

**FIRST DAWOOD INVESTMENT  
BANK LIMITED**

**Third Quarter Report 31 March 2012**

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## CORPORATE INFORMATION



FIRST DAWOOD INVESTMENT BANK LIMITED

<b>Board of Directors</b>	Mr. Rafique Dawood Mr. Abdus Samad Khan Mr. Rasheed Y. Chinoy Mr. Ayaz Dawood Mr. AVM (R) Syed Javed Raza Mr. M. Riyazul Haque Mr. Khurshed A. Khair	Chairman Chief Executive Officer Director Director Director (Nominee of DCM) Director (Nominee of NIT) Director (Subject to SECP Approval)
<b>Audit Committee</b>	Mr. Rasheed Y. Chinoy Mr. M. Riyazul Haque	Chairman Member
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Abbas Qurban	
<b>Auditors</b>	M. Yousuf Adil Saleem & Co. Chartered Accountants	
<b>Legal Advisor</b>	Mohsin Tayebaly & Co.	
<b>Bankers</b>	Bank Al-Habib Habib Metropolitan Bank National Bank of Pakistan Oman International Bank Al-Baraka Islamic Bank Standard Chartered Bank United Bank	
<b>Registered Office Head Office</b>	1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi-74000 PABX +92 (21) 3227-1875-80, 3701-0960-65, 3701-4641-44 Fax +92 (21) 3227-1913 Email <a href="mailto:fdib@firstdawood.com">fdib@firstdawood.com</a> URL <a href="http://www.firstdawood.com">www.firstdawood.com</a>	
<b>Branch Offices</b>	<b>Islamabad Branch</b> Office No. 20 & 21, Beverly Centre, 1st Floor, 56-G-7, Jinnah Avenue, Islamabad-7400. Tel +92 (051) 227-6367 & 227-4194-5 Fax +92 (051) 227-1280 Email <a href="mailto:brrim@isb.paknet.com.pk">brrim@isb.paknet.com.pk</a> <b>Lahore Branch</b> Suite No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg III, Lahore Tel +92 (42) 3578-1888 Fax +92 (42) 3578-1890 Email <a href="mailto:fdibl@yahoo.com">fdibl@yahoo.com</a>	
<b>Share Registrar</b>	<b>F.D. Registrar Services (SMC-Pvt) Ltd.</b> 1108, 11th Floor, Trade Centre I.I. Chundrigar Road, Karachi-74000 Tel +92 (21) 3547 8192-93 Fax +92 (21) 3262 1233 Email <a href="mailto:fdregistrar@hotmail.com">fdregistrar@hotmail.com</a> , <a href="mailto:fdregistrar@yahoo.com">fdregistrar@yahoo.com</a>	

## DIRECTORS' REPORT



FIRST DAWOOD INVESTMENT BANK LIMITED

IN THE NAME OF ALLAH THE MOST COMPASSIONATE, THE MOST MERCIFUL

Dear Shareholders,

The Board of Directors of **First Dawood Investment Bank Limited** ("FDIB" or the "Company") is pleased to present the unaudited third quarter interim financial statements of the Company for the period ended March 31, 2012.

Your company during the period under review recorded after-tax loss of Rs.181.90 million as compared to profit of Rs.104.55 million during corresponding period last year. The increased provisioning requirement as per NBFC Regulations is the main contributor to this loss. As of December 31, 2011, the company has reported loss of Rs.209.94 million as compared to loss of Rs.181.90 for the three quarters which translates after tax profit of Rs.28.04 during the third quarter. Gross revenue for the nine months is Rs.41.19 million as compared to Rs.191.14 million during corresponding nine months in last year. Administrative expenses for the period under review shows declining trend and have reduced to Rs.61.97 million from Rs.68.21 million. Financial charges reduced to Rs.2.94 million (negative) from Rs.54.08 million as compared to corresponding period. The main factor of this reduction was reversal of previous year's markup by a commercial bank, settlement of liabilities and restructuring a small portion on softer terms.

Tight liquidity position at the SME sector remains the major factor in delaying the Company's recovery. However the management is concentrating on the recoveries rebuilding of cash reserve and correspondingly controlling costs.

Your company is also focusing the priority on reduction in non-performing portfolio, Our Special Assets and Legal Departments are making coordinated efforts to reduce non-performing loans which is pursued through negotiations and settlements.

We are aware of the challenges ahead and we look forward to the future with confidence and expect that your company will witness growth in the business activities as well as revenue generation capacity through diversified business lines gradually upon accumulating its cash reserve from recoveries.

