



CORPORATE INFORMATION

FIRST DAWOOD INVESTMENT BANK LIMITED

Board of Directors	Mr. Rafique Dawood Mr. Rasheed Y. Chinoy Mr. Ayaz Dawood Mr. AVM (R) Syed Javed Raza Mr. M. Riyazul Haque Mr. Khurshid A. Khair Mr. Abu Khursheed M. Ariff	Chairman Chief Executive Officer Director Director (Nominee of DCM) Director (Nominee of NIT) Director Director
Audit Committee	Mr. Rasheed Y. Chinoy Mr. M. Riyazul Haque Mr. Khurshid A. Khair	Chairman Member Member
Chief Financial Officer & Company Secretary	Mr. Nabeel Asif	
Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountants (Deloitte)	
Legal Advisor	Mohsin Tayebaly & Co.	
Management Consultants	Shekha & Mufti Chartered Accountants (Moore Stephens International)	
Bankers	Bank Al-Habib Habib Metropolitan Bank National Bank of Pakistan Oman International Bank Al-Baraka Islamic Bank Standard Chartered Bank United Bank	
Registered Office Head Office	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 fdib@firstdawood.com URLwww.firstdawood.com	
Branch Offices	Islamabad Branch 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 brrim@isb.paknet.com.pk Lahore Branch 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	
Share Registrar	F.D. Registrar Services (SMC-Pvt) Ltd. 1705, 17th Floor, Saima Trade Tower-A I.I. Chundrigar Road, Karachi-74000 Tel +92 (21) 3547 8192-93 / 021-32771906 Fax +92 (21) 3262 1233 / 021-32271905 Email fdregistrar@hotmail.com, fdregistrar@yahoo.com	

DIRECTORS' REPORT

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 first quarter interim financial statements of the Company for the period ended September 30, 2012.

Your company during the period under review recorded after-tax profit of Rs.109.61 million as compared to loss of Rs.40.69 million during corresponding period last year. Gross revenue for the quarter is Rs.5.84 million as compared to Rs.4.89 million during corresponding three months in last year. Financial charges drastically reduced to Rs.4.12 million from Rs.11.40 million as compared to corresponding period. The main factor of this reduction was settlement of liabilities, and restructuring a small portion on softer terms.

During the period under report the management has directed its concentration to adequate recoveries from problem loans, and gear up itself for normal business activities.

We are aware of the challenges ahead but we look forward to the future with confidence and expect that your company will be a revenue generating company through new business initiatives which have the approval of the Board of Directors and the company is in process for feasibility for these new businesses projects.

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.

November 7, 2012
Karachi.

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

Rasheed Y. Chinoy
Chief Executive

FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2012

		<i>Un Audited</i> September 30 2012	<i>Audited</i> June 30 2012
	<i>Note</i>	<i>Rupees</i>	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	6,122,391	7,486,509
Investment properties	6	70,095,000	70,095,000
Net investment in lease finance	7	61,007,530	61,007,530
Long-term investments	8	186,967,509	186,929,237
Long-term finances	9	10,050,917	10,062,306
Long-term loans		200,827	240,797
Long-term deposits		3,500,000	3,500,000
Deferred tax asset		198,893,526	129,746,665
		536,837,700	469,068,044
CURRENT ASSETS			
Current portion of non-current assets	10	352,990,079	362,640,338
Short term investments	11	62,596,619	33,736,257
Placements and finances	12	75,475,649	75,475,649
Advance against lease commitments		7,999,999	10,999,999
Advances and prepayments		10,099,053	9,186,632
Mark-up accrued		1,583,736	762,053
Other Asset		4,500,000	4,500,000
Other receivables		34,325,098	47,637,883
Cash and bank balances		100,010,469	139,860,361
		649,580,702	684,799,172
		<u>1,186,418,402</u>	<u>1,153,867,216</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		(1,421,405,420)	(1,465,185,983)
		254,665,809	210,885,246
Deficit on revaluation of investments		(9,987,869)	(9,987,869)
		244,677,940	200,897,377
NON CURRENT LIABILITIES			
Long-term loans	13	277,663,068	277,663,068
Long-term deposits		6,232,126	6,232,126
		283,895,194	283,895,194
CURRENT LIABILITIES			
Current portion of long term liabilities	14	339,773,458	353,224,560
Mark-up accrued		51,607,649	49,316,029
Short-term borrowings	15	81,418,223	81,418,223
Certificates of investment	16	100,000,000	107,250,000
Accrued and other liabilities		83,545,938	76,365,833
Taxation		1,500,000	1,500,000
		657,845,268	669,074,645
Contingencies and commitments	17	<u>1,186,418,402</u>	<u>1,153,867,216</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	September 30	September 30
	2012	2011
<i>Note</i>	<i>Rupees</i>	
INCOME		
Lease income	5,392	2,005,304
Return on placements, finances, deposits and investments	2,603,681	7,463,295
Gain on sale of securities	1,416,494	-
Income from long-term finances	149,627	2,018,372
Other income / (loss)	1,669,526	(6,597,344)
	5,844,720	4,889,627
PROVISIONS / CHANGES IN FAIR VALUE		
Reversal / (Provision) for lease losses and doubtful recoveries	104,680	(7,364,880)
Provision for Impairment	-	-
Loss on revaluation of investments - held-for-trading	(435,435)	-
Surplus on revaluation of investment property	-	-
	5,513,965	(2,475,253)
EXPENDITURE		
Administrative expenses	19,538,056	18,264,321
Finance cost	4,125,033	11,401,467
	(23,663,089)	(29,665,788)
	(18,149,124)	(32,141,041)
Share of loss of associates	-	(8,055,164)
(LOSS) BEFORE TAXATION	(18,149,124)	(40,196,205)
TAXATION		
Current year	-	500,000
Prior year	-	-
Deffered	69,146,861	-
	50,997,737	(40,696,205)
PROFIT / (LOSS) AFTER TAXATION	50,997,737	(40,696,205)
Earnings / (loss)per share - basic -	Rupees	0.81
		(0.65)
Earnings / (loss)per share - diluted -	Rupees	0.38
		(0.30)

