



FIRST DAWOOD INVESTMENT BANK LIMITED

**Third Quarter Report
31 March, 2011
(Un-audited)**



CONTENTS

FIRST DAWOOD INVESTMENT BANK LIMITED

Corporate Information	2
Directors' Report	3
Condensed Interim Balance Sheet (Unaudited)	4
Condensed Interim Profit & Loss Account (Unaudited)	5
Condensed Interim Cash Flow Statement (Unaudited)	6
Condensed Interim Statement of Comprehensive Income (Unaudited)	8
Condensed Interim Statement of Changes in Equity (Unaudited)	9
Notes to the Condensed Interim Financial Statements (Unaudited)	10



CORPORATE INFORMATION

FIRST DAWOOD INVESTMENT BANK LIMITED

Board of Directors

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)

Audit Committee

Mr. Rasheed Y. Chinoy
Mr. Omar Hasan Khan Bangash
Mr. Rafique Dawood

Chairman
Member
Member

Chief Financial Officer & Company Secretary

Mr. Abbas Qurban

Auditors

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.

Bankers

Bank Al-Habib
Dawood Islamic Bank
Habib Metropolitan Bank
Habib Bank
National Bank of Pakistan
Oman International Bank
State Bank of Pakistan
Standard Chartered Bank
United Bank

Registered Office Head Office

1900-B, Saima Trade Towers, I.I. Chundrigar Road, Karachi-74000
PABX +92 (21) 3227-1874-84 , 37010960-65 , 37014641-44
Fax +92 (21) 3227-1912-13
Email fdib@firstdawood.com
URL www.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.
17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000
Tel +92 (21) 3547 8192-93
Fax +92 (21) 3227 1905
Email fdregistrar@hotmail.com, fdregistrar@yahoo.com



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, 2011.

Your company during the period under review recorded after-tax profit of Rs.104.55 million as compared to loss of Rs.54.31 million during corresponding period last year. Gross revenue for the nine months is Rs.191.14 million as compared to Rs.199.23 million during corresponding nine months in last year. Administrative expenses for the period under review shows declining trend and have reduced to Rs.68.21 million from Rs.75.39 million. Financial charges drastically reduced to Rs.54.08 million from Rs.189.55 as compared to corresponding period. The main factor of this reduction was settlement of liabilities, and restructuring a small portion on softer terms.

Your company is now focusing on recoveries, rebuilding of cash reserve and controlling costs due to volatile situation in the NBFIs sector. 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.

We are aware of the challenges ahead but 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, once the company receives Licenses of Investment Finance Services and Leasing business.

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.

On behalf of the Board of Directors

First Dawood Investment Bank Ltd

April 26, 2011
Karachi.

