equity</b>		<b>60,819</b>	<b>65,337</b>
<b>Non-current liability</b>			
Provision for employees' end of service benefit		1,056	1,269
<b>Current liability</b>			
Trade and other payables	5	7,099	12,580
<b>Total liabilities</b>		<b>8,155</b>	<b>13,849</b>
<b>Total equity and liabilities</b>		<b>68,974</b>	<b>79,186</b>

Ala'a Eraiqat  
Director

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 June 30, 2012**

	<b>3 months ended June 30</b>		<b>6 months ended June 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	851	1,095	2,178	2,327
Interest income	137	64	242	154
	<u>988</u>	<u>1,159</u>	<u>2,420</u>	<u>2,481</u>
<b>Expenses</b>				
Staff expenses	(1,837)	(2,634)	(4,802)	(3,425)
Depreciation expense	(246)	(315)	(484)	(632)
Other operating expenses	(764)	(709)	(1,693)	(1,651)
	<u>(2,847)</u>	<u>(3,658)</u>	<u>(6,979)</u>	<u>(5,708)</u>
<b>Net loss for the period</b>	<u>(1,859)</u>	<u>(2,499)</u>	<u>(4,559)</u>	<u>(3,227)</u>
<b>Other comprehensive income</b>				
Fair value changes on available for sale investments	(88)	(59)	41	(142)
<b>Net comprehensive loss for the period</b>	<u>(1,947)</u>	<u>(2,558)</u>	<u>(4,518)</u>	<u>(3,369)</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, 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	-	-	-	(3,227)	(3,227)
Fair value changes on available for sale investments	-	-	(142)	-	(142)
Balance at June 30, 2011	<u>30,000</u>	<u>5,621</u>	<u>58</u>	<u>36,478</u>	<u>72,157</u>
Balance at January 1, 2012	<u>30,000</u>	<u>5,621</u>	<u>(79)</u>	<u>29,795</u>	<u>65,337</u>
Net loss for the period	-	-	-	(4,559)	(4,559)
Fair value changes on available for sale investments	-	-	41	-	41
Balance at June 30, 2012	<u>30,000</u>	<u>5,621</u>	<u>(38)</u>	<u>25,236</u>	<u>60,819</u>

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, 2012**

	<b>6 months ended June 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	(4,559)	(3,227)
<b>Adjustment for:</b>		
Depreciation of property and equipment	484	632
Employees' end of service benefit charge	149	128
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>(3,926)</b>	<b>(2,467)</b>
Decrease/(increase) in trade and other receivables	6,428	(141)
Decrease in amounts due from Parent company	2,839	3,008
Decrease in trade and other payables	(5,481)	(693)
Payment for employees' end of service benefit	(122)	(81)
<b>Net cash used in operating activities</b>	<b>(262)</b>	<b>(374)</b>
<b>Investing activities</b>		
Purchase of property and equipment, net	(109)	(3)
<b>Net cash used in investing activities</b>	<b>(109)</b>	<b>(3)</b>
<b>Decrease in cash equivalents</b>	<b>(371)</b>	<b>(377)</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>21,378</b>	<b>22,213</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 June 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 six months period ended June 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 June 30, 2012 (continued)**

**3 Available for sale investments**

	<b>June 30 2012 (unaudited) AED'000</b>	December 31 2011 (audited) AED'000
<b>Quoted</b>		
Opening balance	350	629
Fair value changes on available for sale investments	41	(279)
<b>Closing balance</b>	<u>391</u>	<u>350</u>

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

**4 Trade and other receivables**

	<b>June 30 2012 (unaudited) AED'000</b>	December 31 2011 (audited) AED'000
Trade receivables from customers	3,177	9,603
Other receivables	126	128
	<u>3,303</u>	<u>9,731</u>

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, 2012 (continued)

5 Trade and other payables

	June 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
Trade payables to customers	2,319	2,451
Payables to other brokers	851	7,136
Other payables	3,929	2,993
	<hr/>	<hr/>
	7,099	12,580
	<hr/>	<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

	June 30 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
Bank Balances with ADCB		
Short term deposit	20,063	15,546
Current account	1,315	6,203
	<hr/>	<hr/>
	21,378	21,749
	<hr/>	<hr/>
Due from the Parent Company	40,604	43,683
	<hr/>	<hr/>

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

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

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

	<b>June 30 2012 (unaudited) AED'000</b>	<b>June 30 2011 (unaudited) AED'000</b>
Brokerage commission	<b>311</b>	603
Interest income	<b>242</b>	154
Commission expense on bank guarantee	<b>531</b>	525
Rent expenses	<b>117</b>	163
Transfer of provision for employees' end of service benefit	<b>240</b>	-
<b>7 Contingent liabilities</b>		
	<b>June 30 2012 (unaudited) AED'000</b>	<b>December 31 2011 (audited) AED'000</b>
Bank guarantees	<b>205,000</b>	205,000

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 30, 2012.