

**FIRST DAWOOD INVESTMENT
BANK LIMITED**

**Third Quarter Report
31 March 2013**



FIRST DAWOOD INVESTMENT BANK LIMITED

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CORPORATE INFORMATION

Board of Directors	Mr. Rafique Dawood	Chairman
	Mr. Rasheed Y. Chinoy	Chief Executive Officer
	Mr. Ayaz Dawood	Director
	Mr. Asad Hussain Bokhari	Alternate Director (in place of AVM S.J.Raza - Nominee of DCM)
	Mr. M. Riyazul Haque	Director (Nominee of NIT)
	Mr. Khurshid A. Khair	Director
Audit Committee	Mr. Asad Hussain Bokhari	Chairman
	Mr. M. Riyazul Haque	Member
	Mr. Khurshid A. Khair	Member
Chief Financial Officer & Company Secretary	Mr. Nabeel Asif	
Auditors	Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants (A Member Firm of Prime Global)	
Legal Advisor	Mohsin Tayebaly & Co.	
Management Consultants	Shekha & Mufti Chartered Accountants (A Member Firm of Moore Stephens International)	
Bankers	Al-Baraka Islamic Bank Bank Al-Habib Habib Metropolitan Bank National Bank of Pakistan Oman International Bank Standard Chartered Bank United Bank	
Registered Office Head Office	1900-B, Saima Trade Towers, I. I. Chundrigar Road, Karachi-74000 PABX: +92 (21) 3227-1875-80, 3701-0960-65, 3701-4641-44 Fax: +92 (21)3227-1913 Email: fdib@firstdawood.com URL: www.firstdawood.com	
Branch Offices	Islamabad Branch Office No. 405, 4th Floor, ISE Towers, 55-B, Jinnah Avenue, Islamabad Tel: +92 (051) 289-4486 Fax: +92 (051) 289-4487 Email: brrgmisb@yahoo.com	
	Lahore Branch Suite No. 210, 5th Floor, Siddiq Trade Centre, Main Boulevard, Gulberg III, Lahore Tel: +92 (42) 3578-1888 Fax: +92(42)3578-1890 Email: fdibl@yahoo.com	
Share Registrar	F.D. Registrar Services (SMC-Pvt) Ltd. 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000 Tel: +92 (21) 3547 8192-93 / 021-32771906 Fax: +92 (21) 3262 1233 / 021-32271905 Email: fdregistrar@hotmail.com, fdregistrar@yahoo.com	

DIRECTORS' REPORT

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

Dear Shareholders,

The Board of Directors of **First Dawood Investment Bank Limited** ("FDIB" or the "Company") is pleased to present the unaudited third quarter interim financial statements of the Company for the period ended March 31, 2013.

Your company during the period under review recorded after-tax profit of Rs.25.3 million as compared to loss of Rs.181.9 million during the corresponding period last year. Despite introduction of stringent provisioning requirements, profits were not adversely affected mainly because of the recoveries from bad loans. As of December 31, 2012, the company has reported profit of Rs.39.9 million as compared to profit of Rs.25.3 million for three quarters which translates to an after tax loss of Rs.14.5 million for the third quarter compared to profit of Rs.28.0 million last year for the three quarter.

Gross revenue for the nine months is Rs.29.96 million as compared to Rs.41.18 million during corresponding nine months in last year.

Administrative expenses for the period under review continue to show a declining trend and have reduced to Rs.56.54 million from Rs.61.97 million. Financial charges have increased to Rs.11.79 million from Rs.2.93 million (negative) as compared to corresponding period. In the comparative period there was a reversal of mark-up by a commercial bank, settlement of liabilities and restructuring a small portion on softer terms.

During the quarter, the Securities & Exchange Commission of Pakistan (SECP) presented the report of the Non-Banking Financial (NBF) sector reforms to encourage business environment for sustainable development of financial markets, especially to make a significant contribution in providing the thrust for growth of NBF sector.

In view of the suggested reforms, FDIBL will be equity compliant as per revised minimum equity requirement (MER) for undertaking non-deposit taking Investment Finance Service (IFS). As per reviewed financial statements for the half year ended December 31, 2012 by our external auditors, FDIBL equity stands at Rs.226.51 million in compliant with MER of Rs.100 million for IFS license.