Rafique Dawood
Chairman

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT MARCH 31, 2011



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Unaudited</i>	<i>Audited</i>
	<i>March 31,</i>	<i>June 30,</i>
	<i>2011</i>	<i>2010</i>
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
ASSETS		
NON CURRENT ASSETS		
Property and Equipment	5 13,874,679	9,431,583
Investment Properties	6 227,415,649	191,037,708
Net Investment in Lease Finance	7 63,382,621	288,753,097
Long-Term Investments	8 172,560,356	22,961,150
Long-Term Finances	9 17,190,250	191,792,808
Long-Term Loans	334,519	461,060
Long-Term Deposits	2,763,500	4,763,500
Deferred Tax Assets	144,228,543	147,528,543
	641,750,117	856,729,449
CURRENT ASSETS		
Current Portion of Non-Current Assets	10 990,810,878	1,052,765,571
Short-Term Investments	11 80,452,657	578,818,839
Placements and Finances	12 129,619,868	332,219,665
Advance Against Lease Commitments	28,531,099	30,031,100
Advances and Prepayments	12,742,288	23,329,725
Interest Accrued	39,219,131	64,818,615
Other Receivables	69,040,156	62,808,209
Cash and Bank Balances	74,692,146	146,587,174
	1,425,108,223	2,291,378,898
	<u>2,066,858,340</u>	<u>3,148,108,347</u>
EQUITY AND LIABILITIES		
Ordinary Shares	13 626,492,900	626,492,900
Preference Shares	13 715,833,540	715,833,540
	1,342,326,440	1,342,326,440
Reserves	354,654,736	333,744,789
Accumulated Loss	(925,362,694)	(987,507,862)
	771,618,482	688,563,367
Deficit on Revaluation of Investments	(42,886,479)	(67,870,526)
	728,732,003	620,692,841
NON CURRENT LIABILITIES		
Redeemable Capital	-	345,000,000
Long-Term Loans	14 576,628,692	752,010,405
Certificates of Investment	-	9,374,497
Long Term Lease Deposits	23,643,361	111,158,142
	600,272,053	1,217,543,044
CURRENT LIABILITIES		
Current Portion of Long-Term Liabilities	15 319,978,948	275,652,668
Mark-up Accrued	114,444,595	164,117,877
Short Term Borrowings	16 81,418,223	505,645,127
Certificates of Investment	17 167,500,000	325,000,000
Accrued and Other Liabilities	45,136,718	34,586,690
Taxation	9,375,800	4,870,100
	737,854,284	1,309,872,462
CONTINGENCIES AND COMMITMENTS		
	18 2,066,858,340	3,148,108,347

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2011



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Nine Months Ended</i>		<i>Quarter Ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	2011	2010	2011	2010
	<----- Rupees ----->			
Income				
Lease Income	27,023,159	24,229,312	(2,527,970)	4,649,371
Return on Deposits and Investments	69,079,621	113,304,987	12,685,861	17,403,795
Gain/(Loss) on Sale of Securities	53,832,177	(64,776,880)	62,204,343	14,648,998
Return on Long-Term Finances	27,988,319	95,077,122	7,670,385	58,129,911
Loss on de-recognition of Financial Assets	(18,707,169)	-	-	-
Brokerage Income	-	2,570,830	-	543,500
Exchange Gain	2,702	10,964	485	3,922
Other Income	31,916,205	28,815,337	(7,232,111)	16,788,301
	191,135,014	199,231,672	72,800,993	112,167,798
Provision / Changes in Fair Value				
Reversal / (Provision) for Lease Losses and Doubtful Recoveries	38,278,437	45,803,840	3,263,672	(10,887,506)
Reversal/(Provision) for Impairment in Financial Assets	1,152,614	(75,162)	-	(75,162)
	39,431,051	45,728,678	3,263,672	(10,962,668)
	230,566,065	244,960,350	76,064,665	101,205,130
Expenditure				
Administrative and Operating Expenses	(68,205,771)	(75,394,404)	(18,364,896)	(23,685,587)
Financial Charges	(54,080,153)	(189,548,065)	(2,641,240)	(30,446,306)
	(122,285,924)	(264,942,469)	(21,006,136)	(54,131,893)
Share of Profit / (Loss) of Associates	11,452,429	(31,278,782)	(854,748)	(12,523,965)
Profit / (Loss) before Taxation	119,732,570	(51,260,901)	54,203,781	34,549,272
Taxation				
Current	(4,505,700)	(3,050,000)	(1,500,000)	(1,000,000)
Prior	(7,377,137)	-	(7,377,137)	-
Deferred	(3,300,000)	-	-	-
	(15,182,837)	(3,050,000)	(8,877,137)	(1,000,000)
Profit / (Loss) after Taxation	104,549,733	(54,310,901)	45,326,644	33,549,272
Earnings/(Loss) Per Share - Basic and Diluted	1.67	(0.87)	0.72	0.54

