

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

**Review report and condensed  
Interim financial information for the  
period ended March 31, 2012**

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

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for the period ended March 31, 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 March 31, 2012 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting ("IAS 34")". Our responsibility is to express a conclusion on this condensed 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 does not present fairly, in all material respects, the financial position of the Company as at March 31, 2012, and of its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34.

**PricewaterhouseCoopers**

Jacques Fakhoury  
Registration Auditor Number 379  
April 30, 2012

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

# AL DHABI BROKERAGE SERVICES L.L.C.

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## Condensed interim statement of financial position as at March 31, 2012

	Notes	March 31 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		3,438	3,673
Available for sale investments	3	479	350
<b>Total non-current assets</b>		<b>3,917</b>	<b>4,023</b>
<b>Current assets</b>			
Trade and other receivables	4	17,054	9,731
Due from Parent Company	4	41,761	43,683
Cash and cash equivalents	6	21,577	21,749
<b>Total current assets</b>		<b>80,392</b>	<b>75,163</b>
<b>Total assets</b>		<b>84,309</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		50	(79)
Retained earnings		27,095	29,795
<b>Total equity</b>		<b>62,766</b>	<b>65,337</b>
<b>Non-current liability</b>			
Provision for employees' end of service benefit		1,342	1,269
<b>Current liability</b>			
Trade and other payables	5	20,201	12,580
<b>Total liabilities</b>		<b>21,543</b>	<b>13,849</b>
<b>Total equity and liabilities</b>		<b>84,309</b>	<b>79,186</b>

Ala'a Eraiqat  
Chairman

Hassan Salem AlHossani  
General Manager

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

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## Condensed interim statement of comprehensive income (unaudited) for the period ended March 31, 2012

	Note	<u>3 months ended March 31</u>	
		<u>2012</u>	<u>2011</u>
		<u>AED'000</u>	<u>AED'000</u>
<b>Income</b>			
Brokerage commission			
Interest income		1,327	1,232
Other operating income		105	90
		30	29
		<hr/>	<hr/>
		1,462	1,351
<b>Expenses</b>			
Staff expenses			
Depreciation expense		(2,965)	(791)
Other operating expenses		(238)	(317)
		(959)	(971)
		<hr/>	<hr/>
		(4,162)	(2,079)
<b>Net loss for the period</b>		<hr/>	<hr/>
		(2,700)	(728)
<b>Other comprehensive income</b>		<hr/>	<hr/>
Fair value changes on available for sale investments	3	129	(83)
		<hr/>	<hr/>
<b>Total comprehensive loss for the period</b>		<hr/>	<hr/>
		(2,571)	(811)

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



Condensed interim statement of changes in equity (unaudited)  
for the period ended March 31, 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	-	-	-	(728)	(728)
Fair value changes on available for sale investments	-	-	(83)	-	(83)
Total comprehensive loss for the period	-	-	(83)	(728)	(811)
Balance at March 31, 2011	30,000	5,621	117	38,977	74,715
<b>Balance at January 1, 2012</b>	<b>30,000</b>	<b>5,621</b>	<b>(79)</b>	<b>29,795</b>	<b>65,337</b>
Net loss for the period	-	-	-	(2,700)	(2,700)
Fair value changes on available for sale investments	-	-	129	-	129
Total comprehensive loss for the period	-	-	129	(2,700)	(2,571)
<b>Balance at March 31, 2012</b>	<b>30,000</b>	<b>5,621</b>	<b>50</b>	<b>27,095</b>	<b>62,766</b>

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

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**Condensed interim statement of cash flows (unaudited)  
for the period ended March 31, 2012**

	<b>3 months ended March 31</b>	
	<b>2012</b>	<b>2011</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Operating activities</b>		
Net loss for the period	(2,700)	(728)
<b>Adjustment for:</b>		
Depreciation of property and equipment	238	317
Net movement in employees' end of service benefits	73	4
<b>Operating cash flows before changes in operating assets and liabilities</b>		
Increase in trade and other receivables	(2,389)	(407)
Decrease in amounts due from Parent Company	(7,323)	(5,633)
Increase in trade and other payables	1,922	1,582
	7,621	4,285
<b>Net cash used in operating activities</b>	(169)	(173)
<b>Investing activities</b>		
Purchase of property and equipment, net	(3)	-
<b>Net cash used in investing activities</b>	(3)	-
<b>Decrease in cash and cash equivalents</b>	(172)	(173)
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>	21,577	22,417

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

**Notes to the condensed interim financial information  
for the period ended March 31, 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, 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 three months period ended March 31, 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



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## Notes to the condensed interim financial information for the period ended March 31, 2012 (continued)

### 3 Available for sale investments

Quoted	March 31 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
Opening balance		
Fair value changes on available for sale investments	350 129	629 (279)
Closing balance	<u>479</u>	<u>350</u>

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

### 4 Trade and other receivables

	March 31 2012 (unaudited) AED'000	December 31 2011 (audited) AED'000
Trade receivables from customers	6,814	9,603
Receivables from brokers	10,150	-
Other receivables	90	128
Due from Parent Company (Note 6)	41,761	43,683
	<u>58,815</u>	<u>53,414</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.

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**Notes to the condensed interim financial information**  
**for the period ended March 31, 2012 (continued)**

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**5 Trade and other payables**

	<b>March 31 2012 (unaudited) AED'000</b>	<b>December 31 2011 (audited) AED'000</b>
Trade payables to customers	16,890	2,451
Payables to other brokers	38	7,136
Other payables	3,273	2,993
	<hr/>	<hr/>
	<b>20,201</b>	<b>12,580</b>
	<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

	<b>March 31 2012 (unaudited) AED'000</b>	<b>December 31 2011 (audited) AED'000</b>
Bank balances with ADCB		
Short term deposit	20,000	15,546
Current account	1,577	6,203
	<hr/>	<hr/>
	<b>21,577</b>	<b>21,749</b>
	<hr/>	<hr/>
Due from the Parent Company (Note 4)	<b>41,761</b>	<b>43,683</b>
	<hr/>	<hr/>

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**Notes to the condensed interim financial information**  
**for the period ended March 31, 2012 (continued)**

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

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

	<b>March 31 2012 (unaudited) AED'000</b>	<b>March 31 2011 (unaudited) AED'000</b>
Brokerage commission	132	353
Interest income	105	90
Commission expense on bank guarantee	269	263
Rent expenses	87	140

**7 Contingent liabilities**

	<b>March 31 2012 (unaudited) AED'000</b>	<b>December 31 2011 (audited) AED'000</b>
Bank guarantees	205,000	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 April 29, 2012.