The Board of Directors acknowledges and appreciates the collective effort and contribution of all staff members and management. We also take this opportunity to express our gratitude to SECP, our valued customers, business partners, other stakeholders, shareholders and particularly our creditors for their continued patience, confidence and patronage.

April 27, 2012  
Karachi.

On behalf of the Board of Directors  
**First Dawood Investment Bank Ltd**

**Rafique Dawood**  
Chairman

**CONDENSED INTERIM BALANCE SHEET**  
AS AT MARCH 31, 2012



	<i>Note</i>	<i>Unaudited March 31, 2012 Rupees</i>	<i>Audited June 30, 2011 Rupees</i>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	10,164,686	69,470,998
Investment properties		71,095,896	119,086,520
Net investment in lease finance	6	27,607,007	60,223,073
Long-term investments	7	195,979,336	163,947,170
Long-term finances	8	9,029,245	12,843,780
Long-term loans		258,281	315,796
Long-term deposits		3,500,000	2,500,000
Deferred tax asset		74,566,735	98,116,360
		392,201,186	526,503,697
<b>CURRENT ASSETS</b>			
Current portion of non-current assets	9	614,351,461	922,840,417
Short-term investments	10	32,537,125	49,886,438
Placements and finances	11	123,230,019	133,538,651
Advance against lease commitments		20,000,000	21,000,000
Advances and prepayments		8,435,675	9,619,144
Mark-up accrued		1,908,692	1,690,893
Other receivables		71,494,039	45,759,849
Cash and bank balances		118,705,448	114,051,788
		990,662,459	1,298,387,180
		1,382,863,645	1,824,890,877
<b>EQUITY AND LIABILITIES</b>			
Ordinary shares		626,492,900	626,492,900
Preference shares		715,833,540	715,833,540
		1,342,326,440	1,342,326,440
Reserves		333,744,789	333,744,789
Accumulated loss		(1,263,637,074)	(1,060,165,419)
		412,434,155	615,905,810
Deficit on revaluation of investments		(23,744,394)	(24,762,440)
		388,689,761	591,143,370
<b>NON CURRENT LIABILITIES</b>			
Long-term loans	12	344,567,930	559,128,693
Long-term deposits		6,589,927	18,089,621
		351,157,857	577,218,314
<b>CURRENT LIABILITIES</b>			
Current portion of long-term liabilities	13	306,009,558	277,672,815
Mark-up accrued		53,659,827	69,338,411
Short term borrowings		81,418,223	81,418,223
Certificates of investment	14	125,000,000	165,500,000
Accrued and other liabilities		75,428,419	58,224,571
Taxation		1,500,000	4,375,173
		643,016,027	656,529,193
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15	1,382,863,645	1,824,890,877

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE NINE MONTHS AND QUARTERS ENDED MARCH 31, 2012**

FIRST DAWOOD INVESTMENT BANK LIMITED

<i>Nine months ended</i>		<i>Quarter ended</i>	
<i>March 31</i>		<i>March 31</i>	
<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>

<----- Rupees ----->

**INCOME**

Lease income	9,783,364	27,023,159	1,068,410	(2,527,970)
Return on deposits and investments	23,537,396	69,079,621	11,533,827	12,685,861
Gain on sale of securities	268,357	53,832,177	268,357	62,204,343
Income from long-term financies	4,300,015	27,988,319	181,317	7,670,385
Loss on de-recognition of financial assets	-	(18,707,169)	-	-
Miscellaneous	3,297,081	31,918,907	455,922	(7,231,626)
	41,186,213	191,135,014	13,507,833	72,800,993

**PROVISION / CHANGES IN FAIR VALUE**

(Provision) / reversal for lease losses and doubtful recoveries	(112,676,227)	38,278,437	28,348,156	3,263,672
Reversal of impairment in financial assets	18,612,500	1,152,614	19,999,999	-
	(94,063,727)	39,431,051	48,348,155	3,263,672
	(52,877,514)	230,566,065	61,855,988	76,064,665

**EXPENDITURES**

Administrative and operating expenses	(61,973,570)	(68,205,771)	(21,746,574)	(18,364,896)
Finance cost	2,939,511	(54,080,153)	19,927,625	(2,641,240)
	(59,034,059)	(122,285,924)	(1,818,949)	(21,006,136)

**OTHER (LOSS) / INCOME**

Loss on disposal of property	(32,400,939)	-	(32,400,939)	-
Share of (loss) / profit of associates	(14,102,079)	11,452,429	1,409,276	(854,748)
	(46,503,018)	11,452,429	(30,991,663)	(854,748)

**(LOSS) / PROFIT BEFORE TAXATION**

	(158,414,591)	119,732,570	29,045,376	54,203,781
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**TAXATION**

