

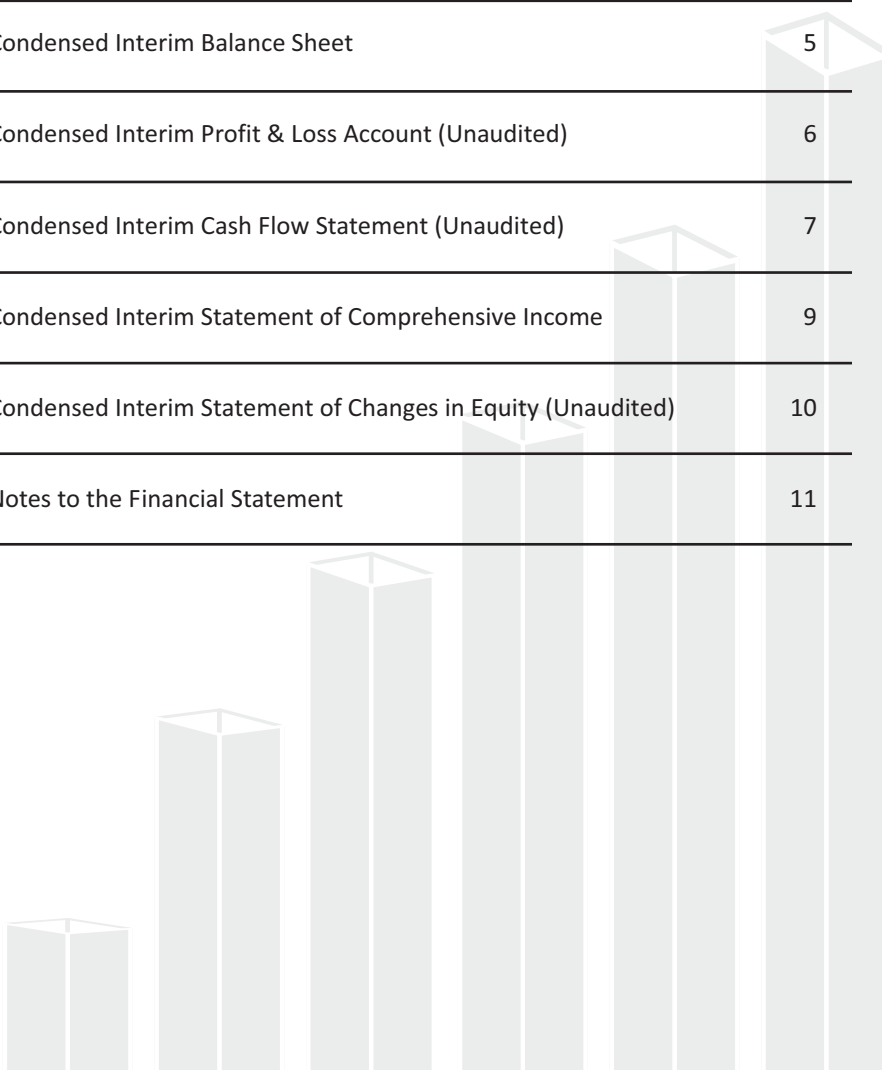
# FIRST DAWOOD INVESTMENT BANK LIMITED

**Half Yearly Report  
31 December 2011**



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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. Omar Hasan Khan Bangash Mr. M. Riyazul Haque	Chairman Chief Executive Officer Director Director Director (Nominee of DCM) Director Director (Nominee of NIT)
<b>Audit Committee</b>	Mr. Rasheed Y. Chinoy Mr. Omar Hasan Khan Bangash Mr. M. Riyazul Haque	Chairman Member 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 reviewed interim financial statements of the Company for the period ended December 31, 2011.

The NBFC Sector is still in the pace of recovery however the difficult times are not over mainly due to liquidity constrains. The major contributor of the NBFC liquidity i.e. Commercial banks are still reluctant to extend support to this sector, as their surplus liquidity is sucked in at zero risk Govt Treasury Bills.

For NBFC this situation has worsened due to unfavorable economic indicators, unstable law and order situation, rising circular debt, energy deficiency and gas shortfall which have hit the SME, which is the prime clientele's of our sector badly, excessive borrowings by the Government from the banks has also keep it high inflation intact, which is eroding the purchasing power of consumer, effecting demand and consequently industrial output. Continuous rise in fuel prices, micro/macroeconomic imbalances have been the main cause of the dooms days for the SME sector of the country.

Your company during the 1st half for financial year 2011-12, has reported after-tax loss of Rs.209.94 million as compared to profit of Rs.59.22 million during corresponding period last year. There is no operational loss to the company. However the main reason is the provisioning requirement as per Prudential Regulations. Although the company has adequate collateral, but due to the regulatory framework, the benefit of FSV's of having value higher than the outstanding exposures had to be brought down to 50% as per the regulations currently enforced. The management is making all out efforts to negotiate settlements with all those clients whose securities are intact or to repossess the securities to offer it for sale. Though the books are depicting losses, these are book losses, no constrains is on the cash flows. The cash flows have rather increased remarkably, which is very positive for your company's future prospects. Moreover the regulators are facilitating a new business model for this sector which is expected to let the NBFC sector stand on sound footings.

Despite high inflationary trend, the management has kept a tight control, and the administrative expenses for the period under review declined by 20% at Rs.40.23 million as compared to Rs.49.84 million during the corresponding period last year.

Financial Cost reduced significantly to Rs.16.99 million from Rs.51.44 million during the corresponding period last year mainly due to restructuring of remaining portion of liabilities on much softer terms.

In order to sustain the pressure of current adverse economic conditions and enhance competitive edge, your company has been focusing on cash recoveries from problem loans, reduction of liabilities, and controlling costs, which in the present scenario is the backbone for the Company sustain its present state of affairs. The management is pleased to inform you that significant cash recoveries have been made from problem cases and even in certain cases where transactions had been classified into loss category.

The recovery drive is in its full swing and it is expected that handsome recoveries will be made in the June closing. This will not only enhance the equity base of the company, but will also allow the company to keep on writing leasing business at least in the motor vehicle sector, where negotiations have been held with some reputable corporation to meet their requirements. Similarly brokerage business has intensified, and it is hoped that the division would start generating revenue for the company before the close of this year.