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Nine Months Ended</i>	
	<i>March 31</i>	
<i>Note</i>	<i>2011</i>	<i>2010</i>
	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Taxation	119,732,570	(54,310,901)
Adjustments:		
Depreciation	2,917,554	2,854,408
(Gain)/Loss on Sale of Investments	(53,832,177)	64,776,880
Share of (Profit)/ Loss of Investment in Associates	(11,452,429)	31,278,782
Financial Charges	54,080,153	189,548,065
Gain on Sale of Property, Plant and Equipment	(197,230)	(76,850)
(Reversal)/Provision against Lease Losses and Doubtful Recoveries	(38,278,437)	(45,803,840)
Reversal of Impairment in Financial Assets	(1,152,614)	-
Other Income	9,705,479	-
Loss on de-recognition of Financial Assets	18,707,169	-
	<u>(19,502,532)</u>	<u>242,577,445</u>
Operating Cash Flow Before Movements in Working Capital	100,230,038	188,266,544
Changes in Operating Assets and Liabilities		
(Increase) / Decrease in Operating Assets		
Net investment in Lease Finance	317,630,745	144,595,071
Long-Term Finances	32,192,855	513,233,401
Long-Term Loans	292,811	94,006
Placements and Finances	11,605,158	652,935,135
Advance Against Lease Commitments	1,500,001	-
Advances and Prepayments	1,603	764,416
Interest Accrued	25,599,484	85,704,940
Other Receivables	(6,231,947)	52,981,603
	<u>382,590,710</u>	<u>1,450,308,572</u>
	482,820,748	1,638,575,116
Increase / (Decrease) in Operating Liabilities		
Certificates of Investment / Deposit	(18,066,522)	(835,613,573)
Long Term Lease Deposits	(146,488,577)	(37,526,784)
Short Term Borrowings	(2,834,086)	(567,413,271)
Accrued and Other Liabilities	10,550,028	(11,793,369)
	<u>(156,839,157)</u>	<u>(1,452,346,997)</u>
Financial Charges Paid	(67,789,144)	(279,927,527)
Gratuity Paid	-	(22,921,458)
Tax/Refund - Net	3,208,697	(401,927)
Net Cash Generated in Operating Activities	<u>261,401,144</u>	<u>(117,022,793)</u>

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Nine Months Ended</i>	
	<i>March 31</i>	
<i>Note</i>	<i>2011</i>	<i>2010</i>
	<i>Rupees</i>	<i>Rupees</i>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(7,509,650)	(7,097,622)
Purchase of Investment Property	(62,719,753)	(93,600,000)
Proceed from Sale of Property and Equipment	345,600	56,721,300
Long-Term Investments	(136,552,931)	18,384,468
Long-Term Deposits	2,000,000	(1,126,000)
Short-Term Investments	(34,517,701)	657,713,907
Net Cash Used in Investing Activities	<u>(238,954,435)</u>	<u>630,996,053</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-Term Loans Obtained	8,000,000	-
Repayment of Long-Term Loans	(2,392,755)	(179,074,806)
Net Cash from Financing Activities	<u>5,607,245</u>	<u>(179,074,806)</u>
Net Increase / (Decrease) in Cash and Bank Balances	28,053,954	334,898,454
Cash and Cash Equivalents at Beginning of the Period	46,638,192	(394,394,873)
Cash and Cash Equivalents at End of the Period	19 <u>74,692,146</u>	<u>(59,496,419)</u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Nine Months Ended March 31</i>		<i>Quarter Ended March 31</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<----- Rupees ----->			
Profit / (Loss) after Taxation for the Period	104,549,733	(54,310,901)	45,326,644	33,549,272
Other Comprehensive Income				
Surplus on Remeasurement of Investments Classified as Available for Sale	23,390,201	61,719,541	28,100,886	22,454,829
Share of Surplus / (Deficit) on Remeasurement of Investments in Associates	1,593,846	(6,665,719)	(151,160)	(7,281,230)
	24,984,047	55,053,822	27,949,726	15,173,599
Total Comprehensive Income for the period	129,533,780	742,921	73,276,370	48,722,871

