

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

**Review report and interim  
financial information for the  
period ended June 30, 2008**

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

## **Review report and interim financial information for the period ended June 30, 2008**

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholder of  
Al Dhabi Brokerage Services L.L.C.  
Abu Dhabi, UAE

### *Introduction*

We have reviewed the accompanying condensed balance sheet of Al Dhabi Brokerage Services L.L.C. (the "Company") as of June 30, 2008 and the related condensed statements of income, changes in equity and cash flows for the six 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.



*Deloitte & Touche*

Deloitte & Touche

21 July 2008



**Condensed balance sheet  
as at June 30, 2008**

		<b>June 30 2008 (unaudited) AED'000</b>	<b>December 31 2007 (audited) AED'000</b>
	<b>Notes</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		<b>9,423</b>	10,348
Available-for-sale investment	<b>3</b>	<b>7,223</b>	9,008
<b>Total non-current assets</b>		<b>16,646</b>	19,356
<b>Current assets</b>			
Trade receivables	<b>4</b>	<b>129,746</b>	295,523
Prepayments		<b>889</b>	150
Bank and cash		<b>23,530</b>	23,922
<b>Total current assets</b>		<b>154,165</b>	319,595
<b>Total assets</b>		<b>170,811</b>	338,951
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		<b>30,000</b>	30,000
Statutory reserve		<b>4,716</b>	4,716
Cumulative change in fair value		<b>5,764</b>	7,549
Retained earnings		<b>53,993</b>	42,441
<b>Total equity</b>		<b>94,473</b>	84,706
<b>Non-current liabilities</b>			
Provision for end of service benefit		<b>630</b>	555
<b>Current liabilities</b>			
Trade and other payables	<b>5</b>	<b>75,708</b>	253,690
<b>Total liabilities</b>		<b>76,338</b>	254,245
<b>Total equity and liabilities</b>		<b>170,811</b>	338,951
 			
<b>Ala'a Eraiqat Chairman</b>		<b>Hassan Saleem Al Hossani General Manager</b>	

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

**Condensed income statement (unaudited)  
for the period ended June 30, 2008**

	<b><u>3 months ended 30 June</u></b>		<b><u>6 months ended 30 June</u></b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Income</b>				
Brokerage commission	<b>8,523</b>	7,543	<b>22,241</b>	10,772
Other operating income	<b>11</b>	35	<b>55</b>	65
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	<b>8,534</b>	7,578	<b>22,296</b>	10,837
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenses</b>				
Staff expenses	<b>(3,040)</b>	(2,706)	<b>(6,706)</b>	(5,002)
Other operating expenses	<b>(2,285)</b>	(1,720)	<b>(4,038)</b>	(3,734)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>(5,325)</b>	(4,426)	<b>(10,744)</b>	(8,736)
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<b>Net profit for the period</b>	<b>3,209</b>	3,152	<b>11,552</b>	2,101
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The accompanying notes form an integral part of the interim condensed financial information.

# AL DHABI BROKERAGE SERVICES L.L.C.

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## Condensed statement of changes in equity (unaudited) for the period ended June 30, 2008

	Share capital AED'000	Statutory reserve AED'000	Cumulative change in fair value AED'000	Retained earnings AED'000	Total AED'000
Balance at January 1, 2007	10,000	2,902	-	26,115	39,017
Additional capital introduced	20,000	-	-	-	20,000
Net profit for the period	-	-	-	2,101	2,101
Net movement in cumulative change in fair value	-	-	3,003	-	3,003
Balance at June 30, 2007	30,000	2,902	3,003	28,216	64,121
<b>Balance at January 1, 2008</b>	<b>30,000</b>	<b>4,716</b>	<b>7,549</b>	<b>42,441</b>	<b>84,706</b>
Net profit for the period	-	-	-	11,552	11,552
Net movement in cumulative change in fair value (note 3)	-	-	(1,785)	-	(1,785)
<b>Balance at June 30, 2008</b>	<b>30,000</b>	<b>4,716</b>	<b>5,764</b>	<b>53,993</b>	<b>94,473</b>