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

February 29, 2012  
Karachi.

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

**Rafique Dawood**  
Chairman



**Deloitte.**

**M. Yousuf Adil Saleem & Co.**  
Chartered Accountants  
Canish Court, A-35, Block 7 & 8  
KCHSJ, Sharea Faical  
Karachi-75350  
Pakistan

UAN: +92 (0) 21 111-55-2626  
Fax: +92 (0) 21-3454 1314  
Web: [www.deloitte.com](http://www.deloitte.com)

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **First Dawood Investment Bank Limited** ("the Company") as at December 31, 2011, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months ended December 31, 2011 (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2010 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2011.

**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 as of and for the half year ended December 31, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

We draw attention to the following matters:

- i) As fully described in note 1.3 to the interim financial information that the Company is facing financial problems, its accumulated losses are in the tune of Rs 1,284.544 million, its license are presently suspended and is not being able to meet Minimum Equity Requirement of Rs 850 million. These conditions alongwith other matters as set forth in note 1.3 and note 16 relating to unfunded exposures in respect of guarantees and letters of comfort, may cast significant doubt about the Company's ability to continue as a going concern. However, the management is confident that the Company will be able to perform according to the plan stated in note 1.3 to the interim financial information.

Our conclusion is not qualified in respect of these matters.

**Chartered Accountants**

**Engagement Partner**  
Mushtaq Ali Hirani

**Karachi**  
Dated February 29, 2012

**CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2011**

FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Note</i>	<i>Unaudited December 31, 2011 Rupees</i>	<i>Audited June 30, 2011 Rupees</i>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	65,893,073	69,470,998
Investment properties		119,086,520	119,086,520
Net investment in lease finance	6	77,637,020	60,223,073
Long-term investments	7	194,234,369	163,947,170
Long-term finances	8	25,200,032	12,843,780
Long-term loans		271,591	315,796
Long-term deposits		2,500,000	2,500,000
Deferred tax asset	9	74,566,735	98,116,360
		559,389,340	526,503,697
<b>CURRENT ASSETS</b>			
Current portion of non-current assets	10	590,279,283	922,840,417
Short-term investments	11	87,447,709	49,886,438
Placements and finances	12	122,080,322	133,538,651
Advance against lease commitments		21,000,000	21,000,000
Advances and prepayments		8,330,426	9,619,144
Mark-up accrued		1,902,532	1,690,893
Other receivables		24,290,785	45,759,849
Cash and bank balances		145,946,393	114,051,788
		1,001,277,450	1,298,387,180
		1,560,666,790	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		(1,284,543,723)	(1,060,165,419)
		391,527,506	615,905,810
Deficit on revaluation of investments		(23,963,886)	(24,762,440)
		367,563,620	591,143,370
<b>NON CURRENT LIABILITIES</b>			
Long-term loans	13	558,591,343	559,128,693
Long-term deposits		7,182,802	18,089,621
		565,774,145	577,218,314
<b>CURRENT LIABILITIES</b>			
Current portion of long-term liabilities	14	251,428,409	277,672,815
Mark-up accrued		78,234,508	69,338,411
Short-term borrowings		81,418,223	81,418,223
Certificates of investment	15	152,250,000	165,500,000
Accrued and other liabilities		63,497,885	58,224,571
Taxation		500,000	4,375,173
		627,329,025	656,529,193
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16	1,560,666,790	1,824,890,877

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE SIX MONTHS AND QUARTERS ENDED DECEMBER 31, 2011**

FIRST DAWOOD INVESTMENT BANK LIMITED

Note	Six months ended		Quarter ended	
	December 31		December 31	
	2011	2010	2011	2010

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

**INCOME**

Lease income	8,714,954	29,551,129	6,709,650	24,225,165
Return on deposits and investments	12,003,569	56,393,760	4,540,274	44,000,794
Loss on sale of securities	-	(8,372,166)	-	(8,774,566)
Income from long-term finances	4,118,698	20,317,934	2,100,326	7,046,308
Loss on de-recognition of financial assets	-	(18,707,169)	-	(18,707,169)
Other income	2,841,159	39,150,533	9,438,503	22,910,909
	27,678,380	118,334,021	22,788,753	70,701,441

**PROVISION / CHANGES IN FAIR VALUE**

(Provision) / reversal for lease losses and doubtful recoveries	17 (141,024,383)	35,014,765	(133,659,503)	16,985,485
(Impairment) / reversal of impairment in financial assets	(1,387,499)	1,152,614	(1,387,499)	-
	(142,411,882)	36,167,379	(135,047,002)	16,985,485
	(114,733,502)	154,501,400	(112,258,249)	87,686,926

**EXPENDITURES**

Administrative and operating expenses	(40,226,996)	(49,840,875)	(21,962,675)	(30,036,000)
Finance cost	(16,988,114)	(51,438,913)	(5,586,647)	(35,866,644)
	(57,215,110)	(101,279,788)	(27,549,322)	(65,902,644)
Share of (loss) / profit of associates	(15,511,355)	12,307,177	(7,456,191)	(2,141,969)
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	(187,459,967)	65,528,789	(147,263,762)	19,642,313

**TAXATION**

Current	(500,000)	(3,005,700)	-	(2,005,700)
Prior year	1,565,630	-	1,565,630	-
Deferred	(23,549,625)	(3,300,000)	(23,549,625)	(3,300,000)
	(22,483,995)	(6,305,700)	(21,983,995)	(5,305,700)
<b>(LOSS) / PROFIT AFTER TAXATION</b>	(209,943,962)	59,223,089	(169,247,757)	14,336,613

Loss per share - basic and diluted	(3.35)	0.95	(2.70)	0.23
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The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

FIRST DAWOOD INVESTMENT BANK LIMITED



*Six months ended*  
**December 31**

**2011**                      **2010**  
**Rupees**                      **Rupees**

**A. CASH FLOWS FROM OPERATING ACTIVITIES**

(Loss) / profit before taxation	(187,459,967)	65,528,789
Adjustments:		
Depreciation	4,466,575	1,919,795
Loss on sale of investments	-	8,372,166
Share of loss / (profit) of equity accounted investees	15,511,355	(12,307,177)
Finance cost	16,988,114	51,438,913
Gain on sale of property and equipment	-	(185,475)
Provision against lease losses and doubtful recoveries	141,024,383	(35,014,765)
Impairment / (reversal of impairment) in financial assets	1,387,499	(1,152,614)
Other loss	-	9,705,479
Loss on de-recognition of financial assets	-	18,707,169
	<u>179,377,926</u>	<u>41,483,491</u>
	(8,082,041)	107,012,280