The management of FDIBL is continuing its efforts for recoveries and focusing its priority on reduction in non-performing portfolio, rebuilding of cash reserve and correspondingly controlling costs, our Special Assets and Legal Department are making coordinated efforts to reduce non-performing loans which are pursued through negotiations and settlements which will enhance the company's financial health and corresponding values.

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

April 26, 2013
Karachi.

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

Rafique Dawood
Chairman

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT MARCH 31, 2013

	<i>Note</i>	<i>Unaudited March 31, 2013 Rupees</i>	<i>Audited June 30, 2012 Rupees</i>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	5,713,709	7,486,509
Investment properties		70,095,000	70,095,000
Net investment in lease finance	6	43,120,709	61,007,530
Long-term investments	7	183,115,816	186,929,237
Long-term finances	8	1,174,182	10,062,306
Long-term loans		215,269	240,797
Long-term deposits		3,704,000	3,500,000
Deferred tax asset		198,893,526	129,746,665
		506,032,211	469,068,044
CURRENT ASSETS			
Current portion of non-current assets	9	359,417,498	362,640,338
Short-term investments	10	53,194,523	33,736,257
Placements and finances	11	72,475,649	75,475,649
Advance against lease commitments		8,531,099	10,999,999
Loans, advances and prepayments		8,619,679	9,186,632
Mark-up accrued		1,938,825	762,053
Other asset		4,500,000	4,500,000
Other receivables		41,867,310	47,637,883
Cash and bank balances		67,574,596	139,860,361
		618,119,179	684,799,172
		1,124,151,390	1,153,867,216
EQUITY AND LIABILITIES			
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		(1,461,347,302)	(1,465,185,983)
		214,723,927	210,885,246
Deficit on revaluation of investments		(9,827,230)	(9,987,869)
		204,896,697	200,897,377
NON CURRENT LIABILITIES			
Long-term loans	12	268,846,040	277,663,068
Long-term deposits		5,451,675	6,232,126
		274,297,715	283,895,194
CURRENT LIABILITIES			
Current portion of long-term liabilities	13	313,872,660	353,224,560
Mark-up accrued		56,856,498	49,316,029
Short term borrowings		81,418,223	81,418,223
Certificates of investment	14	88,500,000	107,250,000
Deferred Income		6,118,950	-
Accrued and other liabilities		97,674,383	76,365,833
Taxation		516,264	1,500,000
		644,956,978	669,074,645
CONTINGENCIES AND COMMITMENTS			
	15	1,124,151,390	1,153,867,216

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>		<i>March 31</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
<i>Note</i>	<i><----- Rupees -----></i>			
INCOME				
Lease income	3,879,616	9,783,364	1,077,682	1,068,410
Return on deposits and investments	12,603,623	23,537,396	3,470,776	11,533,827
Gain on sale of securities	811,262	268,357	497,586	268,357
Income from long-term finances	284,414	4,300,015	34,968	181,317
Other income	12,387,479	3,297,081	540,824	455,922
	29,966,394	41,186,213	5,621,836	13,507,833
PROVISION / CHANGES IN FAIR VALUE				
Reversal / (Provision) for lease losses and doubtful recoveries	17 8,151,923	(112,676,227)	280,000	28,348,156
Deficit on remeasurement of held for trading securities	(1,103,825)		(325,125)	
Loss on settlement of Liabilities	(8,500,000)		-	
(Impairment) / reversal of impairment in financial assets	-	18,612,500	-	19,999,999
	(1,451,902)	(94,063,727)	(45,125)	48,348,155
	28,514,492	(52,877,514)	5,576,711	61,855,988
EXPENDITURES				
Administrative expenses	(56,537,318)	(61,973,570)	(16,439,352)	(21,746,574)
Finance cost	(11,792,847)	2,939,511	(3,691,181)	19,927,625
	(68,330,165)	(59,034,059)	(20,130,533)	(1,818,949)
OTHER (LOSS) / INCOME				
Loss on disposal of property	-	(32,400,939)	-	(32,400,939)
Share of (loss) / profit of associates	(4,210,357)	(14,102,079)	-	1,409,276
	(4,210,357)	(46,503,018)	-	(30,991,663)
(LOSS) / PROFIT BEFORE TAXATION	(44,026,030)	(158,414,591)	(14,553,822)	29,045,376
TAXATION				
Current	(516,264)	(1,500,000)	-	(1,000,000)
Prior year	728,732	1,565,630	-	-
Deferred	69,146,861	(23,549,625)	-	-
	69,359,329	(23,483,995)	-	(1,000,000)
(LOSS) / PROFIT AFTER TAXATION	25,333,299	(181,898,586)	(14,553,822)	28,045,376
Earning / (Loss) per share - basic	0.75	(2.90)	(0.12)	0.45
Earning / (Loss) per share - diluted	0.19	(1.36)	(0.11)	0.21