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

**Condensed statement of cash flows (unaudited)  
for the period ended June 30, 2008**

	<b>June 30 2008 AED'000</b>	<b>June 30 2007 AED'000</b>
<b>Operating activities</b>		
Net profit for the period	<b>11,552</b>	<b>2,101</b>
Adjustment for:		
Depreciation of property and equipment	<b>666</b>	<b>574</b>
Net movement in end of service benefit	<b>75</b>	<b>311</b>
<b>Operating cash flows before movements in working capital</b>	<b>12,293</b>	<b>2,986</b>
Decrease/(increase) in trade receivables	<b>165,777</b>	<b>(59,974)</b>
Increase in prepayments	<b>(739)</b>	<b>(11)</b>
(Decrease)/increase in trade and other payables	<b>(177,982)</b>	<b>56,954</b>
<b>Net cash used in operating activities</b>	<b>(651)</b>	<b>(45)</b>
<b>Investing activities</b>		
Disposal of property and equipment	<b>259</b>	<b>-</b>
Purchase of property and equipment	<b>-</b>	<b>(770)</b>
<b>Net cash from /(used in) investing activities</b>	<b>259</b>	<b>(770)</b>
<b>Cash flows from financing activities</b>		
Additional capital introduced	<b>-</b>	<b>20,000</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(392)</b>	<b>19,185</b>
Cash and cash equivalents at beginning of the period	<b>23,922</b>	<b>5,544</b>
<b>Cash and cash equivalents at end of the period</b>	<b>23,530</b>	<b>24,729</b>

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

**Notes to the interim condensed financial information  
for the period ended June 30, 2008**

**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. The Company was established on 7 February 2005 and commenced its operations on 14 May 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 United Arab Emirates. The registered head office of the Company is P.O. Box 939, Abu Dhabi, United Arab Emirates.

The Company is registered as a brokerage company in accordance with United Arab Emirates 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 condensed financial information is prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting issued by the International Accounting Standards Board and also comply with the applicable requirements of the laws in the UAE.

The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the audited annual financial statements for the year ended December 31, 2007.

The interim condensed financial information has been prepared on the historical cost basis except for the revaluation of certain financial instruments at fair value.

The interim condensed financial information is presented in UAE Dirhams (AED) since that is the currency in which the majority of the Company's transactions are denominated.

For the purpose of these interim condensed financial information the Company has adopted revised and amended standards issued by the International Accounting Standards Board (IASB) and the IFRIC that are relevant to its operations for the period beginning January 1, 2008. The adoption of these new and revised standards and Interpretations has not resulted in changes to the Company's presentation and disclosures in the interim condensed financial information.

**Notes to the interim condensed financial information  
for the period ended June 30, 2008 (continued)**

**3 Available-for-sale investment**

	<b>June 30 2008 (unaudited) AED'000</b>	<b>December 31 2007 (audited) AED'000</b>
<b>Quoted</b>		
<b>At 1 January 2008</b>	<b>9,008</b>	<b>1,459</b>
(Decrease)/increase in fair value	<b>(1,785)</b>	<b>7,549</b>
<b>Balance at</b>	<b>7,223</b>	<b>9,008</b>

The above represent investment of 1,416,341 shares in Dubai Financial Market P.J.S.C. made on 8 December 2006.

**4 Trade receivables**

	<b>June 30 2008 (unaudited) AED'000</b>	<b>December 31 2007 (audited) AED'000</b>
Trade receivables from customers	<b>71,418</b>	<b>183,061</b>
Clearing accounts receivables	<b>-</b>	<b>68,486</b>
Due from related party (note 6)	<b>58,328</b>	<b>43,976</b>
	<b>129,746</b>	<b>295,523</b>

**5 Trade and other payables**

	<b>June 30 2008 (unaudited) AED'000</b>	<b>December 31 2007 (audited) AED'000</b>
Payables to other brokers	<b>48,626</b>	<b>5,669</b>
Trade payables to customers	<b>24,812</b>	<b>245,237</b>
Other payables	<b>2,270</b>	<b>2,784</b>
	<b>75,708</b>	<b>253,690</b>

**Notes to the interim condensed financial information  
for the period ended June 30, 2008 (continued)**

**6 Related party transactions**

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 transactions with such related parties in the normal course of business are as follows:

	<b>June 30 2008 (unaudited) AED'000</b>	<b>June 30 2007 (unaudited) AED'000</b>
Brokerage commission	<b>1,103</b>	<b>2,922</b>
Interest income	<b>55</b>	<b>61</b>
Commission expense on bank guarantee	<b>438</b>	<b>876</b>
Rent expenses	<b>282</b>	<b>313</b>

Bank balances include AED 23.5 million (December 31, 2007 – AED 23.9 million) with ADCB.

**7 Contingent liabilities**

	<b>June 30 2008 (unaudited) AED'000</b>	<b>December 31 2007 (audited) AED'000</b>
Bank guarantees	<b>700,000</b>	<b>700,000</b>

The above bank guarantees have been issued by ADCB, a related party (note 6) in the normal course of business.

**8 Approval of interim condensed financial information**

The interim condensed financial information was approved by management and authorized for issue on July 21, 2008.