The annexed notes from 1 to 20 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	<i>September</i> <i>2012</i>	<i>September</i> <i>2011</i>
	<i>Rupees</i>	
Net income / (loss) after taxation for the period	50,997,737	(40,696,205)
Other comprehensive income / loss		
Deficit on re-measurement of investments classified as available for sale		-
Share of surplus on remeasurement of investments in associate	-	1,184,552
Total comprehensive income / (loss) for the period	<u>50,997,737</u>	<u>(39,511,653)</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	<i>Note</i>	<i>September 30 2012 Rupees</i>	<i>September 30 2011 Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(18,149,124)	(40,196,205)
Adjustments:			
- Depreciation		780,801	2,212,980
- Gain on sale of investments		(1,416,494)	-
- Share of loss / (profit) of equity accounted investees		-	8,055,164
- Finance cost		4,125,033	11,401,467
- Gain on sale of property and equipment		(80,333)	-
- Reversal / (Provision) for lease losses and doubtful recoveries		(104,680)	7,364,880
- Exchange gain		(38,272)	(2,393)
- Other income / (loss)		(1,669,526)	8,966,738
		<u>1,596,529</u>	<u>37,998,836</u>
		(16,552,595)	(2,197,369)
Changes in operating assets and liabilities			
<i>(Increase) / decrease in operating assets</i>			
Net investment in lease finance		9,620,286	8,266,351
Long-term finances		11,389	808,344
Long-term loans		69,943	89,811
Placements and finances		-	140,000
Advances and prepayments		(912,421)	(397,517)
Advance against lease commitments		3,000,000	-
Interest accrued		(821,683)	2,056,139
Other receivables		8,697,204	(1,338,777)
		<u>19,664,718</u>	<u>9,624,351</u>
		3,112,123	7,426,982
<i>Increase / (decrease) in operating liabilities</i>			
Certificates of investment / deposits		(7,250,000)	(6,000,000)
Deposits		-	(2,293,175)
Short-term borrowings		-	-
Accrued and other liabilities		7,180,105	(5,779,249)
		<u>3,042,228</u>	<u>(6,645,442)</u>
Finance cost paid		(1,833,414)	(6,504,962)
Tax paid		-	(355,823)
Net cash used in from operating activities		<u>1,208,814</u>	<u>(13,506,227)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(168,075)	(76,400)
Proceeds from sale of property and equipment		1,420,833	121,050
Long term investment		-	-
Short term investments		(28,860,362)	51,230
Net cash flow from investing activities		<u>(27,607,604)</u>	<u>95,880</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long-term loans		(13,451,102)	(750,000)
Net cash flow (used in) / from financing activities		<u>(13,451,102)</u>	<u>(750,000)</u>
Net decrease in cash and cash equivalents		<u>(39,849,892)</u>	<u>(14,160,347)</u>
Cash and cash equivalents at beginning of the period		139,860,361	114,051,788
Cash and cash equivalents at end of the period		<u>100,010,469</u>	<u>99,891,441</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	SHARE CAPITAL		CAPITAL RESERVES			REVENUE RESERVES		TOTAL
	ORDINARY SHARES	PREFERENCE SHARES	STATUTORY RESERVE	PREMIUM ON RIGHT SHARES	CAPITAL RESERVE ON ACQUISITION	(DEFICIT) / SURPLUS ON REVALUATION OF INVESTMENTS	(ACCUMULATED LOSS) / UNAPPROPRIATED PROFIT	
	----- Rupees -----							
Balance as at July 01, 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 quarter	-	-	-	-	-	1,184,552	(40,696,205)	(39,511,653)
Dividend on preference shares @ 4% for the quarter	-	-	-	-	-	-	(7,217,171)	(7,217,171)
Balance as at September 30 2011	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(23,577,888)	(1,108,078,795)	544,414,546
Balance as at July 01, 2012	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(9,987,869)	(1,465,185,986)	200,897,374
Total Comprehensive income for the quarter	-	-	-	-	-	-	50,997,737	50,997,737
Dividend on preference shares @ 4% for the quarter	-	-	-	-	-	-	(7,217,171)	(7,217,171)
Balance as at September 30 2012	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(9,987,869)	(1,421,405,420)	244,677,940

