

FIRST DAWOOD INVESTMENT BANK LIMITED

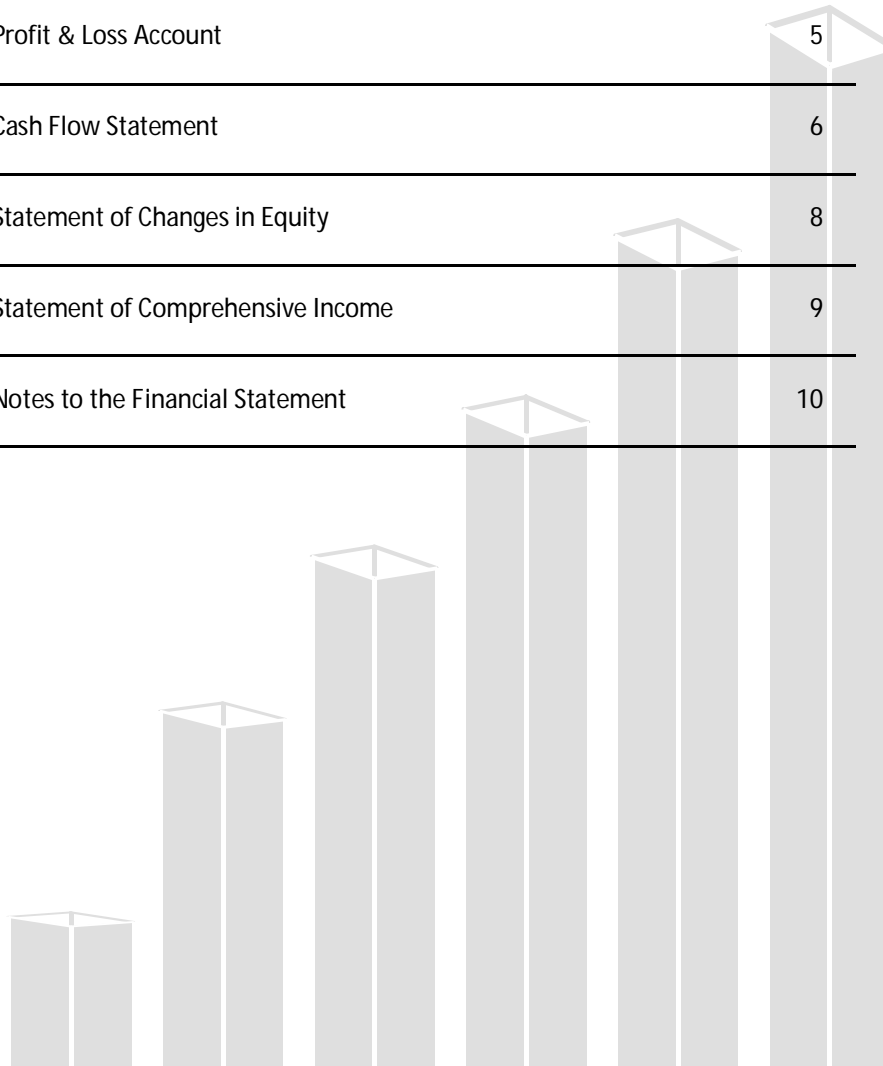
First Quarter Report
30 September 2011
(Un-audited)

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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. M. Riyazul Haque	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 Habib Metro 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) 3227-1874-84, 3701-0960-65, 3701-4641-44 Fax +92 (21) 3227-1912-913 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. 1108, 11th Floor, Trade Centre I.I. Chundrigar Road, Karachi-74000 Tel +92 (21) 3547 8192-93 Fax +92 (21) 3262 1233 Email fdregistrar@hotmail.com, fdregistrar@yahoo.com	

DIRECTORS' REPORT

FIRST DAWOOD INVESTMENT BANK LIMITED

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

Dear Shareholders,

The Board of Directors of First Dawood Investment Bank Limited ("FDIB" or the "Company") is pleased to present the unaudited first quarter interim financial statements of the Company for the period ended September 30, 2011.