Current	(1,500,000)	(4,505,700)	(1,000,000)	(1,500,000)
Prior year	1,565,630	(7,377,137)	-	(7,377,137)
Deferred	(23,549,625)	(3,300,000)	-	-
	(23,483,995)	(15,182,837)	(1,000,000)	(8,877,137)

**(LOSS) / PROFIT AFTER TAXATION**

	(181,898,586)	104,549,733	28,045,376	45,326,644
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**(Loss) / profit per share - basic and diluted**

	(2.90)	1.67	0.45	0.72
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The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2012**



*Nine months ended  
March 31*

<i>2012</i>	<i>2011</i>
<i>Rupees</i>	<i>Rupees</i>

**A. CASH FLOWS FROM OPERATING ACTIVITIES**

(Loss) / profit before taxation	(158,414,591)	119,732,570
Adjustments:		
Depreciation	5,903,963	2,917,554
Gain on sale of investments	(268,357)	(53,832,177)
Share of loss / (profit) of equity accounted investees	14,102,079	(11,452,429)
Finance cost	(2,939,511)	54,080,153
Gain on sale of property and equipment	32,400,939	(197,230)
Provision against lease losses and doubtful recoveries	112,676,227	(38,278,437)
Reversal of impairment in financial assets	(18,612,500)	(1,152,614)
Other loss	-	9,705,479
Loss on de-recognition of financial assets	-	18,707,169
	<u>143,262,840</u>	<u>(19,502,532)</u>
	(15,151,751)	100,230,038

**Changes in operating assets and liabilities  
(Increase) / decrease in operating assets**

Net investment in lease finance	58,715,977	317,630,745
Long-term finances	27,839,099	32,192,855
Long-term loans	126,516	292,811
Placements and finances	30,790,000	11,605,158
Advance against lease commitments	26,411,000	1,500,001
Advances and prepayments	1,082,408	1,603
Mark up accrued	12,656,029	25,599,484
Other receivables	19,788,771	(6,231,947)
	<u>177,409,800</u>	<u>382,590,710</u>
	162,258,049	482,820,748

**Increase / (decrease) in operating liabilities**

Certificates of investment	(40,500,000)	(18,066,522)
Long term deposits	(32,622,525)	(146,488,577)
Short term borrowings	-	(2,834,086)
Accrued and other liabilities	(7,981,884)	10,550,028
	(81,104,409)	(156,839,157)
Financial cost paid	(11,912,513)	(67,789,144)
Tax paid	(2,708,482)	3,208,697
Net cash generated from operating activities	<u>66,532,645</u>	<u>261,401,144</u>

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(1,273,791)	(7,509,650)
Proceed from sale of property and equipment	265,825	(62,374,153)
Long-term investments	-	(136,552,931)
Long-term deposits	(1,000,000)	2,000,000
Short-term investments	(29,769,830)	(34,517,701)
Net cash used in investing activities	<u>(31,777,796)</u>	<u>(238,954,435)</u>