**Changes in operating assets and liabilities**

*(Increase) / decrease in operating assets*

Net investment in lease finance	51,442,601	237,175,633
Long-term finances	25,419,056	14,473,474
Long-term loans	108,049	193,971
Placements and finances	290,000	(96,520,324)
Advance against lease commitments	-	1,500,001
Advances and prepayments	276,192	1,522,083
Mark-up accrued	6,517,177	12,454,008
Other receivables	12,493,417	(42,613,016)
	<u>96,546,492</u>	<u>128,185,830</u>
	88,464,451	235,198,110

*Increase / (decrease) in operating liabilities*

Certificates of investment	(13,250,000)	(15,566,522)
Long-term deposits	(29,188,575)	(128,187,467)
Short-term borrowings	-	91,474,846
Accrued and other liabilities	5,273,314	(43,697,676)
	<u>(37,165,261)</u>	<u>(95,976,819)</u>
Financial cost paid	(8,092,017)	(64,631,984)
Tax paid	(3,362,647)	(1,051,873)
Net cash generated from operating activities	<u>39,844,526</u>	<u>73,537,434</u>

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(1,047,300)	(8,636,585)
Proceed from sale of property and equipment	158,650	263,900
Long-term investments	-	(136,552,931)
Long-term deposits	-	2,000,000
Short-term investments	1,438,729	91,259,951
Net cash generated from / (used in) investing activities	<u>550,079</u>	<u>(51,665,665)</u>





*Six months ended  
December 31*

*2011                      2010  
Rupees                      Rupees*

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of long-term loans	(8,500,000)	(1,892,755)
Long-term loans obtained	-	8,000,000
Net cash (used in) / generated from financing activities	<u>(8,500,000)</u>	<u>6,107,245</u>
Net increase in cash and cash equivalents	31,894,605	27,979,014
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>145,946,393</u>	<u>74,617,206</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS AND QUARTERS ENDED DECEMBER 31, 2011**



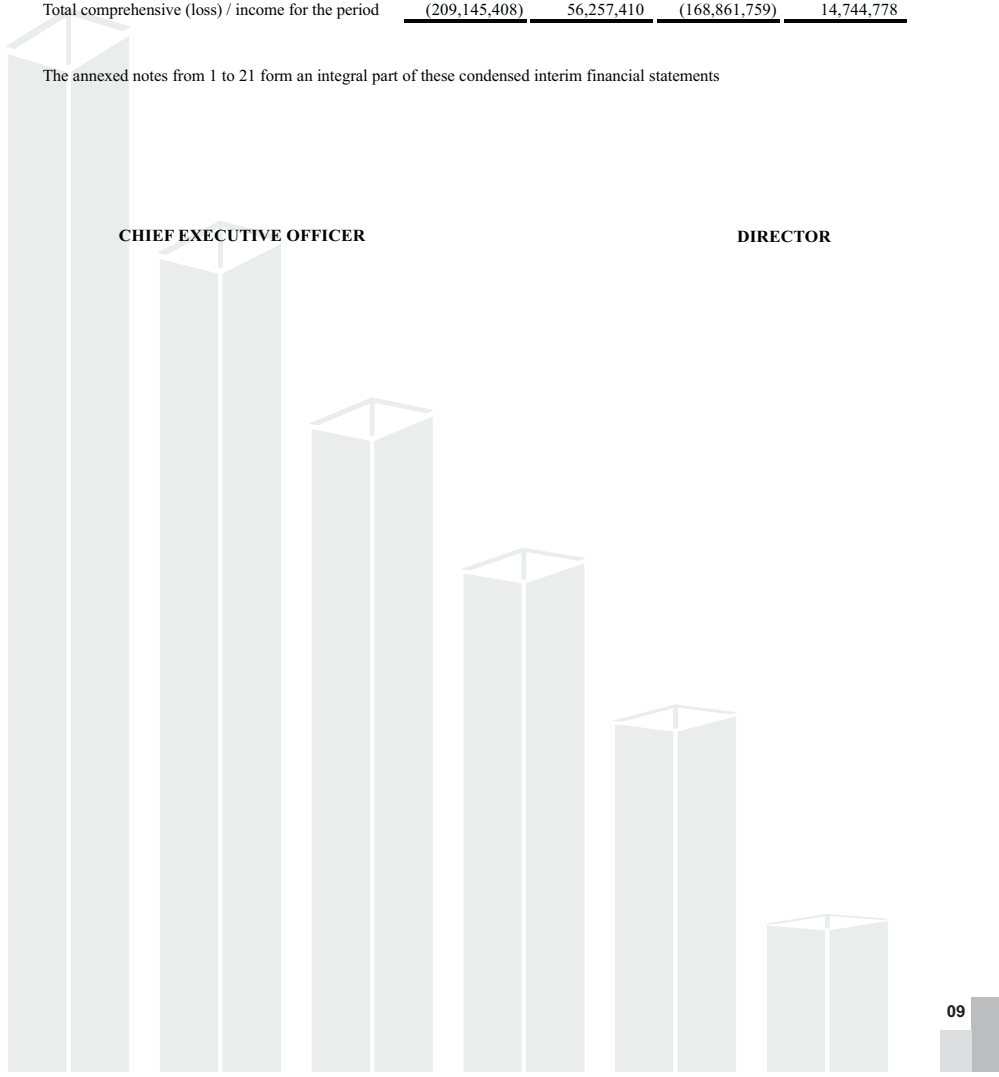
FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Six months ended</i>		<i>Quarter ended</i>	
	<i>December 31</i>	<i>December 31</i>	<i>December 31</i>	<i>December 31</i>
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<----- Rupees ----->			
(Loss) / profit after taxation	(209,943,962)	59,223,089	(169,247,757)	14,336,613
Other comprehensive income				
Deficit on remeasurement of investments classified as available-for-sale	-	(4,710,685)	-	(1,224,311)
Share of associates' surplus on remeasurement of investments	798,554	1,745,006	385,998	1,632,476
	798,554	(2,965,679)	385,998	408,165
<b>Total comprehensive (loss) / income for the period</b>	<b>(209,145,408)</b>	<b>56,257,410</b>	<b>(168,861,759)</b>	<b>14,744,778</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**