Your company during the period under review recorded after-tax loss of Rs.40.69 million as compared to profit of Rs.43.73 million during the corresponding period last year. The loss is mainly attributed to providing certain uncertain receivables and revaluing securities as per its book value. Gross revenue for the quarter is Rs.4.88 million as compared to Rs.47.63 million during corresponding three months in last year mainly due to settlement of assets with called liabilities and suspension of income on classified loan portfolio. Administrative expenses for the period under review continued its declining trend and have reduced to Rs.18.26 million from Rs.19.80 million. Financial charges have been reduced to Rs.11.40 million from Rs.15.57 as compared to corresponding period. The main factor of this reduction was settlement of liabilities.

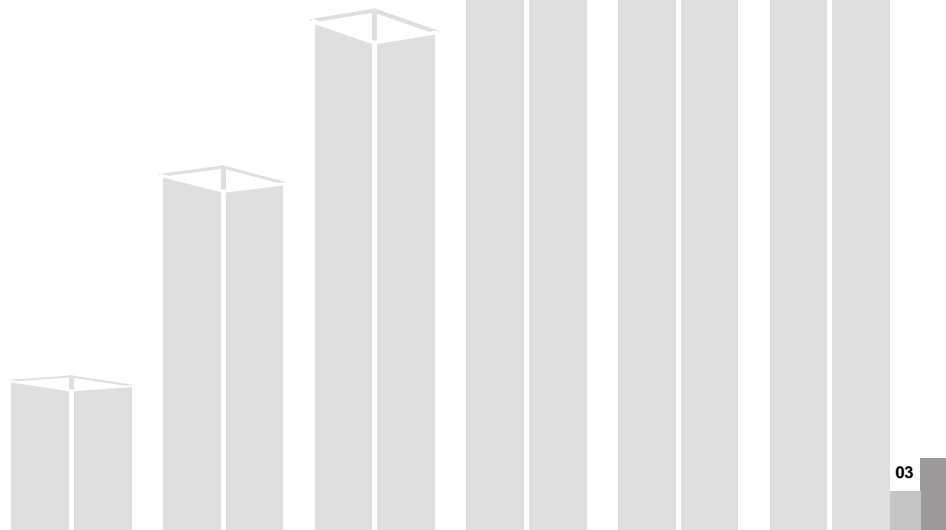
We are aware of the challenges ahead but we look forward to the future with confidence and expect that your company will witness growth in the business activities as well as revenue generation capacity through diversified business lines.

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.

October 29, 2011
Karachi.

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

Rafique Dawood
Chairman



BALANCE SHEET
AS AT SEPTEMBER 30, 2011



FIRST DAWOOD INVESTMENT BANK LIMITED

		Unaudited September 30 2011	Audited June 30 2011
Property and equipment	5	67,213,368	69,470,998
Investment properties	6	119,086,520	119,086,520
Net investment in lease finance	7	54,382,476	60,223,073
Long-term investments	8	193,109,819	163,947,170
Long-term finances	9	10,630,976	12,843,780
Long-term loans		296,863	315,796
Long-term deposits		2,500,000	2,500,000
Deferred tax asset		98,116,360	98,116,360
		<u>545,336,382</u>	<u>526,503,697</u>
Current portion of non-current assets	10	876,016,973	922,840,417
Short term investments	11	49,835,209	49,886,438
Placements and finances	12	132,314,879	133,538,651
Advance against lease commitments		21,000,000	21,000,000
Advances and prepayments		10,372,484	9,619,144
Mark-up accrued		2,017,933	1,690,893
Other receivables		40,455,571	45,759,849
Cash and bank balances		99,891,441	114,051,788
		<u>1,231,904,490</u>	<u>1,298,387,180</u>
		<u>1,777,240,872</u>	<u>1,824,890,877</u>
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		(1,108,078,795)	(1,060,165,419)
		<u>567,992,434</u>	<u>615,905,810</u>
Deficit on revaluation of investments		(23,577,888)	(24,762,440)
		<u>544,414,546</u>	<u>591,143,370</u>
Long-term loans	13	447,075,196	559,128,693
Long-term deposits		17,565,321	18,089,621
		<u>464,640,517</u>	<u>577,218,314</u>
Current portion of long term liabilities	14	387,207,437	277,672,815
Mark-up accrued		82,739,657	69,338,411
Short-term borrowings	15	81,418,223	81,418,223
Certificates of investment	16	159,500,000	165,500,000
Accrued and other liabilities		52,445,322	58,224,571
Taxation		4,875,170	4,375,173
		<u>768,185,809</u>	<u>656,529,193</u>
	17	<u>1,777,240,872</u>	<u>1,824,890,877</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