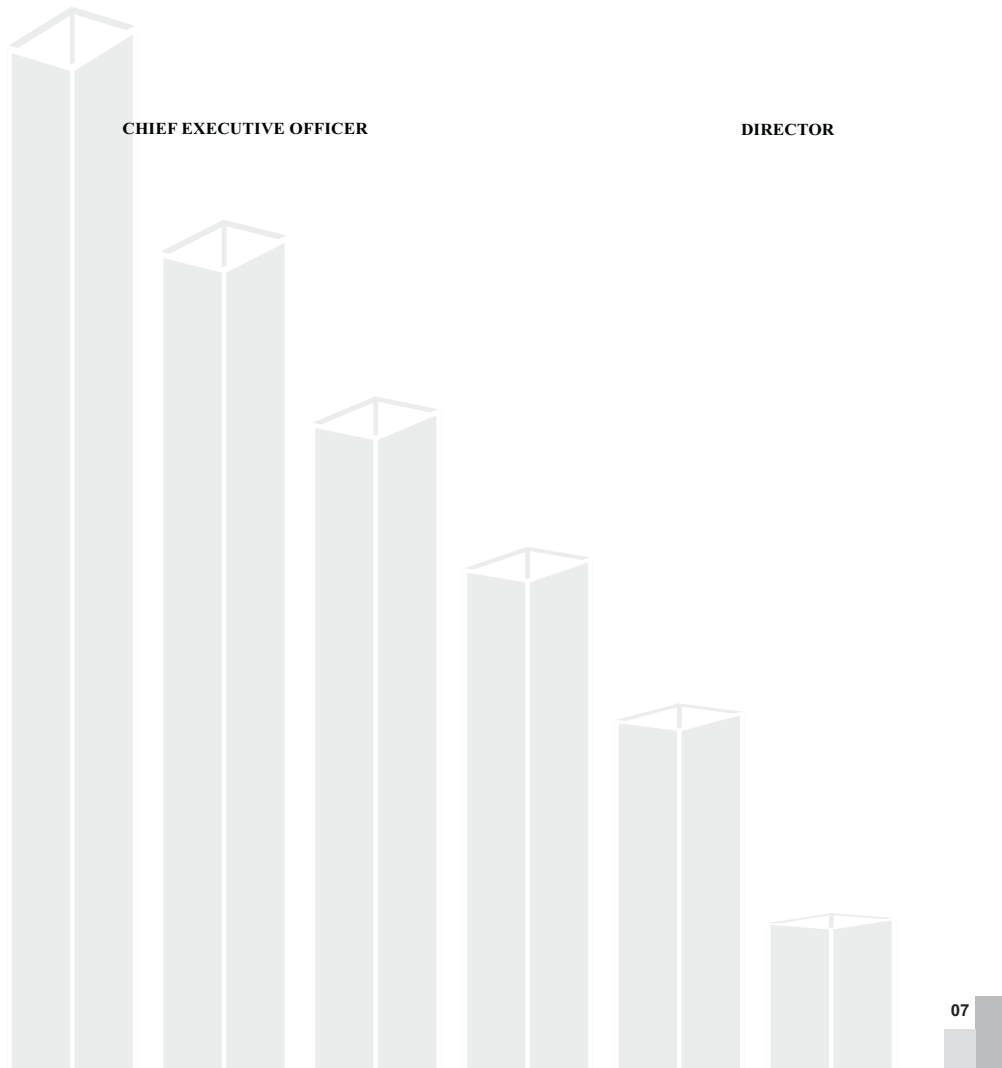


FIRST DAWOOD INVESTMENT BANK LIMITED

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of long-term loans	(30,101,189)	(2,392,755)
Long-term loans obtained	-	8,000,000
Net cash (used in) / generated from financing activities	<u>(30,101,189)</u>	<u>5,607,245</u>
Net increase in cash and cash equivalents	4,653,660	28,053,954
Cash and cash equivalents at beginning of the period	114,051,788	46,638,192
Cash and cash equivalents at end of the period	<u>118,705,448</u>	<u>74,692,146</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements





**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS AND QUARTERS ENDED MARCH 31, 2012**

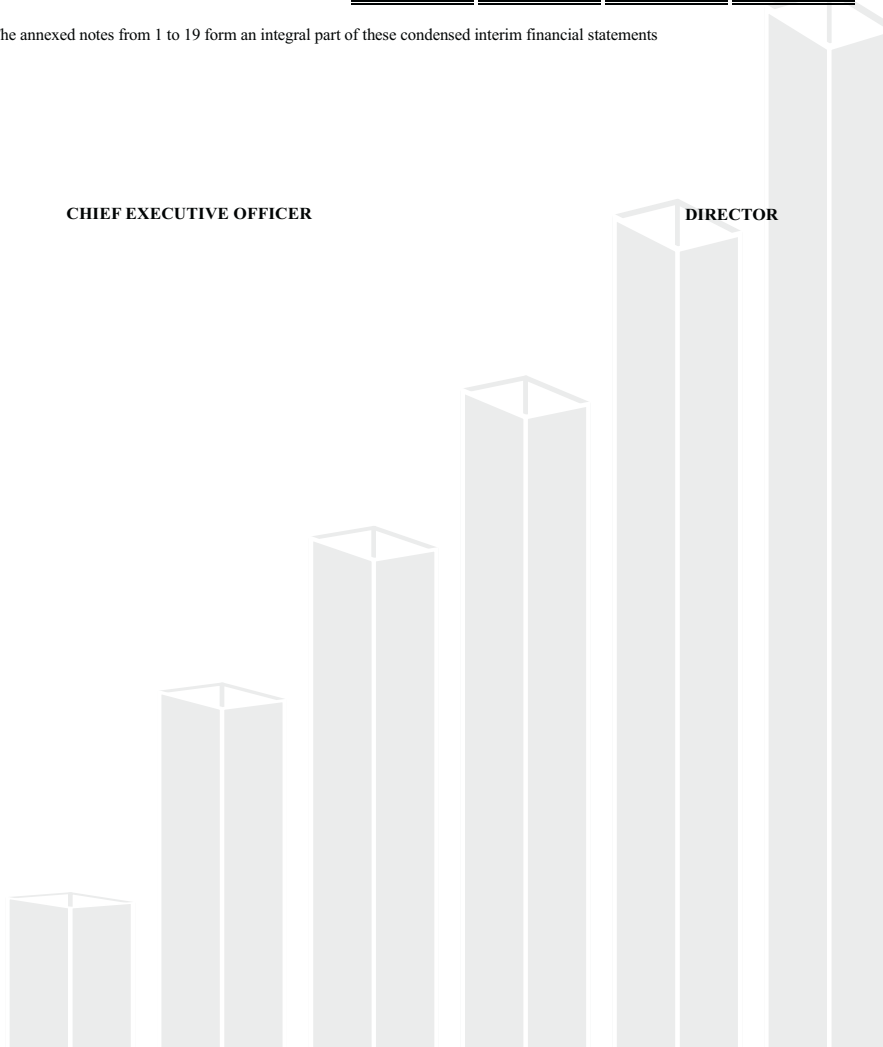


	<i>Nine months ended March 31</i>		<i>Quarter ended March 31</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<----- Rupees ----->			
(Loss) / profit after taxation	(181,898,586)	104,549,733	28,045,376	45,326,644
Other comprehensive income				
Deficit on remeasurement of investments classified as available-for-sale	(116,199)	23,390,201	(116,199)	28,100,886
Share of associates' surplus on remeasurement of investments	1,018,046	1,593,846	(219,492)	(151,160)
	901,847	24,984,047	(335,691)	27,949,726
<b>Total comprehensive (loss) / income for the period</b>	<b>(180,996,739)</b>	<b>129,533,780</b>	<b>27,709,685</b>	<b>73,276,370</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**





**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012**

	Share Capital		Capital Reserve			Revenue Reserve		Total
	Ordinary Shares	Preference Shares	Statutory Reserve	Premium on Right Issue	Capital Reserve on Acquisition	Deficit on Revaluation of Investments	Accumulated Losses	
Balance at July 01, 2010	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(67,870,526)	(987,507,862)	620,692,841
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Profit for the period	-	-	-	-	-	-	104,549,733	129,533,780
- Other comprehensive income	-	-	-	-	-	24,984,047	-	(21,494,618)
Dividend on preference shares @ 4%	-	-	-	-	-	-	(21,494,618)	(21,494,618)
Balance as at March 31, 2011	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(42,886,479)	(904,452,747)	728,732,003
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Loss for the period	-	-	-	-	-	18,124,039	(148,573,948)	(148,573,948)
- Other comprehensive income	-	-	-	-	-	-	(7,138,724)	18,124,039
Dividend on preference shares @ 4%	-	-	-	-	-	-	(7,138,724)	(7,138,724)
Balance at June 30, 2011	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(24,762,440)	(1,060,165,419)	591,143,370
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Loss for the period	-	-	-	-	-	-	(181,898,586)	(181,898,586)
- Other comprehensive income	-	-	-	-	-	1,018,046	-	1,018,046
Dividend on preference shares @ 4%	-	-	-	-	-	-	(21,573,069)	(21,573,069)
Balance as at March 31, 2012	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(23,744,394)	(1,263,637,074)	388,689,761

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED MARCH 31, 2012**



FIRST DAWOOD INVESTMENT BANK LIMITED

**1. STATUS AND NATURE OF BUSINESS**

- 1.1** First Dawood Investment Bank Limited ("the Company") was incorporated on June 22, 1994 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange. The registered office of the Company is situated in Karachi, Pakistan. The Company had obtained the licenses for Leasing Business and Investment and Finance Services under Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the Rules") and Non Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulation") from the Securities and Exchange Commission of Pakistan (SECP) which have been expired.
- 1.2** The Company is also acting as trustees to Term Finance Certificates / Sukuk issued by Standard Chartered Bank (Pakistan) Limited, Askari Bank Limited, IGI Investment Bank Limited, World Call Telecom Limited, Allied Bank of Pakistan, Escorts Investment Bank Limited, Grays Leasing Limited, Engro Fertilizers Limited, Sitara Energy Limited, KASB Securities Limited, Orix Leasing Pakistan Limited-1, Orix Leasing Pakistan Limited -2, Saudi Pak Leasing Company Limited, New Allied Electronics Industries (Pvt.), Security Leasing Company Limited, TPL Trakkers Limited, Dewan Cement Limited, House Building Finance Company Limited, Bunn's Limited, Pak Hy-Oils Limited, Vision Developers Limited, Flying Board and Paper Products Limited. The value of such assets as at March 31, 2012 amounted to Rs. 22.54 billion (2011: 23.57 billion).

**2. BASIS OF PREPARATION**

- 2.1** These condensed interim financial statements have been prepared in accordance with the requirements of Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulation), the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), the Companies Ordinance, 1984 (the Ordinance), directives issued by the SECP and approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) as are notified under the provisions of the Ordinance. Wherever, the requirements of the Rules, the Regulations, the Ordinance or directives issued by SECP differ with the requirements of these standards, the requirements of the Regulations, the NBFC Rules, the Ordinance and the said directives take precedence. The disclosures made in these interim financial information have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'.
- 2.2** These condensed interim financial statements are unaudited and have been prepared in condensed form in accordance with International Accounting Standard 34 "Interim Financial Reporting" and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and listing Regulations of Stock Exchange.

**3. BASIS OF MEASUREMENT**

These interim financial information have been prepared under the historical cost convention except for the measurement of certain financial instruments at fair value.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2011.

**5. PROPERTY AND EQUIPMENT**

**5.1 Acquisition of assets - at cost**

Leasehold improvement  
 Vehicles  
 Building  
 Furniture and fixtures  
 Equipment and appliances

*Note*

*March 31, 2012*  
*Rupees*

*June 30, 2011*  
*Rupees*

Leasehold improvement	770,000	6,898,253
Vehicles	360,300	5,938,500
Building	-	51,072,000
Furniture and fixtures	-	128,735
Equipment and appliances	143,491	1,599,835
	<u>1,273,791</u>	<u>65,637,323</u>

		<i>March 31, 2012</i>	<i>June 30, 2011</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>5.2 Disposal of assets - at cost</b>			
Vehicles		333,300	1,937,800
Equipment and appliances		-	999,550
Property / lease hold improvements		106,730,877	-
		<u>107,064,177</u>	<u>2,937,350</u>
<b>6. NET INVESTMENT IN LEASE FINANCE</b>			
Net investment in lease finance	6.1	839,488,527	966,280,391
Provision for potential lease losses		(405,995,795)	(313,945,872)
Current portion	9	<u>(405,885,725)</u>	<u>(592,111,446)</u>
		<u>27,607,007</u>	<u>60,223,073</u>
<b>6.1 Particulars of net investment in lease finance</b>			
Minimum lease payments receivable		872,250,989	984,755,035
Residual value of leased assets		146,701,034	179,323,584
		<u>1,018,952,023</u>	<u>1,164,078,619</u>
Unearned finance income		(179,463,496)	(197,798,228)
Net investment in lease finance		<u>839,488,527</u>	<u>966,280,391</u>
<b>7. LONG TERM INVESTMENTS</b>			
Investment in associates	7.1	<u>195,979,336</u>	<u>163,947,170</u>
<b>7.1 Investment in associates</b>			
Opening balance		163,947,170	22,961,150
Increase in interest of associates		45,000,000	-
Share of (loss) / gain		(14,102,079)	1,551,349
Share of surplus on revaluation of investments		1,134,245	2,881,740
Transfer from available-for-sale investment		-	136,552,931
		<u>195,979,336</u>	<u>163,947,170</u>
<b>8. LONG-TERM FINANCES</b>			
Term finance facilities		368,585,323	483,983,656
Provision for doubtful finances		(151,166,557)	(140,556,121)
Current portion	9	<u>(208,389,521)</u>	<u>(330,583,755)</u>
		<u>9,029,245</u>	<u>12,843,780</u>
<b>9. CURRENT PORTION OF NON-CURRENT ASSETS</b>			
Net investment in lease finance	6	405,885,725	592,111,446
Long-term finances	8	208,389,521	330,583,755
Long-term loans		76,215	145,216
		<u>614,351,461</u>	<u>922,840,417</u>
<b>10. SHORT TERM INVESTMENTS</b>			
<i>Available-for-sale</i>			
Term finance certificates / sukuk bonds		7,686,276	29,125,005
Quoted securities		4,089,416	-
Unquoted securities		20,761,433	20,761,433
		<u>32,537,125</u>	<u>49,886,438</u>



