

AL DHABI BROKERAGE SERVICES L.L.C.

**Review report and condensed interim financial statements
for the period ended March 31, 2011**

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of
Al Dhabi Brokerage Services LLC.
Abu Dhabi, U.A.E.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al Dhabi Brokerage Services LLC ("the Company") as of March 31, 2011 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the three months 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.

The financial information and statements for the period ended 31 March 2010 and the year ended 31 December 2010 were reviewed and audited respectively by another auditor who expressed an unqualified review conclusion and audit opinion in their reports dated 27 April 2010 and 31 January 2011, respectively.

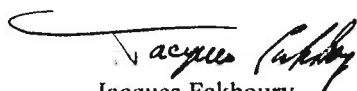
Scope of review

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.

PricewaterhouseCoopers



Jacques Fakhoury
Registration Auditor Number 379
28 April 2011

**Condensed interim statement of financial position
as at March 31, 2011**

	Notes	March 31 2011 (unaudited) AED'000	December 31 2010 (audited) AED'000
ASSETS			
Non-current assets			
Property and equipment		4,546	4,863
Available for sale investments	3	546	629
Total non-current assets		5,092	5,492
Current assets			
Trade and other receivables	4	11,193	5,560
Due from a related party	6	49,404	50,986
Bank balances	6	22,417	22,590
Total current assets		83,014	79,136
Total assets		88,106	84,628
EQUITY AND LIABILITIES			
Equity			
Share capital		30,000	30,000
Statutory reserve		5,621	5,621
Investment revaluation reserve		117	200
Retained earnings		38,977	39,705
Total equity		74,715	75,526
Non-current liability			
Provision for employees' end of service benefit		963	959
Current liability			
Trade and other payables	5	12,428	8,143
Total liabilities		13,391	9,102
Total equity and liabilities		88,106	84,628


Ala'a Eraiqat
Chairman


Hassan Saleem Al Hossani
General Manager

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

**Condensed interim statement of comprehensive income (unaudited)
for the period ended March 31, 2011**

	3 months ended March 31	
	2011	2010
	AED'000	AED'000
Income		
Brokerage commission	1,232	1,553
Interest income	90	81
Gain on sale on investments	-	895
Other operating income	29	29
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	1,351	2,558
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Expenses		
Staff expenses	(791)	(2,402)
Depreciation expense	(317)	(434)
Other operating expenses	(971)	(1,120)
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	(2,079)	(3,956)
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Net loss for the period	(728)	(1,398)
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Other comprehensive income		
Fair value changes reversed on disposal of available for sale investments	-	(870)
Fair value changes on available for sale investments	(83)	28
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Net comprehensive loss for the period	(811)	(2,240)
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The accompanying notes form an integral part of these condensed interim financial statements.

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**Condensed interim statement of changes in equity (unaudited)
for the period ended March 31, 2011**

	Share capital AED'000	Statutory reserve AED'000	Investment revaluation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at January 1, 2010	30,000	5,621	1,204	49,037	85,862
Net loss for the period	-	-	-	(1,398)	(1,398)
Fair value changes reversed on disposal of available for sale investments	-	-	(870)	-	(870)
Fair value changes on available for sale investments	-	-	28	-	28
Balance at March 31, 2010	30,000	5,621	362	47,639	83,622
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)
Balance at March 31, 2011	30,000	5,621	117	38,977	74,715

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

**Condensed interim statement of cash flows (unaudited)
for the period ended March 31, 2011**

	<u>3 months ended March 31</u>	
	2011	2010
	AED'000	AED'000
Operating activities		
Net loss for the period	(728)	(1,398)
Adjustment for:		
Depreciation of property and equipment	317	435
Net movement in employees' end of service benefits	4	(116)
Gain on disposal of available for sale investments	-	(895)
Operating cash flows before changes in operating assets and liabilities	(407)	(1,974)
Increase in trade and other receivables	(5,633)	(21,222)
Decrease in due from a related party	1,582	1,659
Increase in trade and other payables	4,285	21,478
Net cash used in operating activities	(173)	(59)
Investing activities		
Proceeds from disposal of available for sale investments	-	1,925
Net cash from investing activities	-	1,925
(Decrease)/increase in cash equivalents	(173)	1,866
Cash equivalents at the beginning of the period	22,590	21,119
Cash equivalents at the end of the period	22,417	22,985

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

**Notes to the condensed interim financial statements
for the period ended March 31, 2011****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 statements 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, 2010, 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 statements as were applied in the preparation and presentation of the audited annual financial statements for the year ended December 31, 2010.

The results for the three months period ended March 31, 2011 are not necessary indicative of the results that may be expected for the financial year ending December 31, 2011.

These condensed interim financial statements 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 statements for the period ended March 31, 2011 (continued)

3 Available for sale investments

	March 31 2011 (unaudited) AED'000	December 31 2010 (audited) AED'000
Quoted		
Opening balance	629	2,663
Disposals	-	(1,030)
Fair value changes reversed on disposal of available for sale investments	-	(870)
Fair value changes on available for sale investments	(83)	(134)
Closing balance	546	629

The above represent investment of 1,416,341 shares in Dubai Financial Market P.J.S.C. made on December 8, 2006, of which 1,000,000 shares were sold on March 29, 2010.

4 Trade and other receivables

	March 31 2011 (unaudited) AED'000	December 31 2010 (audited) AED'000
Trade receivables from customers	6,284	1,503
Receivables from other brokers	4,900	4,057
Prepayments	9	-
	11,193	5,560

The credit period for trade receivables is two days (Trade date plus two working days).

Before accepting any new customer, it is the Company policy that customers hold current accounts with the Parent Company.

There are no receivables which are past due at the reporting date.

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Notes to the condensed interim financial statements
for the period ended March 31, 2011 (continued)

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5 Trade and other payables

	March 31 2011 (unaudited) AED'000	December 31 2010 (audited) AED'000
Trade payables to customers	11,134	5,540
Payables to other brokers	26	13
Other payables	1,268	2,590
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	12,428	8,143
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Trade payable to customers consists of only those customers holding a current account with the Parent Company. The settlement date of these balances is after two days from the transaction date and is settled to the customer through the Parent Company's current account.

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

	March 31 2011 (unaudited) AED'000	December 31 2010 (audited) AED'000
Bank Balances with ADCB		
Short term deposit	15,428	15,342
Current account	6,989	7,248
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	22,417	22,590
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 Due from the Parent Company	 49,404	 50,986
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**Notes to the condensed interim financial statements
for the period ended March 31, 2011 (continued)**

6 Transactions and balances with related parties (continued)

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

	March 31 2011 (unaudited) AED'000	March 31 2010 (unaudited) AED'000
Brokerage commission	<u>353</u>	<u>392</u>
Interest income	<u>90</u>	<u>81</u>
Commission expense on bank guarantee	<u>263</u>	<u>188</u>
Rent expenses	<u>140</u>	<u>148</u>

7 Contingent liabilities

	March 31 2011 (unaudited) AED'000	December 31 2010 (audited) AED'000
Bank guarantees	<u>210,000</u>	<u>210,000</u>

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

8 Approval of condensed interim financial statements

These condensed interim financial statements was approved by management and authorised for issue on April 28, 2011.