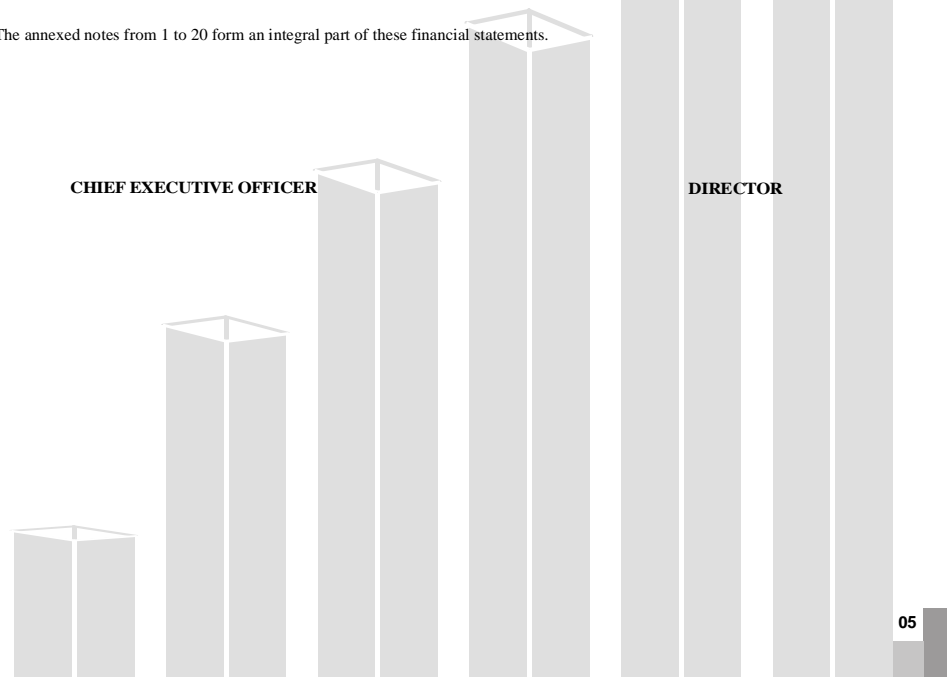


September 30 September 30

INCOME

Lease income	2,005,304	5,325,964
Return on placements, finances, deposits and investments	7,463,295	12,392,966
Gain on sale of securities	-	402,400
Income from long-term finances	2,018,372	13,271,626
Exchange gain	2,393	2,845
Other (loss) / income	(6,599,737)	16,236,779
	4,889,627	47,632,580
(Provision) / Reversal for lease losses and doubtful recoveries	(7,364,880)	18,029,280
	(2,475,253)	65,661,860
Administrative expenses	18,264,321	19,804,875
Finance cost	11,401,467	15,572,269
	(29,665,788)	(35,377,144)
	(32,141,041)	30,284,716
Share of (loss) / profit of associates	(8,055,164)	14,449,146
	(40,196,205)	44,733,862
Current	500,000	1,000,000
	(40,696,205)	43,733,862
(Loss) / earnings per share - basic	Rupees (0.65)	0.70
(Loss) / earnings per share - diluted	Rupees (0.30)	0.33

