

AL DHABI BROKERAGE SERVICES L.L.C.

**Review report and condensed interim financial information
for the three month period ended June 30, 2013**

AL DHABI BROKERAGE SERVICES L.L.C.

**Review report and condensed interim financial information
for the six month period ended June 30, 2013**

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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, 2013 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
July 30, 2013

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

**Condensed interim statement of financial position
as at June 30, 2013**

	Notes	June 30 2013 (unaudited) AED'000	December 31 2012 (audited) AED'000
ASSETS			
Non-current assets			
Property and equipment		2,696	3,061
Available for sale investments	3	712	425
Total non-current assets		3,408	3,486
Current assets			
Trade and other receivables	4	11,614	9,935
Due from Parent company	6	36,679	33,495
Cash and cash equivalents	6	20,734	20,938
Total current assets		69,027	64,368
Total assets		72,435	67,854
EQUITY AND LIABILITIES			
Equity			
Share capital		30,000	30,000
Statutory reserve		5,621	5,621
Investment revaluation reserve		283	(4)
Retained earnings		23,399	20,641
Total equity		59,303	56,258
Non-current liability			
Provision for employees' end of service benefit		1,276	1,126
Current liability			
Trade and other payables	5	11,856	10,470
Total liabilities		13,132	11,596
Total equity and liabilities		72,435	67,854

Ala'a Eraiqat
Chairman



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 six month period ended June 30, 2013**

	3 months ended June 30		6 months ended June 30	
	2013	2012	2013	2012
	AED'000	AED'000	AED'000	AED'000
Income				
Brokerage commission	6,008	851	7,945	2,178
Interest income	105	137	226	242
	6,113	988	8,171	2,420
Expenses				
Staff expenses	(1,471)	(1,837)	(3,666)	(4,802)
Depreciation expenses	(181)	(246)	(365)	(484)
Other operating expenses	(769)	(764)	(1,382)	(1,693)
	(2,421)	(2,847)	(5,413)	(6,979)
Net income /(loss) for the period	3,692	(1,859)	2,758	(4,559)
Other comprehensive income				
Fair value changes on available for sale investments	270	(88)	287	41
Net comprehensive income/(loss) for the period	3,962	(1,947)	3,045	(4,518)

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

**Condensed interim statement of changes in equity (unaudited)
for the six month period ended June 30, 2013**

	Share capital AED'000	Statutory reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at January 1, 2012	30,000	5,621	(79)	29,795	65,337
Net loss for the period	-	-	-	(4,559)	(4,559)
Fair value changes on available for sale investments	-	-	41	-	41
Balance at June 30, 2012	30,000	5,621	38	25,236	60,819
Balance at January 1, 2013	30,000	5,621	(4)	20,641	56,258
Net profit for the period	-	-	-	2,758	2,758
Fair value changes on available for sale investments	-	-	287	-	287
Balance at June 30, 2013	30,000	5,621	283	23,399	59,303

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

Condensed interim statement of cash flows (unaudited)
for the six month period ended June 30, 2013

	6 months ended June 30	
	2013	2012
	AED'000	AED'000
Operating activities		
Net profit /(loss) for the period	2,758	(4,559)
Adjustments for:		
Depreciation of property and equipment	365	484
Employees' end of service benefit charge	150	149
Operating cash flows before changes in operating assets and liabilities	3,273	(3,926)
(Increase) / decrease in trade and other receivables	(1,679)	6,428
(Increase) /decrease in amounts due from Parent Company	(3,184)	2,839
Increase / (decrease) in trade and other payables	1,386	(5,481)
Payment for end of service benefit	-	(122)
Net cash used in operating activities	(204)	(262)
Investing activities		
Purchase of property and equipment, net	-	(109)
Net cash used in investing activities	-	(109)
Decrease in cash and cash equivalents	(204)	(371)
Cash and cash equivalents at the beginning of the period	20,938	21,749
Cash and cash equivalents at the end of the period	20,734	21,378

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

**Notes to the condensed interim financial information
for the six month period ended June 30, 2013****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, 2012, 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, 2012.

The results for the six month period ended June 30, 2013 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2013.

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.

Certain items have been reclassified from the Company's prior year financial statements to conform to the current year's presentation and improve the transparency of certain line items of the statement of financial position, statement of comprehensive income and notes to the accounts.

**Notes to the condensed interim financial information
for the six month period ended June 30, 2013 (continued)**

3 Available for sale investments

	June 30 2013 (unaudited) AED'000	December 31 2012 (audited) AED'000
Quoted		
At January 1,	425	350
Increase in fair value	<u>287</u>	<u>75</u>
Fair value as at	<u>712</u>	<u>425</u>

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

4 Trade and other receivables

	June 30 2013 (unaudited) AED'000	December 31 2012 (audited) AED'000
Trade receivables from customers	11,292	5,535
Receivables from exchanges	-	4,004
Other receivable	<u>322</u>	<u>396</u>
	<u>11,614</u>	<u>9,935</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 six month period ended June 30, 2013 (continued)**

5 Trade and other payables

	June 30 2013 (unaudited) AED'000	December 31 2012 (audited) AED'000
Trade payables to customers	8,390	9,517
Payables to exchanges	2,871	-
Other payables	595	953
	<u>11,856</u>	<u>10,470</u>

Trade payables to customers consist only of 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.

Details of material balances/transactions with such related parties in the normal course of business are as follows.

	June 30 2013 (unaudited) AED'000	December 31 2012 (audited) AED'000
Balances:		
Cash and cash equivalents with ADCB :		
Short term deposit	20,415	20,100
Current account	319	838
Due from Parent company	36,679	33,495

	6 months ended June 30 (unaudited) 2013 AED'000	2012 AED'000
Transactions:		
Brokerage commission	2,073	311
Interest income	226	242
Commission expense on bank guarantee	519	531
Rent expenses	117	117

Notes to the condensed interim financial information
for the six month period ended June 30, 2013 (continued)

7 Commitments and contingent liabilities

	June 30 2013 (unaudited) AED'000	December 31 2012 (audited) AED'000
Bank guarantees	205,000	205,000

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

The Company's Parent has a commitment of AED 587,680 (December 31, 2012 - AED 587,680) to purchase a new brokerage management system for use by the Company. This system, together with its cost, will be transferred to the Company once it has been installed and is operational.

8 Approval of condensed interim financial information

This condensed interim financial information were approved by the Board of Directors and authorised for issue on July 28, 2013.