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011



FIRST DAWOOD INVESTMENT BANK LIMITED

	Share Capital		Capital Reserve		Revenue Reserve		Total
	Ordinary Shares	Preference Shares	Statutory Reserve *	Premium on Right Issue	Capital Reserve on Acquisition	(Deficit) / Surplus on Revaluation of Investments	
Balance at June 30, 2009	626,492,900	-	202,186,151	53,426,910	2,596,484	(115,444,741)	(1,287,948,573)
Total Comprehensive Income/(Loss) for the Period						39,880,223	(87,860,173)
Balance at March 31, 2010	626,492,900	-	202,186,151	53,426,910	2,596,484	(75,564,518)	(1,375,808,746)
Issuance of 4% Preference Shares	-	715,833,540	-	-	-	-	715,833,540
Total Comprehensive Income for the Period						7,693,992	465,536,394
Transfer to Statutory Reserve	-	-	75,535,244	-	-	-	(75,535,244)
Dividend on Preference Shares @ 4%	-	-	-	-	-	-	(1,700,266)
Balance at June 30, 2010	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(67,870,526)	620,692,841
Total Comprehensive Income for the Period						24,984,047	104,549,733
Transfer to Statutory Reserve	-	-	20,909,947	-	-	-	(20,909,947)
Dividend on Preference Shares @ 4%	-	-	-	-	-	-	(21,494,618)
Balance at March 31, 2011	626,492,900	715,833,540	298,631,342	53,426,910	2,596,484	(42,886,479)	728,732,003

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR



1. STATUS AND NATURE OF BUSINESS

- 1.1** The Company was incorporated on June 22, 1994 as a public limited company under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange. Company had obtained license of Leasing business and Investment Finance Services under Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 from the Securities and Exchange Commission of Pakistan (SECP) which are in the process of renewal. Registered office of the company is situated in Karachi, Sindh.
- 1.2** The Company is also acting as Trustees to Term Finance Certificates / Sukuk and mutual issued by various corporate clients. The value of such assets as at March 31, 2011 amounted to Rs. 23,415 million (June 30, 2010 : Rs.34,740 million).

2. BASIS OF PRESENTATION

- 2.1** These interim financial information have been prepared in accordance with 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'.
- 2.2** These interim financial information are un-audited 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.
- 2.3** During the period the Securities Exchange Commission of Pakistan (SECP) has implemented the revised Non-Banking Finance Companies and Notified Entities Regulations issued through SRO 1203(I) 2008 dated November 21, 2008. In accordance with Regulation 25 of the above regulations, the SECP revised the basis of classification and provisioning requirement in respect of non-performing short-term and long-term financing facilities. Under the revised guidelines the category of Other Assets Especially Mentioned (OAEM) has been dispensed with, while the categories of substandard, doubtful and loss have been retained. In addition, the basis of classification of loans and advances and net investment in finance leases under these three categories has been redefined whereby all finances overdue by 90, 180 and 360 days are now required to be classified as substandard, doubtful and loss respectively. As per the previous requirements, short-term and long-term facilities were required to be separately assessed and were classified as OAEM, substandard, doubtful or loss based on prescribed ageing criteria.

The revised guidelines specify that provision should be made in the financial statements equal to 25 percent, 50 percent and 100 percent, in respect of overdue financing facilities classified as substandard, doubtful and loss respectively, of the outstanding balance of principal less the amount of liquid assets realisable and adjusted forced sale value of mortgaged / pledged assets.

The aforementioned guidelines for determining the provisioning requirements have become effective from July 01, 2010. The management has assessed the impact the aforementioned guidelines on the provisioning requirements of the Company and the same has been incorporated in these condensed interim financial information.



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. **ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in preparation of these interim financial information are the same as those applied in the preparation of annual financial statements of the Company for the year ended 30 June 2010.