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



CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2011



A. CASH FLOW FROM OPERATING ACTIVITIES

(Loss) / Profit before taxation	(40,196,205)	44,733,862
Adjustments:		
- Depreciation	2,212,980	912,315
- Gain on sale of investments	-	(402,400)
- Share of loss / (profit) of equity accounted investees	8,055,164	(14,449,146)
- Finance cost	11,401,467	15,572,269
- Gain on sale of property and equipment	-	(32,800)
- Provision / (Reversal) for lease losses and doubtful recoveries	7,364,880	(18,029,280)
- Exchange gain	(2,393)	-
- Other loss / (income)	8,966,738	(2,845)
	<u>37,998,836</u>	<u>(16,431,887)</u>
	(2,197,369)	28,301,975
<i>(Increase) / decrease in operating assets</i>		
Net investment in lease finance	8,266,351	89,667,865
Long-term finances	808,344	12,373,917
Long-term loans	89,811	96,380
Placements and finances	140,000	2,000,000
Advances and prepayments	(397,517)	(150,712)
Advance against lease commitments	-	-
Interest accrued	2,056,139	24,058,594
Other receivables	(1,338,777)	(61,861,270)
	<u>9,624,351</u>	<u>66,184,774</u>
	7,426,982	94,486,749
<i>Increase / (decrease) in operating liabilities</i>		
Certificates of investment / deposits	(6,000,000)	(15,566,522)
Deposits	(2,293,175)	(10,729,816)
Short-term borrowings	-	-
Accrued and other liabilities	(5,779,249)	(8,364,529)
	<u>(6,645,442)</u>	<u>59,825,882</u>
Finance cost paid	(6,504,962)	(27,902,370)
Tax paid	(355,823)	(522,778)
	<u>(13,506,227)</u>	<u>31,400,734</u>

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of property and equipment	(76,400)	(2,373,179)
Proceeds from sale of property and equipment	121,050	56,000
Long term investment	-	-
Short term investments	51,230	(59,443,186)
	<u>95,880</u>	<u>(61,760,365)</u>