The annexed notes from 1 to 20 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

1. STATUS AND NATURE OF BUSINESS

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 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 has been expired and now applied for renewal.

2. BASIS OF PRESENTATION

These condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of the 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'.

The condensed interim financial statements is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3. BASIS OF MEASUREMENT

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

4. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in preparation of these interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended 30 June 2012.

	<i>Note</i>	<i>September 30, 2012 Rupees</i>	<i>June 30, 2012 Rupees</i>
5. PROPERTY AND EQUIPMENT			
Furniture & fixtures		141,362	145,643
Equipment and appliances		1,358,993	1,300,200
Vehicles		4,622,036	6,040,666
		<u>6,122,391</u>	<u>7,486,509</u>
5.1 Acquisition of assets - at cost			
Equipment and appliances		168,075	-
Vehicles		-	76,400
		<u>168,075</u>	<u>76,400</u>
5.2 Disposal of assets - at cost			
Vehicles		1,340,500	146,900
		<u>1,340,500</u>	<u>146,900</u>

		<i>September 30, 2012 Rupees</i>	<i>June 30, 2012 Rupees</i>
6. INVESTMENT PROPERTIES			
Opening balance		70,095,000	119,086,520
Acquired in settlement of assets		-	-
Disposed off in settlement of liabilities		-	(47,990,624)
Transferred to operating fixed assets		-	-
Loss on fair value adjustment		-	(1,000,896)
		<u>70,095,000</u>	<u>70,095,000</u>
7. NET INVESTMENT IN LEASE FINANCE			
Net investment in lease finance	7.1	745,256,592	754,876,878
Provision for doubtful receivables		(485,097,475)	(485,097,475)
Current portion	10	(199,151,587)	(208,771,873)
		<u>61,007,530</u>	<u>61,007,530</u>
7.1 Particulars of net investment in lease finance			
Minimum lease payments receivable		760,684,699	767,322,488
Residual value of leased assets		<u>139,678,225</u>	<u>139,678,225</u>
		900,362,924	907,000,713
Unearned finance income		(152,123,832)	(152,123,835)
Net Investment in lease finance		<u>748,239,092</u>	<u>754,876,878</u>
8. LONG TERM INVESTMENTS			
Investment in associates	8.1	182,360,837	182,360,837
US Dollar bond		4,606,672	4,568,400
		<u>186,967,509</u>	<u>186,929,237</u>
8.1 Investment in associates			
Opening Balance		182,360,837	163,947,170
Increase in interest in associates		-	45,000,000
Transfer to available-for-sale investment		-	-
Share of profit / (loss)		-	(27,454,104)
Share of surplus / (deficit) on revaluation of investments		-	867,771
		<u>182,360,837</u>	<u>182,360,837</u>
8.1.1 Carrying value of investment in associate			
	<i>Sep-12</i>	<i>Jun-12</i>	
	<i>Number of Shares</i>		<i>Name of associate</i>
	2,246,070	2,246,070	Dawood Capital Management Ltd.
	4,762,100	4,762,100	B.R.R. Investments (Private) Ltd.
	20,026,010	20,026,010	Dawood Family Takaful Limited
			<u>22,533,668</u>
			<u>18,198,947</u>
			<u>141,628,222</u>
			<u>182,360,837</u>
9. LONG TERM FINANCES			
Term finance facilities		356,882,599	356,893,988
Provision for doubtful receivables		(193,038,217)	(193,038,217)
Current portion	10	(153,793,465)	(153,793,465)
		<u>10,050,917</u>	<u>10,062,306</u>
10. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance	7	199,151,587	208,771,873
Long-term finances	9	153,793,465	153,793,465
Long-term loans		45,027	75,000