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

Nine months ended

March 31

	2013	2012
	Rupees	Rupees

A. CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / profit before taxation	(44,026,030)	(158,414,591)
Adjustments:		
Depreciation	2,090,930	5,903,963
Gain on sale of investments	(811,262)	(268,357)
Share of loss / (profit) of equity accounted investees	4,210,357	14,102,079
Finance cost	11,792,847	(2,939,511)
Gain on sale of property and equipment	-	32,400,939
Provision against lease losses and doubtful recoveries	(8,151,923)	112,676,227
Deficit on remeasurement of held for trading securities	1,103,825	
Loss on settlement of Liabilities	8,500,000	
Reversal of impairment in financial assets	-	(18,612,500)
	18,734,774	143,262,840
	(25,291,256)	(15,151,751)

Changes in operating assets and liabilities

(Increase) / decrease in operating assets

Net investment in lease finance	21,034,661	58,715,977
Long-term finances	8,888,124	27,839,099
Long-term loans	-	126,516
Placements and finances	3,000,000	30,790,000
Advance against lease commitments	2,468,900	26,411,000
Advances and prepayments	566,953	1,082,408
Mark up accrued	(1,176,772)	12,656,029
Other receivables	(3,259,040)	19,788,771
	31,522,826	177,409,800
	6,231,570	162,258,049

Increase / (decrease) in operating liabilities

Certificates of investment	(18,750,000)	(40,500,000)
Long term deposits	(481,095)	(32,622,525)
Accrued and other liabilities	21,308,550	(7,981,884)
	2,077,455	(81,104,409)
Financial cost paid	(11,912,513)	(11,912,513)
Tax paid	(983,736)	(2,708,482)
Net cash generated from operating activities	(4,587,224)	66,532,645

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(1,240,022)	(1,273,791)
Proceed from sale of property and equipment	1,672,033	265,825
Long-term investments	-	-
Long-term deposits	(204,000)	(1,000,000)
Short-term investments	(19,458,266)	(29,769,830)
Net cash used in investing activities	(19,230,255)	(31,777,796)

	<i>Nine months ended</i>	
	<i>March 31</i>	
	<i>2013</i>	<i>2012</i>
	<i>Rupees</i>	<i>Rupees</i>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(48,468,286)	(30,101,189)
Long-term loans obtained	-	-
Net cash (used in) / generated from financing activities	<u>(48,468,286)</u>	<u>(30,101,189)</u>
Net increase in cash and cash equivalents	(72,285,765)	4,653,660
Cash and cash equivalents at beginning of the period	139,860,361	114,051,788
Cash and cash equivalents at end of the period	<u>67,574,596</u>	<u>118,705,448</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTERS ENDED MARCH 31, 2013

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>		<i>March 31</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i><----- Rupees -----></i>			
Profit / (Loss) after taxation	25,333,299	(181,898,586)	(14,553,822)	28,045,376
Other comprehensive income				
Deficit on remeasurement of investments classified as available-for-sale	-	-	-	-
Share of associates' surplus on remeasurement of investments	-	-	-	-
Total comprehensive (loss) / income for the period	<u>25,333,299</u>	<u>(181,898,586)</u>	<u>(14,553,822)</u>	<u>28,045,376</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