C. CASH FLOW FROM FINANCING ACTIVITIES

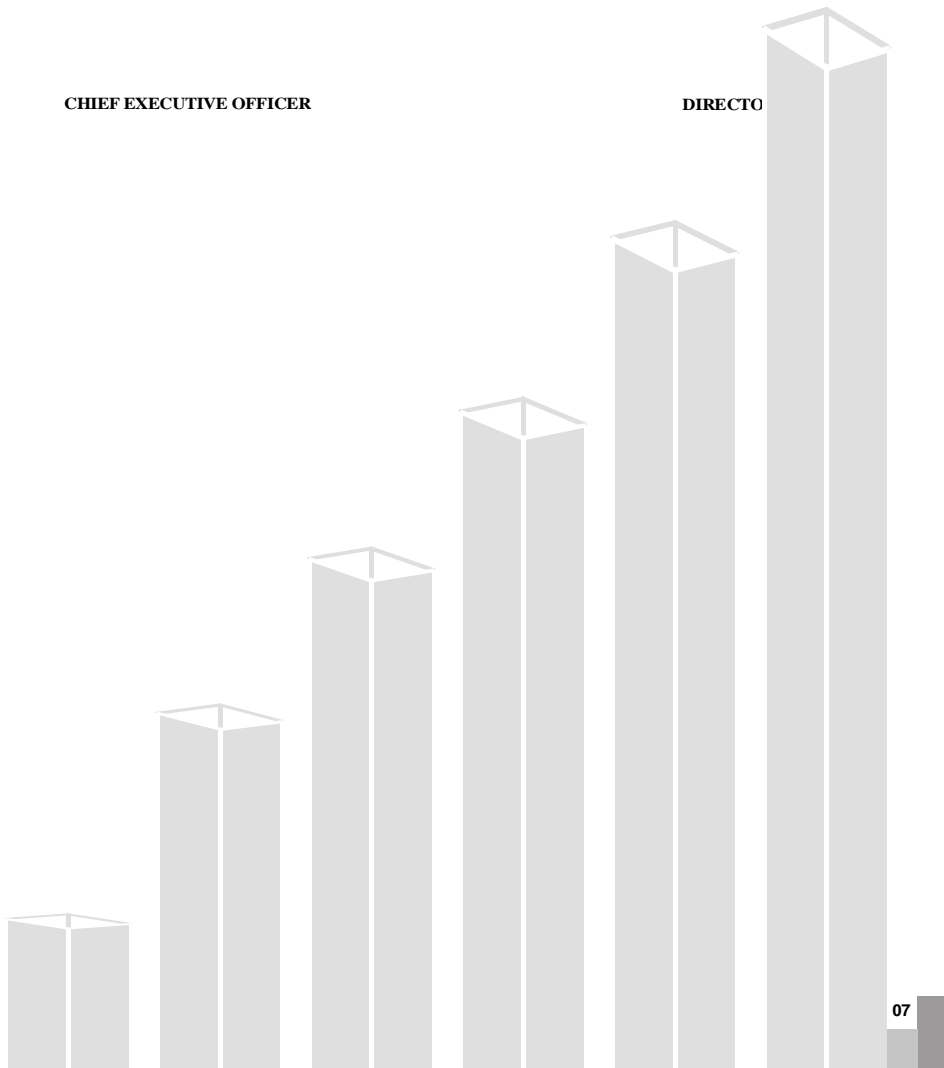
Repayment of long-term loans

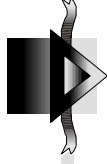
(750,000)	(750,000)
(750,000)	(750,000)
(14,160,347)	(31,109,631)

Cash and cash equivalents at beginning of the year
Cash and cash equivalents at end of the year

114,051,788	46,638,192
99,891,441	15,528,561

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





FIRST DAWOOD INVESTMENT BANK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

	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	
Balance at June 30, 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 year	-	-	-	-	-	(5,934,996)	43,733,862	37,798,866
Dividend on preference shares @ 4% for the year	-	-	-	-	-	-	(7,217,171)	(7,217,171)
Balance at September 30 2010	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(73,805,522)	(950,991,171)	651,274,536
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 year	-	-	-	-	-	1,184,552	(40,696,205)	(39,511,653)
Dividend on preference shares @ 4% for the year	-	-	-	-	-	-	(7,217,171)	(7,217,171)
Balance 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

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

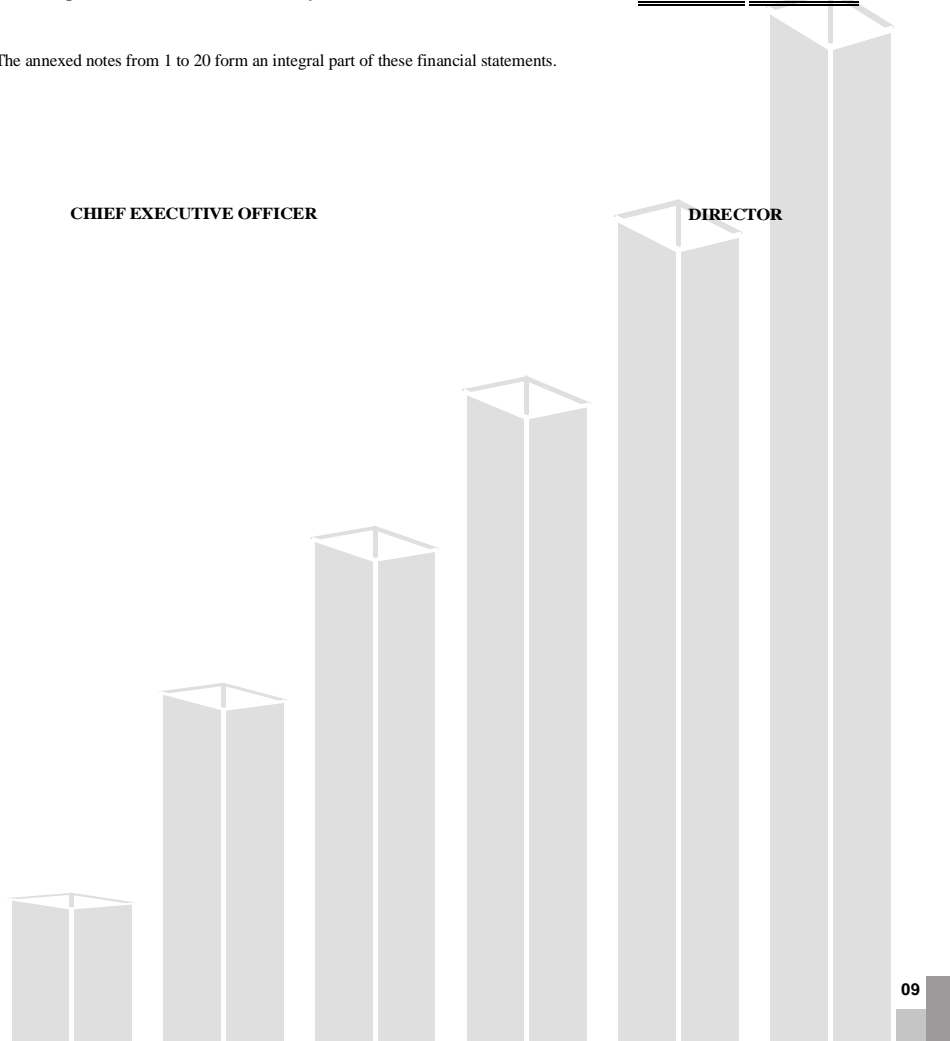
**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2011**