11. SHORT TERM INVESTMENTS

11.1 Investments - Held for Trading

Listed Ordinary Shares	17,992,110	6,381,748
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11.2 Investments - Available for sale

Term finance certificates	24,925,786	7,675,786
Unquoted securities	19,678,723	19,678,723
	<u>44,604,509</u>	<u>27,354,509</u>

11.2 Investments - Held to Maturity

	<u>62,596,619</u>	<u>33,736,257</u>
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September 30,	June 30,
2012	2012
Rupees	Rupees

12. PLACEMENTS AND FINANCES

Placements and finances- unsecured	14,500,000	14,500,000
Provision for doubtful finances	(14,500,000)	(14,500,000)
	-	-

Financing against shares	311,071,100	311,071,100
Provision for doubtful finances	(311,071,100)	(311,071,100)
	-	-

Short-term finance - secured	66,081,567	66,081,567
Provision for doubtful finances	(39,500,901)	(39,500,901)
	26,580,666	26,580,666

Certificates of deposit	5,000,000	5,000,000
Provision for doubtful deposits	(5,000,000)	(5,000,000)
	-	-

Morabaha / Musharika Finances	124,018,446	124,018,446
Provision for Doubtful Finances	(75,123,463)	(75,123,463)
	48,894,983	48,894,983
	<u>75,475,649</u>	<u>75,475,649</u>

13. LONG TERM LOANS

Asian Development Bank	40,509,242	49,460,344
Commercial banks	456,385,597	460,885,597
	496,894,839	510,345,941
Current Portion	(219,231,771)	(232,682,873)
	<u>277,663,068</u>	<u>277,663,068</u>

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14. CURRENT PORTION OF LONG TERM LIABILITIES

Long term loans	219,231,771	232,682,873
Lease deposits	120,541,687	120,541,687
	<u>339,773,458</u>	<u>353,224,560</u>

15. **SHORT TERM BORROWINGS**

Unsecured

From commercial banks - call borrowings	6,418,223	6,418,223
Non-banking finance companies - call borrowings	75,000,000	75,000,000
	<u>81,418,223</u>	<u>81,418,223</u>

16. **SHORT TERM CERTIFICATES OF INVESTMENT / DEPOSIT**

Non banking financial institutions	100,000,000	107,250,000
	<u>100,000,000</u>	<u>107,250,000</u>

17. **CONTINGENCIES AND COMMITMENTS**

17.1 *Contingent Liability*

Letters of comfort / guarantee	<u>2,038,000,000</u>	<u>2,038,000,000</u>
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18. **TRANSACTIONS WITH RELATED PARTIES**

18.1 Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members.

18.2 Details of transactions with related parties and balances with them except for those disclosed elsewhere in the financial statements are as follows:

	30-Sep-12		30-Jun-12	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
	----- Rupees -----			
Long term finances / loans				
Balance at beginning of the year	-	-	71,799	-
Sanctioned / granted	-	-	-	-
Received during the year	-	-	(71,799)	-
Balance at end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment in associate				
Balance at beginning	-	182,360,837	-	163,947,170
Increase / (decrease) in interest	-	-	-	45,000,000
Transfer to / (from) available for sale investments	-	-	-	-
Share of (loss / profit)	-	-	-	(27,454,104)
Share of surplus / (deficit) on revaluation	-	-	-	867,771
Balance at end of the year	<u>-</u>	<u>182,360,837</u>	<u>-</u>	<u>182,360,837</u>
Short term loan	-	8,100,000	-	8,100,000
Disposal of fixed assets - cost	1,340,500	-	3,224,350	-
Unearned Rent	-	2,805,500	-	3,077,000
Markup Accrued	-	714,000	-	714,000
Settlement transactions				
Short term investments acquired	-	-	-	146,000,000
Property acquired	-	-	-	70,000,000
Term finance facility received	-	-	-	7,500,000
Term finance facility transferred	-	-	-	7,151,192
Cash and bank balances - paid	-	-	-	26,000,000
Short term investments transferred	-	-	-	50,000,000

Charge to profit and loss account

Return on placements, finances, deposits and investments	-	271,500	-	305,162
Common expenses charged	-	-	-	1,402,782
Share of (loss) / profit from associate	-	-	-	-
Share of common expenses paid	-	-	-	328,498
Service charges on staff loan	-	-	5,339	-
Group Insurance	-	-	-	91,260

19. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

20. GENERAL

Figures have been rounded off nearest to Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR