

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

**Review report and interim  
financial information for the  
period ended 31 March 2007**

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

## **Review report and interim financial information for the period ended 31 March 2007**

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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. as of 31 March 2007 and the related condensed statements of 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 fair presentation of this interim financial information in accordance with International Financial Reporting Standards. 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 International Financial Reporting Standards.

Deloitte & Touche



Saba Y. Sindaha  
Registration No. 410  
23 April 2007



**Condensed balance sheet  
as at 31 March 2007**

|                                     | Notes | 31 March<br>2007<br>(unaudited)<br>AED'000 | 31 December<br>2006<br>(audited)<br>AED'000 |
|-------------------------------------|-------|--|---|
| <b>ASSETS</b>                       |       |  |   |
| <b>Non-current assets</b>           |       |  |   |
| Property, plant and equipment       |       | 5,169                                      | 5,441                                       |
| Non-trading investments             | 3     | 2,960                                      | 1,459                                       |
| <b>Current assets</b>               |       | 8,129                                      | 6,900                                       |
| Cash and bank balances              |       | 25,133                                     | 5,544                                       |
| Trade receivables                   | 4     | 33,416                                     | 32,163                                      |
| Prepayments and other assets        |       | 38   | 364   |
| <b>Total current assets</b>         |       | 58,587                                     | 38,071                                      |
| <b>Total assets</b>                 |       | 66,716                                     | 44,971                                      |
| <b>EQUITY AND LIABILITIES</b>       |       |  |   |
| <b>Equity</b>                       |       |  |   |
| Share capital                       | 5     | 30,000                                     | 10,000                                      |
| Statutory reserve                   |       | 2,902                                      | 2,902                                       |
| Retained earnings                   |       | 3,432                                      | 26,115                                      |
| Cumulative change in fair value     |       | 1,501                                      | -   |
| <b>Total equity</b>                 |       | 37,835                                     | 39,017                                      |
| <b>Non-current liabilities</b>      |       |  |   |
| End of service benefit              |       | 30   | 145   |
| <b>Current liabilities</b>          |       |  |   |
| Trade and other payables            | 6     | 28,851                                     | 5,809                                       |
| <b>Total equity and liabilities</b> |       | 66,716                                     | 44,971                                      |

  
Ala'a Eraiqat  
Chairman

  
Darren Robinson  
Chief Financial Officer

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

**Condensed income statement (unaudited)  
for the period ended 31 March 2007**

|   | <b>3 months ended 31 March</b> |                |
|---|--------------------------------|----------------|
|   | <b>2007</b>                    | <b>2006</b>    |
|   | <b>AED'000</b>                 | <b>AED'000</b> |
| <b>INCOME</b>                             |                                |                |
| Brokerage commission                      | <b>3,229</b>                   | <b>5,612</b>   |
| Other operating income                    | <b>30</b>                      | <b>13</b>      |
|   | <hr/>                          | <hr/>          |
|   | <b>3,259</b>                   | <b>5,625</b>   |
|   | <hr/>                          | <hr/>          |
| <b>EXPENSES</b>                           |                                |                |
| Staff expenses                            | <b>(2,296)</b>                 | <b>(1,274)</b> |
| Other operating expenses                  | <b>(2,014)</b>                 | <b>(704)</b>   |
|   | <hr/>                          | <hr/>          |
|   | <b>(4,310)</b>                 | <b>(1,978)</b> |
|   | <hr/>                          | <hr/>          |
| <b>Net (loss) / profit for the period</b> | <b>(1,051)</b>                 | <b>3,647</b>   |
|   | <hr/>                          | <hr/>          |

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

**Condensed statement of changes in shareholder's equity (unaudited)  
for the period ended 31 March 2007**

|  | Share<br>capital<br>AED'000 | Statutory<br>reserve<br>AED'000 | Retained<br>earnings<br>AED'000 | Cumulative<br>change in<br>fair values<br>AED'000 | Total<br>AED'000 |
|--|-----------------------------|---------------------------------|---------------------------------|---|------------------|
| Balance at 1 January 2006                              | 10,000                      | 739                             | 6,646                           | -   | 17,385           |
| Net profit for the period                              | -                           | -                               | 3,647                           | -   | 3,647            |
| Balance at 31 March 2006                               | 10,000                      | 739                             | 10,293                          | -   | 21,032           |
| Balance at 1 January 2007                              | 10,000                      | 2,902                           | 26,115                          | -   | 39,017           |
| Additional capital<br>introduced (note 5)              | 20,000                      | -                               | -                               | -   | 20,000           |
| Distribution of profit                                 | -                           | -                               | (21,632)                        | -   | (21,632)         |
| Net loss for the period                                | -                           | -                               | (1,051)                         | -   | (1,051)          |
| Net movement in<br>cumulative change in<br>fair values | -                           | -                               | -                               | 1,501   | 1,501            |
| Balance at 31 March 2007                               | 30,000                      | 2,902                           | 3,432                           | 1,501   | 37,835           |