**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2011**

	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	-	-	-	-	-	(2,965,679)	59,223,089	56,257,410
- Other comprehensive income	-	-	-	-	-	(14,434,342)	(14,434,342)	(14,434,342)
Dividend on preference shares @ 4%	-	-	-	-	-	-	-	-
Balance as at December 31, 2010	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(70,836,205)	(942,719,115)	662,515,909
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Loss for the period	-	-	-	-	-	-	(103,247,304)	(103,247,304)
- Other comprehensive income	-	-	-	-	-	46,073,765	46,073,765	46,073,765
Dividend on preference shares @ 4%	-	-	-	-	-	-	(14,199,000)	(14,199,000)
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	-	-	-	-	-	-	(209,943,962)	(209,943,962)
- Other comprehensive income	-	-	-	-	-	798,554	798,554	798,554
Dividend on preference shares @ 4%	-	-	-	-	-	-	(14,434,342)	(14,434,342)
Balance as at December 31, 2011	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(23,963,886)	(1,284,543,723)	367,563,620

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**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.) Limited, Security Leasing Company Limited, TPL Trakkers Limited, Dewan Cement Limited, House Building Finance Company Limited, Bunny's Limited, Pak Hye-Oils Limited, Vision Developers Limited, Flying Board and Paper Products Limited. The value of such assets as at December 31, 2011 amounted to Rs. 22.54 billion (2011: 23.57 billion).
- 1.3 The Company incurred net loss of Rs 209.94 million during six months period ended December 31, 2011 and its accumulated loss became Rs 1.28 billion as at December 31, 2011. However, the management is confident that with an equity of Rs 367.56 million, the Company will be able to continue as a going concern and will able to perform according to the following mitigation plan.

***Mitigation plan***

The management has been on the path of increasing its recoveries from the non performing portfolio and have successfully achieved its targets of recovery. In next six months, cash balances will be increased further which will allow the Company to restart its leasing business. With enhanced cash flows, the Company is poised to start writing new leases. It is hoped that size of leasing business will start growing again, which will generate revenues for the Company.

The monthly cash outflows is about Rs 7 to Rs 8 million including scheduled repayments and administrative expenses. The Company is not only meeting that requirement, but have been able to increase its cash flows.

During the six months ended December 31, 2011, provision of Rs. 141.02 million was recorded in the current period mainly due to the reason that benefit of Forced Sale Values (FSVs) was reduced from 80% to 70% and from 70% to 50% as compared to June 30, 2011 in accordance with the provisioning rules prescribed in NBFC Regulations, 2008 (the Regulations) and some FSVs were not renewed as a matter of prudence. There are number of collaterals which have higher value than their FSV, but according to the Regulations, full benefit could not be booked which has resulted in further erosion of equity.

Presently, the equity of the Company is Rs 367.56 million which is below the Minimum Equity Requirement (MER) of Rs 850 million as stated in Schedule 1 read with the Regulation 4 of NBFC's Regulations, 2008. However, this requirement will be addressed through write backs of provision and also through a proposal of revising down the MER, which is being discussed amongst market players under the guidance of SECP. It is expected that the new MER regime will be effective before June 30, 2012. This will not only provide respite to all NBFCs / Modarabas, but this institution as well, as the Company would be having reasonable increase over the minimum requirements.

***Renewal of licence***

The request of the Company for renewal of licences continues to remain with the SECP. As elaborated above, this is primarily, because SECP is working on a new model for NBFC sector. As per the proposed model, the Company should be able to renew its 'Leasing and Investment Finance Services Licenses (i.e. without permission for deposit raising)', as soon as the said model is promulgated, as the MER prescribed in the said model is Rs.200 million and the Company's equity is well above Rs.200 million as of December 31, 2011.

***Status of debt equity swap, restructuring and settlement***

As of December 31, 2011, the Company restructured majority of its liabilities at a mark up rate ranges from 0% to 5% which have been spread over long term period. Further, loan of Rs. 135 million, out of total outstanding loan of Rs 221.02 of one of the lenders, has been settled subsequent to the period end.



The Company issued preference shares of Rs. 715 million in settlement of its debts in June 2010 which has payout rate of 4% p.a. If the Company is unable to pay cumulative dividend to preference share holders then preference shares along with the cumulative dividend will be converted into ordinary shares at par. This conversion will also strengthen the equity base of the Company.

#### ***Status of litigation cases by the creditors***

In case of funded liabilities, only three cases are still pending in the court of law amounting to Rs.181 million, who despite management's efforts has not yet agreed to settle their clean exposure / investment in 'COIs' against our assets nor they have agreed to restructured their outstanding over 3-5 year term at zero percent. House Building Finance Company Limited has obtained a decree of Rs.75 million and as per the orders of the Court; some of the Company's investment in shares and debt instruments have been attached in favor of Nazir and we are willing to give them those assets against settlement. The matter of COIs of State Life Insurance Company Limited (SLICL) amounting to Rs.100 million is still in the Court, but SLICL has referred the matter to 'Karachi Center of Dispute Resolution' (KCDR). We are hopeful that KCDR will be able to settle the matter.

#### ***Status of bank guarantees***

Total amount of guarantees outstanding as at June 20, 2010 were Rs. 3,441 million which came down to Rs.2,991 million as of June 30, 2011 and Rs 2,113 million as of December 31, 2011 mainly due to expiry / return of guarantee documents. The guarantees amounting to Rs.623 million are under litigation. The legal counsel of the Company is confident that no cash outflow will arise against these guarantees. The complete detail of guarantee portfolio is stated in note 16.

#### ***Latest credit rating***

The fresh credit rating was not sought from credit rating agency. The rating was downgraded to 'D' in December-2009. The management will obtain new rating once the licenses are renewed and normal business operations will be recommenced.

#### ***SECP and other regulatory correspondence during the current period***

Inspection of the Company's affairs was conducted by the SECP during the last financial year. The Company had already responded the final report and thereafter no significant correspondence have been made with SECP.

#### ***Contribution from sponsors towards equity***

The Board / sponsors were considering issuance of right shares but due to ongoing economic conditions in the country, it was postponed till the market conditions get improved. The sponsoring directors are fully committed to subscribe their portion of right issue in future.

#### ***Future prospects***

The emphasis of the management is now on the sustainability of the Company and full focus and efforts have been diverted to recoveries. The outcome of recovery efforts are very encouraging and promising. These recoveries have boosted the cash reserves of the Company. Although the quantum of provision increased during the period due to rigorous provisioning requirements of the NBFC Regulations, but a sizeable non-performing loan portfolio provides a good cushion for reasonable recovery within two to three years.

Further, SECP has distributed the details of various steps for the revival of the NBFC Sector including the issue of MER. Due to this revised requirement, the Company will be fully complied with the MER, and is expected to grow, as recovery from the non-performing assets (NPA) has been intensified. In this year, the Company has managed to recover over Rs.148 million from its NPA. So the MER will keep on growing even in this subdued state of affairs of the NBFC sector. The MER for non-deposit taking institution will be Rs 200 million.

The management is confident that it will manage to continue writing back these provisions, which will result into better cash flows for starting up business as usual without external help. We are expecting reversals in provisions of approximately Rs 150 million till June 30, 2012. Moreover, its positive current ratio and strong cash and bank position would help us to make fresh investments in order to generate operating income.

All of the above efforts reveal that the management is not only committed to remain in the business but also start fresh investment finance and leasing business once its license is renewed.

## 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. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of the provisions of the Code of Corporate Governance 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

	<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
Leasehold improvement		770,000	6,898,253
Vehicles		277,300	5,938,500
Building		-	51,072,000
Furniture and fixtures		-	128,735
Equipment and appliances		-	1,599,835
		<u>1,047,300</u>	<u>65,637,323</u>

### 5.2 Disposal of assets - at cost

Vehicles		217,400	1,937,800
Equipment and appliances		-	999,550
		<u>217,400</u>	<u>2,937,350</u>

## 6. NET INVESTMENT IN LEASE FINANCE

Net investment in lease finance	6.1	855,368,423	966,280,391
Provision for potential lease losses	6.2	(405,487,105)	(313,945,872)
Current portion	6.3 & 10	(372,244,298)	(592,111,446)
		<u>77,637,020</u>	<u>60,223,073</u>

### 6.1 Particulars of net investment in lease finance

Minimum lease payments receivable		887,358,304	984,755,035
Residual value of leased assets		150,134,984	179,323,584
		<u>1,037,493,288</u>	<u>1,164,078,619</u>
Unearned finance income		(182,124,865)	(197,798,228)
Net investment in lease finance		<u>855,368,423</u>	<u>966,280,391</u>



6.1.1 As at December 31, 2011, the balance of non-performing lease portfolio as per time based criteria prescribed in NBFC Regulations, 2008 amounting to Rs.699.36 million (June 30, 2011 : Rs.785.84 million). The forced sale value considered against these non-performing lease portfolio amounting to Rs 188.9 million (June 30, 2011: Rs 457.94 million).

6.1.2 These lease finances carry mark up ranging from 8% to 29.17% (June 30, 2011 8% to 29.17%) having maturity period of three to five years and are secured against leased assets.

	<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>6.2 Provision for potential lease losses</b>			
Opening balance		313,945,872	291,470,451
Charge during the year - net		111,721,156	77,558,526
Written off		(20,179,923)	(55,083,105)
Closing balance		<u>405,487,105</u>	<u>313,945,872</u>

**6.3 Current portion of lease finance**

Maturing within one year		777,731,403	906,057,318
Provision for potential lease losses		(405,487,105)	(313,945,872)
		<u>372,244,298</u>	<u>592,111,446</u>

**7. LONG-TERM INVESTMENTS**

Investment in associates	7.1	<u>194,234,369</u>	<u>163,947,170</u>
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**7.1 Investment in associates**

Opening balance		163,947,170	22,961,150
Increase in interest of associates	7.1.1	45,000,000	-
Share of (loss) / gain		(15,511,355)	1,551,349
Share of surplus on revaluation of investments		798,554	2,881,740
Transfer from available-for-sale investment		-	136,552,931
		<u>194,234,369</u>	<u>163,947,170</u>

7.1.1 It represents 4.5 million shares (having face value of Rs 10 each) of Dawood Family Takaful Limited acquired during the period in settlement of one of its long term finance facility.

**8. LONG-TERM FINANCES**

Term finance facilities	8.1 & 8.2	395,145,779	483,983,656
Provision for doubtful finances	8.3	(151,992,134)	(140,556,121)
Current portion	8.4 & 10	(217,953,613)	(330,583,755)
		<u>25,200,032</u>	<u>12,843,780</u>

8.1 The mark-up / profit rates ranges from 8% to 18.51% (June 30, 2011 : 8% to 19.27%) per annum receivable on monthly/quarterly basis. These are secured against mortgage of immovable properties; principal will redeem up to March-2020.

8.2 These include Rs. 385.76 million (June 30, 2011 : Rs.450.63 million) which have been placed under non-performing status. The forced sales value considered against these non-performing finances amounting to Rs. 271 million (June 30, 2011 : 347.34 million).

		<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>8.3 Particulars of provision for doubtful finances</b>			
Opening balance		140,556,121	225,821,074
Charge / (reversal) for the period - net		29,854,834	(85,216,032)
Written off		(18,418,821)	(48,921)
Closing balance		<u>151,992,134</u>	<u>140,556,121</u>

	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>8.4 Current portion of long-term finances</b>		
Maturing within one year	369,945,747	471,139,876
Provision for doubtful finances	<u>(151,992,134)</u>	<u>(140,556,121)</u>
	<u>217,953,613</u>	<u>330,583,755</u>

**9. DEFERRED TAX ASSET**

Deferred tax asset is recognized in respect of carry forward assessed tax losses/deductible temporary differences to the extent it is probable that there will be future taxable profits against which these losses/deductible temporary differences can be utilized. The Company had prepared five year business plan as at June 30, 2011 which have been reviewed by the Board of Directors. The business plan involves certain key assumptions underlying the estimation of future taxable profits including injection of fresh equity. The determination of future taxable profit is directly related and sensitive to certain key assumptions such as recoveries of outstanding lease and long term finances, resumption of licenses, expected return on investments and bank balances etc. Any change in the key assumptions may have an effect on the realisability of the deferred tax asset. The Board believes that it is probable that the Company will be able to achieve the profits projected in the business plan. By comparing actual results of six months period ended December 31, 2011 with those projected, the management has reversed deferred tax asset of Rs 23.550 million as at December 31, 2011. Deferred tax asset amounting to Rs. 776.18 million in respect of remaining losses and deductible temporary difference has not been recognised in this condensed interim financial statements based on prudence basis.