	<i>Note</i>	<i>March 31, 2011 Rupees</i>	<i>June 30, 2010 Rupees</i>
5. PROPERTY AND EQUIPMENT			
5.1 Acquisition of assets - at cost			
Furniture and Fixtures		82,815	42,500
Equipment and Appliances		1,612,335	406,153
Vehicles		5,814,500	7,387,169
		<u>7,509,650</u>	<u>7,835,822</u>
5.2 Disposal of assets - at cost			
Furniture and Fixtures		-	3,989,050
Equipment and Appliances		875,300	1,925,841
Vehicles		1,843,000	5,351,300
		<u>2,718,300</u>	<u>11,266,191</u>
6. INVESTMENT PROPERTIES			
Opening Balance		191,037,708	97,437,708
Acquired in Settlement of Assets		187,685,500	93,600,000
Renovation Work		6,898,253	-
Disposed Off in Settlement of Liabilities		<u>(158,205,812)</u>	<u>-</u>
Closing Balance		<u>227,415,649</u>	<u>191,037,708</u>
7. NET INVESTMENT IN LEASE FINANCE			
Net Investment in Lease Finance	7.1	998,070,233	1,369,376,659
Provision for Doubtful Receivables		(277,397,720)	(291,470,451)
Current Portion	10	<u>(657,289,892)</u>	<u>(789,153,111)</u>
		<u>63,382,621</u>	<u>288,753,097</u>
7.1 Particulars of net investment in lease finance			
Minimum Lease Payments Receivable		1,007,353,020	1,338,061,986
Residual Value of Leased Assets		<u>185,933,456</u>	<u>301,672,033</u>
		1,193,286,476	1,639,734,019
Unearned Finance Income		<u>(195,216,243)</u>	<u>(270,357,360)</u>
Net Investment in Lease Finance		<u>998,070,233</u>	<u>1,369,376,659</u>



FIRST DAWOOD INVESTMENT BANK LIMITED

	Note	March 31, 2011 Rupees	June 30, 2010 Rupees
8. LONG TERM INVESTMENTS			
Investment in Associates	8.1	172,560,356	22,961,150
8.1 Investment in associates			
Opening Balance		22,961,150	391,805,414
Increase in Interest in Associates		136,552,931	(22,187,150)
Transfer to Available-for-Sale Investment		-	(301,297,407)
Share of Profit / (Loss)		11,452,429	(36,373,779)
Share of Surplus / (Deficit) on Revaluation of Investments		1,593,846	(8,985,928)
		<u>172,560,356</u>	<u>22,961,150</u>
9. LONG-TERM FINANCES			
Term Finance Facilities		491,152,387	680,833,499
Provision for Doubtful Receivables Current Portion	10	(140,667,724) (333,294,413)	(225,821,074) (263,219,617)
		<u>17,190,250</u>	<u>191,792,808</u>
10 CURRENT PORTION OF NON-CURRENT ASSETS			
Net Investment in Lease Finance	7	657,289,892	789,153,111
Long-Term Finances	9	333,294,413	263,219,617
Long-Term Loans		226,573	392,843
		<u>990,810,878</u>	<u>1,052,765,571</u>
11. SHORT TERM INVESTMENTS			
Term Finance Certificates		58,761,709	150,067,991
Unquoted Securities		21,690,948	410,372,027
Quoted Securities		-	18,334,575
National Investment Trust Units		-	44,246
		<u>80,452,657</u>	<u>578,818,839</u>
12. PLACEMENTS AND FINANCES			
Placements and Finances- Unsecured		15,000,000	84,235,781
Provision for Doubtful Finances		-	(4,575,681)
		15,000,000	79,660,100
Financing Against Shares		341,071,100	472,366,259
Provision for Doubtful Finances		(341,071,100)	(344,071,100)
		-	128,295,159
Short-Term Finance - Secured		66,751,568	66,781,567
Provision for Doubtful Finances		(19,363,478)	(17,400,000)
		47,388,090	49,381,567
Certificates of Deposit		5,000,000	5,000,000
Provision for Doubtful Finances		(5,000,000)	(5,000,000)
		-	-
Morabaha / Musharika Finances		137,512,780	138,262,780
Provision for Doubtful Finances		(70,281,002)	(63,379,941)
		67,231,778	74,882,839
		<u>129,619,868</u>	<u>332,219,665</u>



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Note</i>	<i>March 31, 2011 Rupees</i>	<i>June 30, 2010 Rupees</i>
13. SHARE CAPITAL AND RESERVES			
Authorized Capital			
75,000,000 Ordinary Shares of Rs.10/- each		750,000,000	750,000,000
75,000,000 Preference Shares of Rs.10/- each		750,000,000	750,000,000
		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, Subscribed and Paid-Up Capital			
35,685,382 Ordinary Shares of Rs.10/- each fully paid in cash		356,853,820	356,853,820
26,491,821 Ordinary Shares of Rs.10/- each issued as fully paid bonus shares		264,918,210	264,918,210
472,087 Ordinary Shares of Rs.10/- each issued for consideration other than cash		4,720,870	4,720,870
		<u>626,492,900</u>	<u>626,492,900</u>
71,583,354 Fully paid 4% Cumulative Preference shares of Rs.10/- each issued against settlement of loans		715,833,540	715,833,540
		<u>1,342,326,440</u>	<u>1,342,326,440</u>
14. LONG TERM LOANS			
<i>Secured</i>			
<i>Foreign Currency</i>			
Asian Development Bank		73,836,385	73,836,385
<i>Local Currency</i>			
Commercial Banks		673,385,597	744,275,209
		<u>747,221,982</u>	<u>818,111,594</u>
Payable within One Year shown under Current Liabilities	15	(170,593,290)	(66,101,189)
		<u>576,628,692</u>	<u>752,010,405</u>
15. CURRENT PORTION OF LONG TERM LIABILITIES			
Long-Term Loans		170,593,290	66,101,189
Certificates of Investment		-	1,192,025
Lease Deposits		149,385,658	208,359,454
		<u>319,978,948</u>	<u>275,652,668</u>
16. SHORT TERM BORROWINGS			
<i>Secured</i>			
Running Finance		-	99,948,982
<i>Unsecured</i>			
From Commercial Banks - Call Borrowings		6,418,223	6,418,223
Non-Banking Finance Companies - Call Borrowings		75,000,000	399,277,922
		<u>81,418,223</u>	<u>505,645,127</u>
17. SHORT TERM CERTIFICATES OF INVESTMENT			
Non Banking Financial Institutions		167,500,000	325,000,000



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>Note</i>	<i>March 31, 2011 Rupees</i>	<i>June 30, 2010 Rupees</i>
18. CONTINGENCIES AND COMMITMENTS			
18.1 Contingent Liability			
Letters of Comfort / Guarantee		<u>3,141,550,163</u>	<u>3,441,550,163</u>
		<i>March 31, 2011 Rupees</i>	<i>March 31, 2011 Rupees</i>
19. CASH AND CASH EQUIVALENTS			
Cash and Bank Balances		74,692,146	40,452,563
Short Term Running Finance		<u>-</u>	<u>(99,948,982)</u>
		<u>74,692,146</u>	<u>(59,496,419)</u>

20. SEGMENT ANALYSIS

Segment information for the nine months period ended March 31, 2011 is as follows: -

	<i>Leasing</i>	<i>Investments</i>	<i>Long Term Finances</i>	<i>Placements & Finances</i>	<i>Fee, Commission & Other Income</i>	<i>Total</i>
	<----- Rupees ----->					
External operating revenue	27,023,159	56,349,587	27,988,319	47,855,042	31,916,205	191,132,312
Unallocated revenue	-	-	-	-	-	2,702
Revenue	<u>27,023,159</u>	<u>56,349,587</u>	<u>27,988,319</u>	<u>47,855,042</u>	<u>31,916,205</u>	<u>191,135,014</u>
Segment results	14,781,510	30,822,894	15,309,447	26,176,428	17,457,977	104,548,255
Unallocated revenue						1,478
Profit for the period						<u>104,549,733</u>