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Note</i>	<i>March 31, 2012 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>11. PLACEMENTS AND FINANCES</b>			
Placement and finance- unsecured		14,500,000	15,000,000
Financing against shares		311,071,100	341,071,100
Provision for doubtful finances		(311,071,100)	(340,755,324)
		-	315,776
Short-term finance - secured		66,081,568	66,221,567
Provision for doubtful finances		(21,990,943)	(13,433,478)
		44,090,625	52,788,089
Certificates of deposit		5,000,000	5,000,000
Provision for doubtful finances		(5,000,000)	(5,000,000)
		-	-
Morabaha / musharika finances		129,018,444	136,362,780
Provision for doubtful finances		(64,379,050)	(70,927,994)
		64,639,394	65,434,786
		<u>123,230,019</u>	<u>133,538,651</u>
<b>12. LONG TERM LOANS</b>			
<i>Secured</i>			
Asian Development Bank		57,985,196	73,836,385
Commercial Banks		465,385,597	614,635,597
		523,370,793	688,471,982
Current portion	13	(178,802,863)	(129,343,289)
		<u>344,567,930</u>	<u>559,128,693</u>
<b>13. CURRENT PORTION OF LONG TERM LIABILITIES</b>			
Long term loans		178,802,863	129,343,289
Lease deposits		127,206,695	148,329,526
		<u>306,009,558</u>	<u>277,672,815</u>
<b>14. SHORT TERM CERTIFICATES OF INVESTMENT</b>			
Non Banking Financial Institutions		<u>125,000,000</u>	<u>165,500,000</u>
<b>15. CONTINGENCIES AND COMMITMENTS</b>			
<b>15.1 Contingent liabilities</b>			
Letters of comfort / guarantee		<u>2,113,000,000</u>	<u>2,991,350,000</u>
<b>16. TRANSACTIONS WITH RELATED PARTIES</b>			
Related parties comprise of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnels and their close family members.			

Details of transactions with related parties and balances with them as at period / year-end are as follows: -

	<i>March 31, 2012</i>		<i>June 30, 2011</i>	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
<b>Rupees</b>				
<b>Net investment in finance lease</b>				
Balance at beginning of the period / year	-	-	-	52,581,328
Sanctioned / granted	-	-	-	-
Rentals received / settled	-	-	-	(52,581,328)
Balance at end of the period / year	-	-	-	-
<b>Long term finances / loans</b>				
Balance at beginning of the period / year	71,799	-	394,796	-
Sanctioned / granted	-	-	-	-
Received during the period / year	(71,799)	-	(322,997)	-
Balance at end of the period / year	-	-	71,799	-
<b>Placement and finances</b>				
Balance at beginning of the period / year	-	-	-	-
Sanctioned / granted	-	-	-	165,434,514
Received during the period / year	-	-	-	(165,434,514)
Balance at end of the period / year	-	-	-	-
<b>Investment in associate</b>				
Balance at beginning of the period / year	-	163,947,170	-	22,961,150
Increase / (decrease) in interest	-	45,000,000	-	-
Transfer to / (from) available for sale investments	-	-	-	136,552,931
Share of (loss / profit)	-	(14,102,079)	-	1,551,349
Share of surplus / (deficit) on revaluation	-	1,134,245	-	2,881,740
Balance at end of the period / year	-	195,979,336	-	163,947,170
Advances and prepayments	-	5,100,000	-	8,100,000
Disposal of fixed assets - cost	-	-	879,000	-
<b>Sharing Expenses received</b>				
Sharing Expenses received	-	1,674,088	-	-
Office Rent received	-	3,240,000	-	-
<b>Settlement transactions</b>				
Short term investments acquired	-	185,000,000	-	96,727,732
Short term investments transferred	-	(89,000,000)	-	-
Property (transferred) / acquired	-	(70,000,000)	-	144,138,001
Other receivables acquired	-	-	-	26,950,351
Net investment in finance lease - transferred	-	-	-	(53,695,681)
Other receivables - transferred	-	-	-	(31,204,862)
Cash and bank balances - paid	-	(26,000,000)	-	(7,324,319)
Long term finances transferred	-	-	-	(163,472,076)
Short term investments transferred	-	-	-	(145,396,950)
Redeemable capital settled	-	-	-	194,000,000
Markup accrued on redeemable capital settled	-	-	-	13,881,896
Markup receivable transferred	-	-	-	(2,767,896)