	<i>Notes</i>	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>10. CURRENT PORTION OF NON-CURRENT ASSETS</b>			
Net investment in lease finance	6	372,244,298	592,111,446
Long-term finances	8	217,953,613	330,583,755
Long-term loans		81,372	145,216
		<u>590,279,283</u>	<u>922,840,417</u>

**11. SHORT TERM INVESTMENTS**

*Available-for-sale*

Term finance certificates / sukuk bonds	11.1	66,686,276	29,125,005
Unquoted securities		<u>20,761,433</u>	<u>20,761,433</u>
		<u>87,447,709</u>	<u>49,886,438</u>

11.1 It includes sukuk of BRR Guardian Modaraba amounting to Rs 39 million acquired during the period in settlement of one of its lease facility.

	<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>12. PLACEMENTS AND FINANCES</b>			
Placement and finance- unsecured	12.1	15,000,000	15,000,000
Financing against shares	12.2	341,071,100	341,071,100
Provision for doubtful finances	12.2.1	<u>(341,071,100)</u>	<u>(340,755,324)</u>
		-	315,776
Short-term finance - secured	12.3	66,081,567	66,221,567
Provision for doubtful finances	12.3.1	<u>(21,990,943)</u>	<u>(13,433,478)</u>
		44,090,624	52,788,089
Certificates of deposit		5,000,000	5,000,000
Provision for doubtful finances		<u>(5,000,000)</u>	<u>(5,000,000)</u>
		-	-
Morabaha / musharika finances	12.4	124,018,446	136,362,780
Provision for doubtful finances	12.4.1	<u>(61,028,748)</u>	<u>(70,927,994)</u>
		62,989,698	65,434,786
		<u>122,080,322</u>	<u>133,538,651</u>





12.1 This carries markup at the rate of 17.5% (2011: 8.5% to 24%) per annum receivable on maturity. This placement matured on March 03, 2011.

12.2 Short-term placements and financing were made to companies and individuals in the normal course of business with profit rates ranging from 15% to 24% (2011: 15% to 24%) per annum. Profit was receivable on maturity. These placements matured on June 30, 2011.

<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>12.2.1 Particular of provision for doubtful finance</b>		
Opening balance	340,755,324	344,071,100
Charge / reversal during the period / year	315,776	(3,315,776)
Closing balance	<u>341,071,100</u>	<u>340,755,324</u>

12.3 These are secured over hypothecation of stock and mortgage of immovable properties. The mark-up / profit rates range from 15.05% to 18.11% (2011: 15.05% to 18.11%) per annum. These facilities matured on June 30, 2009.

**12.3.1 Particular of provision for doubtful finance**

Opening balance	13,433,478	17,400,000
Charge / reversal during the period / year	8,557,465	(3,466,522)
Written off during the period / year	-	(500,000)
Closing balance	<u>21,990,943</u>	<u>13,433,478</u>

12.4 These are secured by hypothecation of all present and future stocks, receivables, demand promissory note and personal guarantee of directors and borrowers. The mark-up / profit rate ranges from 8.5% to 19.5% (June 30, 2011 : 8.5% to 19.5%) per annum subject to change in KIBOR. These facilities will be matured latest by November 26, 2012.

<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
<b>12.4.1 Particular of provision for doubtful finance</b>		
Opening balance	70,927,994	63,379,941
Charge during the period / year	2,295,088	8,048,053
Written off during the period / year	(12,194,334)	(500,000)
Closing balance	<u>61,028,748</u>	<u>70,927,994</u>

**13. LONG TERM LOANS**

**Secured**

Asian Development Bank	13.1	73,836,385	73,836,385
Commercial Banks	13.2	606,135,597	614,635,597
		<u>679,971,982</u>	<u>688,471,982</u>
Current portion	14	(121,380,639)	(129,343,289)
		<u>558,591,343</u>	<u>559,128,693</u>

13.1 This represents a 15 year term loan facility, with a grace period of three years, obtained in trenches under Financial Sector Intermediation Loan No. 1371-PAK. The loan is subject to interest at the rate of 0.25% over variable Ordinary Capital Resource (OCR) rate of Asian Development Bank. The repayments are semi-annual and secured by guarantee of a development financial institution. The guarantee is secured against hypothecation of assets including book debts of the Company ranking pari-passu with charge created to secure redeemable capital.

13.2 These are secured against hypothecation of assets including book debts of the Company ranking pari passu, with the charge created in favour of other lenders to secure short term borrowings. These are subject to mark-up rate ranging from 0% to 5% (2011: 0% to 3%) per annum payable on quarterly / half yearly basis.

**14. CURRENT PORTION OF LONG TERM LIABILITIES**

<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>June 30 2011 Rupees</i>
Long term loans	121,380,639	129,343,289
Lease deposits	130,047,770	148,329,526
	<u>251,428,409</u>	<u>277,672,815</u>



## 15. SHORT TERM CERTIFICATES OF INVESTMENT

Non Banking Financial Institutions	15.1	<u>152,250,000</u>	<u>165,500,000</u>
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15.1 These represent the mobilization of funds under the scheme of certificates of investment and deposits. The scheme is based on profit and loss sharing basis. The expected rate of profit ranges from 11% to 20% (2011: 11% to 20%) and were payable on various dates up to June 2011. Two financial institutions having balance of Rs. 135 million have filed suits for recovery. The Company is in negotiation with them.