Segment information for the nine months period ended March 31, 2010 is as follows: -

	<i>Leasing</i>	<i>Investments</i>	<i>Long Term Finances</i>	<i>Placements & Finances</i>	<i>Fee, Commission & Other Income</i>	<i>Total</i>
	<----- Rupees ----->					
External operating revenue	24,229,312	(5,568,521)	95,077,122	50,109,528	28,815,337	192,662,778
Unallocated revenue	-	-	-	-	-	6,568,894
Revenue	<u>24,229,312</u>	<u>(5,568,521)</u>	<u>95,077,122</u>	<u>50,109,528</u>	<u>28,815,337</u>	<u>199,231,672</u>
Segment results	(6,604,953)	1,517,989	(25,918,189)	(13,659,945)	(7,855,111)	(52,520,209)
Unallocated revenue						(1,790,692)
Loss for the period						<u>(54,310,901)</u>



21. TRANSACTIONS WITH RELATED PARTIES

Related parties comprises 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 the period / year-end were as follows:-

	<i>March 31, 2011</i>		<i>June 30, 2010</i>	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
	<----- Rupees ----->			
Net Investment in Finance Lease				
Balance at Beginning	-	52,581,328	-	60,886,313
Rentals Received/ Settled	-	(52,581,328)	-	(8,304,985)
Balance at End	-	-	-	52,581,328
Long term finances / loans				
Balance at Beginning	394,796	-	702,073	-
Sanctioned / Granted	-	-	-	307,922,427
Received	(240,731)	-	(307,277)	(307,922,427)
Balance at End	154,065	-	394,796	-
Placement and finances				
Balance at Beginning	-	-	-	42,560,044
Sanctioned / Granted	-	148,083,808	-	-
Received / Settled	-	(148,083,808)	-	(42,560,044)
Balance at End	-	-	-	-
Investment in associate				
Balance at Beginning	-	22,961,150	-	391,805,414
Increase / (Decrease) in Interest	-	136,552,931	-	(22,187,150)
Transfer to Available-for-Sale Investment	-	-	-	(301,297,407)
Share of Profit / (Loss)	-	11,452,429	-	(36,373,779)
Share of Surplus/(Deficit) on Revaluation	-	1,593,846	-	(8,985,928)
Balance at End	-	172,560,356	-	22,961,150
Mark-up Payable	-	37,679,452	-	24,917,808
Mark-up Received	-	9,024,962	-	-
Disposal of Fixed Assets - Cost	879,000	-	1,619,000	-
Settlement Transactions				
Purchase of Property	-	95,000,000	-	-
Net Investment in Finance Lease - Transferred	-	(53,675,681)	-	-
Other Receivables- (Transferred) / Received	-	(30,210,000)	-	17,742,225
Cash and Bank Balances Paid	-	(2,324,319)	-	-
Short term Investments Acquired	-	100,210,230	-	-
Long Term Finances Transferred	-	(97,316,173)	-	-
Accrued and Other Liabilities Transferred	-	(2,894,057)	-	-
Long Term Lease Deposits	-	20,000,000	-	-



FIRST DAWOOD INVESTMENT BANK LIMITED

	<i>March 31, 2011</i>		<i>March 31, 2011</i>	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
	<----- Rupees ----->			
<i>Charge to profit and loss account</i>				
Lease Income	-	1,129,129	-	2,268,991
Return on Placements, Finances, Deposits and Investments	-	9,024,962	-	1,857,143
Share of Profit / (Loss) from Associate	-	11,452,429	-	(31,278,782)
Other Income	-	8,790,000	-	
Finance Cost	-	12,761,644	-	20,679,452
Common Expenses Received	-	1,311,435	-	-
Common Expenses Paid	-	5,025,295	-	11,772,570

22. ***DATE OF AUTHORIZATION OF ISSUE***

These financial statements were authorised for issue on April 26, 2011 by the Board of Directors of the Company.

23. ***GENERAL***

Figures have been rounded off nearest to Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

BOOK POST

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