FIRST DAWOOD INVESTMENT BANK LIMITED

Net (loss) / income after taxation for the year	(40,696,205)	43,733,862
Other comprehensive (loss) / income		
Deficit on re-measurement of investments classified as available for sale	-	(5,934,996)
Share of surplus on remeasurement of investments in associate	1,184,552	-
Total comprehensive (loss) / income for the year	<u>(39,511,653)</u>	<u>37,798,866</u>

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



NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2011



FIRST DAWOOD INVESTMENT BANK LIMITED

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 2011.

5. PROPERTY AND EQUIPMENT

Building	49,582,400	50,220,800
Leasehold Improvements	5,748,545	6,323,399
Furniture & fixtures	158,486	162,767
Equipment and appliances	1,480,382	1,591,383
Vehicles	10,243,555	11,172,649
	<u>67,213,368</u>	<u>69,470,998</u>

5.1

Building	-	51,072,000
Leasehold Improvements	-	6,898,253
Furniture & fixtures	-	128,735
Equipment and appliances	-	1,599,835
Vehicles	76,400	5,938,500
	<u>76,400</u>	<u>65,637,323</u>

5.2

Equipment and appliances	-	999,550
Vehicles	146,900	1,937,800
	<u>146,900</u>	<u>2,937,350</u>



6. INVESTMENT PROPERTIES

Opening balance		119,086,520	191,037,708
Acquired in settlement of assets		-	187,685,500
Disposed off in settlement of liabilities		-	(214,027,312)
Transferred to operating fixed assets		-	(51,072,000)
Gain on fair value adjustment		-	5,462,624
		<u>119,086,520</u>	<u>119,086,520</u>

7. NET INVESTMENT IN LEASE FINANCE

Net investment in lease finance	7.1	956,644,226	966,280,391
Provision for doubtful receivables		(313,945,872)	(313,945,872)
Current portion	10	<u>(588,315,878)</u>	<u>(592,111,446)</u>
		<u>54,382,476</u>	<u>60,223,073</u>

7.1

Minimum lease payments receivable		975,554,990	984,755,035
Residual value of leased assets		<u>177,030,409</u>	<u>179,323,584</u>
		1,152,585,399	1,164,078,619

Unearned finance income		<u>(195,941,173)</u>	<u>(197,798,228)</u>
Net Investment in lease finance		<u>956,644,226</u>	<u>966,280,391</u>

8. LONG TERM INVESTMENTS

8.1

Opening Balance		163,947,170	22,961,150
Increase in interest in associates		36,033,261	-
Transfer to available-for-sale investment		-	136,552,931
Share of profit / (loss)		(8,055,164)	1,551,349
Share of surplus / (deficit) on revaluation of investments		1,184,552	2,881,740
		<u>193,109,819</u>	<u>163,947,170</u>

8.1.1

2,246,070	2,246,070	Dawood Capital Management Ltd.	21,901,682	22,357,890
4,762,100	4,762,100	B.R.R. Investments (Private) Ltd.	18,882,032	17,266,435
20,026,010	15,526,010	Dawood Family Takaful Limited	152,326,105	124,322,845
			<u>193,109,819</u>	<u>163,947,170</u>

9. LONG TERM FINANCES

Term finance facilities		438,175,312	483,983,656
Provision for doubtful receivables		(139,917,579)	(140,556,121)
Current portion	10	<u>(287,626,757)</u>	<u>(330,583,755)</u>
		<u>10,630,976</u>	<u>12,843,780</u>

10. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in lease finance	7	588,315,878	592,111,446
Long-term finances	9	287,626,757	330,583,755
Long-term loans		74,338	145,216
		<u>876,016,973</u>	<u>922,840,417</u>



11. SHORT TERM INVESTMENTS

11.1 Investments - Available for sale

Term finance certificates	29,073,776	29,125,005
Unquoted securities	20,761,433	20,761,433
	<u>49,835,209</u>	<u>49,886,438</u>

12. PLACEMENTS AND FINANCES

Placements and finances- unsecured	15,000,000	15,000,000
Provision for doubtful finances	-	-
	15,000,000	15,000,000
Financing against shares	341,071,100	341,071,100
Provision for doubtful finances	(340,830,200)	(340,755,324)
	240,900	315,776
Short-term finance - secured	66,156,568	66,221,567
Provision for doubtful finances	(13,368,478)	(13,433,478)
	52,788,090	52,788,089
Certificates of deposit	5,000,000	5,000,000
Provision for doubtful deposits	(5,000,000)	(5,000,000)
	-	-
Morabaha / Musharika Finances	136,287,780	136,362,780
Provision for Doubtful Finances	(72,001,891)	(70,927,994)
	64,285,889	65,434,786
	<u>132,314,879</u>	<u>133,538,651</u>

13. LONG TERM LOANS

<i>Foreign Currency</i>		
Asian Development Bank	73,836,385	73,836,385
<i>Local Currency</i>		
Commercial banks	613,885,597	614,635,597
	687,721,982	688,471,982
Maturing within one year	(240,646,786)	(129,343,289)
	<u>447,075,196</u>	<u>559,128,693</u>

14. CURRENT PORTION OF LONG TERM LIABILITIES

Long term loans	240,646,786	129,343,289
Lease deposits	146,560,651	148,329,526
	<u>387,207,437</u>	<u>277,672,815</u>

15. SHORT TERM BORROWINGS

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	159,500,000	165,500,000
	<u>159,500,000</u>	<u>165,500,000</u>



17. CONTINGENCIES AND COMMITMENTS

17.1 Contingent Liability

Letters of comfort / guarantee	<u>2,991,350,000</u>	<u>2,991,350,000</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 as at the year-end are as follows:

Balance at beginning of the year	-	-	-	52,581,328
Sanctioned / granted	-	-	-	-
Rentals received / settled	-	-	-	(52,581,328)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at beginning of the year	71,799	-	394,796	-
Sanctioned / granted	-	-	-	-
Received during the year	(71,799)	-	(322,997)	-
Balance at end of the year	<u>-</u>	<u>-</u>	<u>71,799</u>	<u>-</u>
Balance at beginning of the year	-	-	-	-
Sanctioned / granted	-	-	-	165,434,514
Received during the year	-	-	-	(165,434,514)
Balance at end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at beginning	-	163,947,170	-	22,961,150
Increase / (decrease) in interest	-	36,033,261	-	-
Transfer to / (from) available for sale investments	-	-	-	136,552,931
Share of (loss / profit)	-	(8,055,164)	-	1,551,349
Share of surplus / (deficit) on revaluation	-	1,184,552	-	2,881,740
Balance at end of the year	<u>-</u>	<u>193,109,819</u>	<u>-</u>	<u>163,947,170</u>
Advances & Prepayments	-	8,100,000	-	8,100,000
Disposal of fixed assets - cost	-	-	879,000	-



Short term investments acquired	-	-	-	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)
Finance cost	-	-	-	4,284,932
Lease Income	-	-	-	690,767
Return on placements, finances, deposits and investments	-	305,162	-	-
Common expenses charged	-	1,402,782	-	-
Share of (loss) / profit from associate	-	(8,055,164)	-	14,449,146
Share of common expenses paid	-	328,498	-	3,046,925
Service charges on staff loan	5,339	-	10,268	-
Gain on settlement of redeemable capital	-	-	-	-
Group Insurance	-	91,260	-	-

19. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 29, 2011 by the Board of Directors of the Company.

20. GENERAL

Figures have been rounded off nearest to Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR

BOOK POST



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