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

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**Condensed statement of cash flows (unaudited)  
for the period ended 31 March 2007**

|   | <b>31 March<br/>2007<br/>AED'000</b> | <b>31 March<br/>2006<br/>AED'000</b> |
|---|--------------------------------------|--------------------------------------|
| <b>Operating activities</b>   |                                      |                                      |
| Net (loss) / profit for the period                                  | (1,051)                              | 3,647                                |
| Adjustment for:   |                                      |                                      |
| Depreciation of property, plant and equipment                       | 276                                  | 7                                    |
| Net movement in end of service benefit                              | (115)                                | 13                                   |
| <b>Operating cash flows before movements<br/>in working capital</b> | (890)                                | 3,667                                |
| Increase in trade receivables                                       | (1,253)                              | (171,504)                            |
| Decrease / (increase) in prepayments                                | 326                                  | (733)                                |
| Increase in trade and other payables                                | 23,042                               | 168,598                              |
| <b>Net cash from operating activities</b>                           | <b>21,225</b>                        | <b>28</b>                            |
| <b>Investing activities</b>   |                                      |                                      |
| Purchase of property, plant and equipment                           | (4)                                  | (10)                                 |
| <b>Net cash used in investing activities</b>                        | <b>(4)</b>                           | <b>(10)</b>                          |
| <b>Financing activities</b>   |                                      |                                      |
| Additional capital introduced                                       | 20,000                               | -                                    |
| Distribution of profits   | (21,632)                             | -                                    |
| <b>Net cash used in financing activities</b>                        | <b>(1,632)</b>                       | <b>-</b>                             |
| <b>Increase in cash and cash equivalents</b>                        | <b>19,589</b>                        | <b>18</b>                            |
| Cash and cash equivalents at beginning of the period                | 5,544                                | 8,634                                |
| <b>Cash and cash equivalents at end of the period</b>               | <b>25,133</b>                        | <b>8,652</b>                         |

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

**Notes to the interim financial information  
for the period ended 31 March 2007**

**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**

These interim financial information are prepared in accordance with International Accounting Standard No. 34. Interim Financial Reporting issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the UAE.

The accounting policies used in the preparation of these interim financial information are consistent with those used in the audited annual financial statements for the year ended 31 December 2006.

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

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



**Notes to the interim financial information  
for the period ended 31 March 2007 (continued)**

**3 Non trading investments**

|                                | <b>31 March<br/>2007<br/>(unaudited)<br/>AED'000</b> | <b>31 December<br/>2006<br/>(audited)<br/>AED'000</b> |
|--------------------------------|--|---|
| Available for sale investments | <u>2,960</u>   | <u>1,459</u>  |

The investments included above represent investment of 1,416,341 shares in Dubai Financial Market P.J.S.C. made on 8 December 2006. The investment is recorded at their expected fair value as at 31 March 2007 and the resultant gain on revaluation has been recognised in equity.

**4 Trade receivables**

|                                  | <b>31 March<br/>2007<br/>(unaudited)<br/>AED'000</b> | <b>31 December<br/>2006<br/>(audited)<br/>AED'000</b> |
|----------------------------------|--|---|
| Trade receivables from customers | 23,508   | 3,539   |
| Clearing accounts receivables    | 3,385  | 660   |
| Due from related party (note 7)  | 6,523  | 27,964  |
|                                  | <u>33,416</u>  | <u>32,163</u>   |

**5 Share capital**

|                                | <b>Authorised<br/>AED'000</b> | <b>Issued and fully paid<br/>At 31 March<br/>2007<br/>(unaudited)<br/>AED'000</b> | <b>At 31 December<br/>2006<br/>(audited)<br/>AED'000</b> |
|--------------------------------|-------------------------------|---|--|
| Ordinary shares of AED 10 each | <u>30,000</u>                 | <u>30,000</u>   | <u>10,000</u>  |

In accordance with the Securities & Commodities Authority decision No. 176/R for 2006 the Company has increased its share capital to AED 30,000,000.

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## Notes to the interim financial information for the period ended 31 March 2007 (continued)

### 6 Trade and other payables

|                             | 31 March<br>2007<br>(unaudited)<br>AED'000 | 31 December<br>2006<br>(audited)<br>AED'000 |
|-----------------------------|--|---|
| Payables to other brokers   | 5,361                                      | 568   |
| Trade payables to customers | 21,464                                     | 3,621                                       |
| Other payables              | 2,026                                      | 1,620                                       |
|                             | <u>28,851</u>                              | <u>5,809</u>                                |

### 7 Related party transactions

Related parties comprise of the parent company – Abu Dhabi Commercial Bank P.J.S.C. ("the Bank"), 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:

|                                      | 31 March<br>2007<br>(unaudited)<br>AED'000 | 31 March<br>2006<br>(unaudited)<br>AED'000 |
|--------------------------------------|--|--|
| Brokerage commission                 | <u>851</u>                                 | <u>454</u>                                 |
| Interest income                      | <u>26</u>                                  | <u>12</u>                                  |
| Commission expense on bank guarantee | <u>438</u>                                 | <u>313</u>                                 |
| Rent expenses                        | <u>156</u>                                 | <u>-</u>                                   |

Bank balances include AED 25.1 million (31 December 2006 – AED 5.5 million ) with the Bank.

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## Notes to the interim financial information for the period ended 31 March 2007 (continued)

### 8 Contingent liabilities

|                 | 31 March<br>2007<br>(unaudited)<br>AED'000 | 31 December<br>2006<br>(audited)<br>AED'000 |
|-----------------|--|---|
| Bank guarantees | 700,000                                    | 500,000                                     |

The above bank guarantees have been issued by Abu Dhabi Commercial Bank P.J.S.C., a related party (note 7) in the normal course of business.