<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>June 30, 2011 Rupees</i>
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## 16. CONTINGENCIES AND COMMITMENTS

### 16.1 Contingent liabilities

Letters of comfort / guarantee	<u>2,113,000,000</u>	<u>2,991,350,000</u>
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During the current period, documents relating to expired guarantees of Rs 878.35 million have been returned to the Company. The outstanding guarantees include guarantees amounting to Rs.675 million expired up to December 31, 2011 (June 30, 2011: Rs.1,171 million) original documents of which are not returned to the Company. The outstanding guarantees also includes guarantees amounting to Rs.1,438 million (June 30, 2011: Rs.1,481 million) called by the beneficiaries. Out of the called guarantees, the guarantees worth Rs.623 million (2010: Rs.644 million) are under litigations and are being defended by lawyers of the Company. Remaining called guarantees of Rs.10 million is against running finance facilities which is under execution in favour of the Company. A guarantee amounting Rs.805 million against sukuk and finance facility had already been cancelled on technical grounds as advised by the legal counsel and are not being challenged. Company has not booked any liability on guarantees called as the Company does not foresee any cash outflow in view of the explanations / justification here under:

#### a) Guarantees against gas bills

This include guarantees called by a Utility company amounting to Rs.500 million (June 30, 2011: Rs.727 million) as per routine practice prior to the maturity dates so that a renewed guarantee is provided before expiry. There is no default on the part of clients on whose behalf these guarantees have been issued. Even in case of default, the company is exposed only up to the maximum of unpaid gas bills.

#### b) Guarantees against finances

This includes guarantees called by commercial banks amounting to Rs.185 million (June 30, 2011 Rs.110 million) issued against the finance facilities extended to clients. The Company has adequate security and collateral covering these guarantee amounts.

#### c) Under litigation

These are guarantees amounting to Rs.623 million (June 30, 2011 Rs.644 million) which were called and are under dispute / litigations which are being defended by the competent lawyers. The Company is confident that there is adequate legal protection and there would be no cash outflow. Brief detail of the guarantees under litigations is as under:

- i) The Guarantee of Rs.245 million was given against a letter of comfort which is currently in litigation. The Company has proposed that the underlying securities may be accepted by the guarantor as full and final settlement. However, the guarantor has filed a winding up petition against the Company. Beneficiary bank has restructured its facilities accordingly as per the opinion of the Company's lawyer, the Company is no longer exposed.



- ii) The guarantee of Rs.250 million against the repayment of Sukuk was called as the principal debtor defaulted in payment of coupon of Rs.62 Million. The Trustee of Sukuk has filed a recovery suit against the Company. The Company contended that guarantee should have been called for after taking all legal measures against the principal debtor. Further, the underlying assets representing the Sukuks have not yet been transferred in the name of Trustees of Sukuk in contravention of Shariah Regulations which make the guarantee ineffective abinito.
- iii) The guarantee of Rs.128 million against the bridge finance facility was called as the party in whose favour guarantee was given defaulted in making payment to the beneficiary bank. The Company offered the underlying security to the beneficiary. The Company contended that since the beneficiary converted the bridge finance facility to term finance facility, the Company's liability under the guarantees has expired. The lawyers of the Company are also confident that on this ground, the Company would not be exposed to any financial liability.
- 16.2 Commissioner of Income Tax (CIT) has disallowed certain expenses while allocating expenses for the assessment year 2001-02 and tax year 2003 resulting in increase in tax liability by Rs. 0.58 million and Rs. 3 million respectively. The Company filed appeals in Appellate Tribunal Inland Revenue (ATIR) which were decided in favor of the Company, however, the CIT has filed appeal against ATIR decision for rectification. The management is confident that it will not result in any cash outflow from the Company.
- 16.3 State Life Insurance Company Limited (SLICL) has filed a suit against the Company for recovery of short-term Certificates of Investment (COI) amounting to Rs. 100 million. During the period, SLICL has approached Karachi Centre for Dispute Resolution (KCDR) where two mediation sessions were held. It is likely that the case will be settled out of Court.

	<i>Note</i>	<i>December 31, 2011 Rupees</i>	<i>December 31, 2010 Rupees</i>
<b>17. PROVISION / (REVERSAL) FOR LEASE LOSSES AND DOUBTFUL RECOVERIES</b>			
Net investment in lease finance	6	111,721,156	39,629,295
Long term finances	8	29,854,834	(80,583,599)
Financing against shares	12	315,776	(3,000,000)
Short-term finances	12	8,557,465	1,993,478
Morabaha / musharika finance	12	2,295,088	6,946,061
Other receivables		13,691,064	-
Advance against lease commitment		(25,411,000)	-
		<u>141,024,383</u>	<u>(35,014,765)</u>

**18. TRANSACTIONS WITH RELATED PARTIES**

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>December 31, 2011</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>
	<i>Rupees</i>			
<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	<i>December 31, 2011</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>
	<i>Rupees</i>			
<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	-	(15,511,355)	-	1,551,349
Share of surplus / (deficit) on revaluation	-	798,554	-	2,881,740
Balance at end of the period / year	-	194,234,369	-	163,947,170
Advances and prepayments	-	5,100,000	-	8,100,000
Disposal of fixed assets - cost	-	-	879,000	-
<b>Settlement transactions</b>				
Short term investments acquired	-	39,000,000	-	96,727,732
Property acquired	-	-	-	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	-	-	-	(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)
<b>Charge to profit and loss account</b>				
Finance cost	-	-	-	8,569,863
Lease income	-	-	-	1,129,129
Return on placements, finances, deposits and investments	-	485,129	-	4,634,292
Common expenses charged	-	1,402,782	-	-
Share of (loss) / profit from associate	-	(15,511,355)	-	12,307,177
Share of common expenses paid	-	328,498	-	5,025,295
Service charges on staff loan	5,339	-	-	-
Group insurance	-	91,260	-	-
Rental income	-	3,012,360	-	-
Other income	-	-	-	8,790,000



### 19. SEGMENT ANALYSIS

Segment information for the six months period ended December 31, 2011 is as follows: -