FIRST DAWOOD INVESTMENT BANK LIMITED

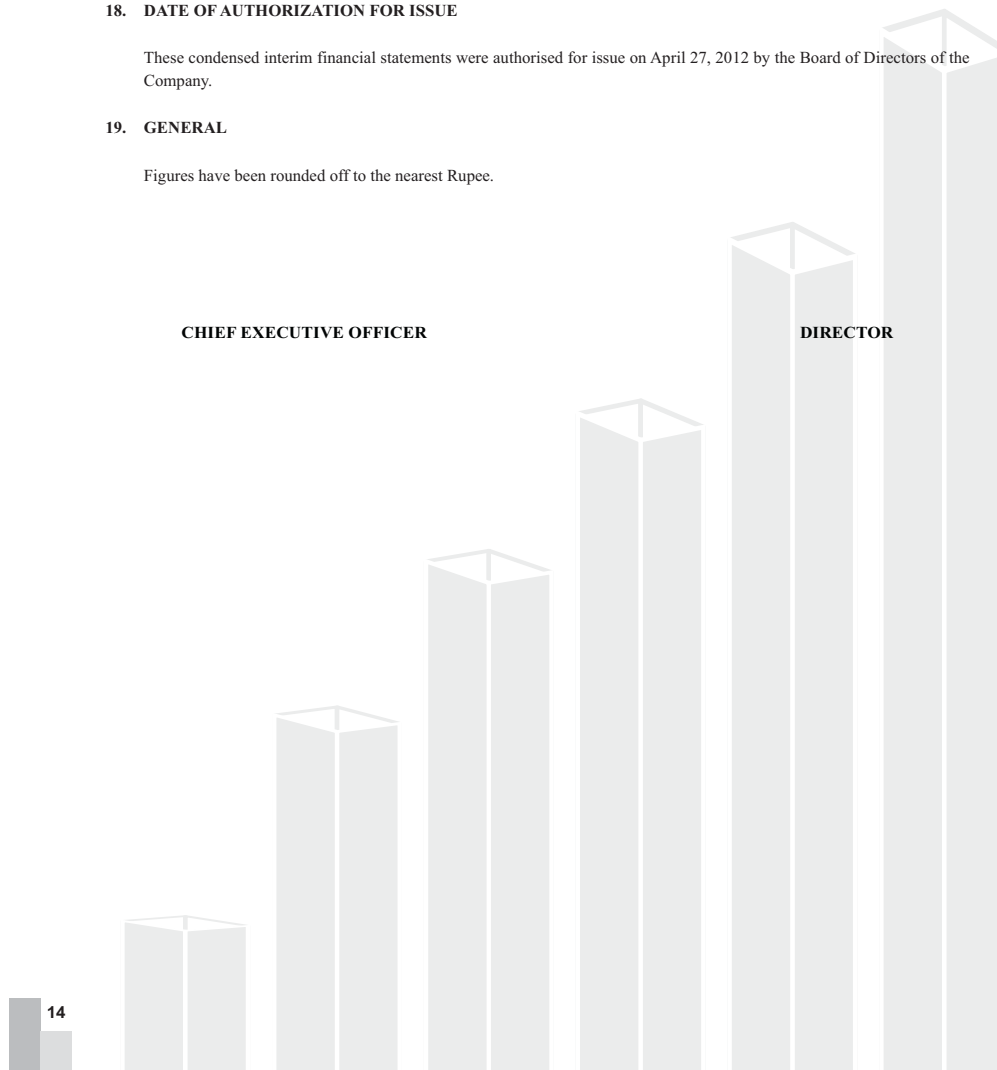
	<i>March 31, 2012</i>		<i>March 31, 2011</i>	
<b>Charge to profit and loss account</b>				
Finance cost	-	-	-	12,761,644
Lease income	-	-	-	1,129,129
Return on placements, finances, deposits and investments	-	663,140	-	9,024,962
Common expenses received	-	3,097,105	-	1,311,435
Share of (loss) / profit from associate	-	(14,102,079)	-	11,452,429
Share of common expenses paid	-	549,938	-	5,025,295
Service charges on staff loan	5,339	-	-	-
Group insurance	-	91,260	-	-
Rental income	-	1,675,170	-	-
Other income	-	-	-	8,790,000

**18. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on April 27, 2012 by the Board of Directors of the Company.

**19. GENERAL**

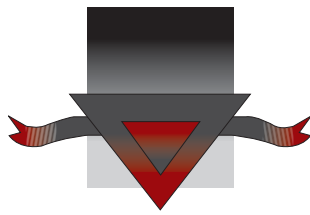
Figures have been rounded off to the nearest Rupee.



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## FIRST DAWOOD INVESTMENT BANK LIMITED

**Head Office :** 1900-B, Saima Trade Towers I.I. Chundrigar Road, Karachi-74000

PABX : +92 (21) 3227-1875-80, 37010960-65, 37014641-44

Fax : +92 (21) 3227-1912-13 Email : [fdib@firstdawood.com](mailto:fdib@firstdawood.com)

**Islamabad :** Office No. 20 & 21, Beverly Centre, 1st Floor, 56-G-7, Jinnah Avenue, Islamabad-7400.

Tel : +92 (051) 227-6367 & 227-4194-5 Fax : +92 (051) 227-1280

Email : [brim@isb.paknet.com.pk](mailto:brim@isb.paknet.com.pk)

**Lahore :** Suite No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg III, Lahore

Tel : +92 (42) 3578-1888 Fax : +92 (42) 3578-1890 Email : [fdibl@yahoo.com](mailto:fdibl@yahoo.com)