	Leasing	Investments	Long Term Finances	Placements & Finances	Fee, Commission & Other Income	Total
	----- Rupees ----->					
External operating revenue	8,714,954	11,003,569	4,118,698	1,000,000	2,841,159	27,678,380
Unallocated revenue	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>8,714,954</b>	<b>11,003,569</b>	<b>4,118,698</b>	<b>1,000,000</b>	<b>2,841,159</b>	<b>27,678,380</b>
Segment results	(66,104,012)	(83,463,442)	(31,240,838)	(7,585,125)	(21,550,545)	(209,943,962)
Unallocated revenue	-	-	-	-	-	-
<b>Loss for the period</b>	<b>(66,104,012)</b>	<b>(83,463,442)</b>	<b>(31,240,838)</b>	<b>(7,585,125)</b>	<b>(21,550,545)</b>	<b>(209,943,962)</b>
Segment assets	470,881,318	206,534,229	243,153,645	122,080,322	-	1,042,649,514
Investment in associates	-	-	-	-	-	194,234,369
Unallocated assets	-	-	-	-	-	323,782,907
<b>Total assets</b>	<b>470,881,318</b>	<b>206,534,229</b>	<b>243,153,645</b>	<b>122,080,322</b>	<b>-</b>	<b>1,560,666,790</b>
Segment liabilities	538,829,190	236,336,986	278,240,560	139,696,434	-	1,193,103,170
Unallocated liabilities	-	-	-	-	-	367,563,620
<b>Total liabilities</b>	<b>538,829,190</b>	<b>236,336,986</b>	<b>278,240,560</b>	<b>139,696,434</b>	<b>-</b>	<b>1,560,666,790</b>



Segment information for the six months period ended December 31, 2010 is as follows: -

	<i>Leasing</i>	<i>Investments</i>	<i>Long Term Finances</i>	<i>Placements &amp; Finances</i>	<i>Fee, Commission &amp; Other Income</i>	<i>Total</i>
	----- Rupees ----->					
External operating revenue	29,551,129	(14,456,147)	20,317,934	43,770,572	39,148,316	118,331,804
Unallocated revenue	-	-	-	-	-	2,217
<b>Total segment revenue</b>	<b>29,551,129</b>	<b>(14,456,147)</b>	<b>20,317,934</b>	<b>43,770,572</b>	<b>39,148,316</b>	<b>118,334,021</b>
Segment results	14,789,569	(7,234,924)	10,168,596	21,906,029	19,592,710	59,221,980
Unallocated revenue						1,109
<b>Profit for the period</b>						<b>59,223,089</b>
Segment assets	747,707,285	156,579,124	445,626,579	290,936,450	-	1,640,849,438
Investment in associates						173,566,264
Unallocated assets						585,887,152
<b>Total assets</b>						<b>2,400,302,854</b>
Segment liabilities	791,880,064	165,829,449	471,953,144	308,124,288	-	1,737,786,945
Unallocated liabilities						662,515,909
						<b>2,400,302,854</b>



**20. DATE OF AUTHORIZATION FOR ISSUE**

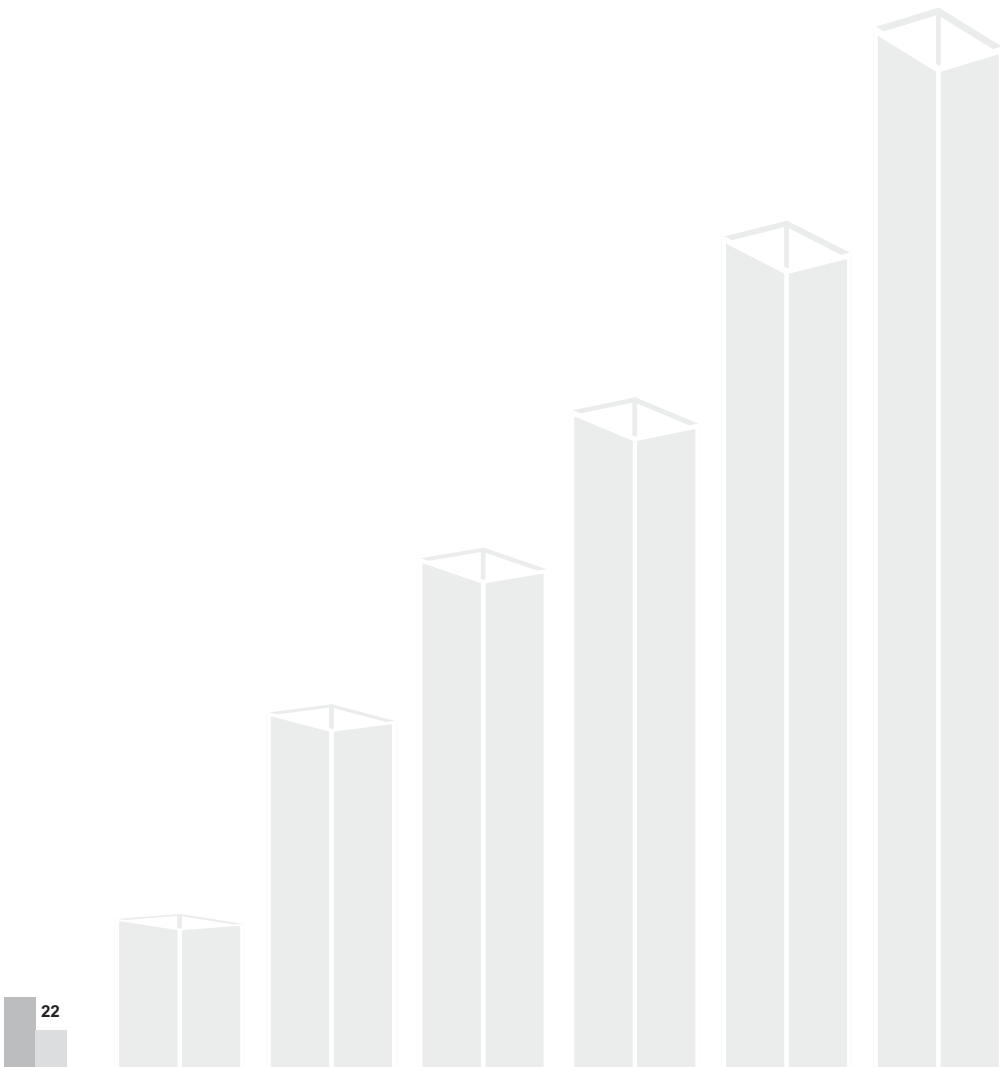
These condensed interim financial statements were authorised for issue on February 29, 2012 by the Board of Directors of the Company.

**21. GENERAL**

Figures have been rounded off to the nearest Rupee.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**



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