	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, 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	-	-	-	-	-	-	(181,898,586)	(181,898,586)
- Loss for the period	-	-	-	-	-	-	1,018,046	1,018,046
- Other comprehensive income	-	-	-	-	-	-	-	-
Dividend on preference shares @ 4%	-	-	-	-	-	-	(21,573,069)	(21,573,069)
Balance as at March 31, 2012	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(23,744,394)	(1,263,637,074)	388,689,761
Total comprehensive income for the period	-	-	-	-	-	-	(194,488,636)	(194,488,636)
- Loss for the period	-	-	-	-	-	-	13,756,525	13,756,525
- Other comprehensive income	-	-	-	-	-	-	-	-
Dividend on preference shares @ 4%	-	-	-	-	-	-	(7,060,273)	(7,060,273)
Balance at June 30, 2012	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(9,987,869)	(1,465,185,983)	200,897,377
Total comprehensive income for the period	-	-	-	-	-	-	25,333,299	25,333,299
- Profit for the period	-	-	-	-	-	-	160,639	160,639
- Other comprehensive income	-	-	-	-	-	-	-	-
Dividend on preference shares @ 4%	-	-	-	-	-	-	(21,494,618)	(21,494,618)
Balance as at March 31, 2013	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(9,827,230)	(1,461,347,302)	204,896,697

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS AND QUARTERS ENDED MARCH 31, 2013

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, Allied Bank of Pakistan, Escorts Investment Bank Limited, Engro Fertilizers Limited, Orix Leasing Pakistan Limited - 2, Saudi Pak Leasing Company Limited, New Allied Electronics Industries (Pvt.) Limited, Security Leasing Company Limited, Dewan Cement Limited, House Building Finance Company Limited, Bunny's Limited, Pak Hy-Oils Limited, and Flying Board and Paper Products Limited. The value of such assets as at March 31, 2013 amounted to Rs. 19.75 billion (June 2012: 21.75 billion)

2. BASIS OF PREPARATION

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

3. BASIS OF MEASUREMENT

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

	<i>Note</i>	<i>March 31, 2013 Rupees</i>	<i>June 30, 2012 Rupees</i>
5. PROPERTY AND EQUIPMENT			
5.1 Acquisition of assets - at cost			
Leasehold improvement		-	770,000
Vehicles		960,820	360,300
Equipment and appliances		279,202	143,491
		1,240,022	1,273,791
5.2 Disposal of assets - at cost			
Office premises		-	51,072,000
Leasehold improvement		-	7,668,253
Vehicles		1,620,500	4,281,109
Equipment and appliances		-	70,350
		1,620,500	63,091,712

	Notes	March 31, 2013 Rupees	June 30, 2012 Rupees
6. NET INVESTMENT IN LEASE FINANCE			
Net investment in lease finance	6.1	731,726,074	754,876,878
Provision for potential lease losses		(482,981,332)	(485,097,475)
Current portion	9	(205,624,033)	(208,771,873)
		<u>43,120,709</u>	<u>61,007,530</u>
6.1 Particulars of net investment in lease finance			
Minimum lease payments receivable		741,054,840	767,322,488
Residual value of leased assets		139,197,130	139,678,225
		<u>880,251,970</u>	<u>907,000,713</u>
Unearned finance income		(148,525,896)	(152,123,835)
Net investment in lease finance		<u>731,726,074</u>	<u>754,876,878</u>
7. LONG TERM INVESTMENTS			
Investment in associates	7.1	178,311,119	182,360,837
US Dollar bond		4,804,698	4,568,400
		<u>183,115,817</u>	<u>186,929,237</u>
7.1 Investment in associates			
Opening balance		182,360,837	163,947,170
Increase in interest of associates		-	45,000,000
Share of (loss) / gain		(4,210,357)	(27,454,104)
Share of surplus on revaluation of investments		160,639	867,771
Transfer from available-for-sale investment		-	-
		<u>178,311,119</u>	<u>182,360,837</u>
8. LONG-TERM FINANCES			
Term finance facilities		353,662,642	356,893,988
Provision for doubtful finances		(198,694,995)	(193,038,217)
Current portion	9	(153,793,465)	(153,793,465)
		<u>1,174,182</u>	<u>10,062,306</u>
9. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance	6	205,624,033	208,771,873
Long-term finances	8	153,793,465	153,793,465
Long-term loans		-	75,000
		<u>359,417,498</u>	<u>362,640,338</u>
10. SHORT TERM INVESTMENTS			
Held-for-trading			
Listed Ordinary shares		12,840,014	6,381,748
Available-for-sale			
Term finance certificates / sukuk bonds		20,675,786	7,675,786
Unquoted securities		19,678,723	19,678,723
		<u>53,194,523</u>	<u>33,736,257</u>

	<i>Notes</i>	<i>March 31, 2013 Rupees</i>	<i>June 30, 2012 Rupees</i>
11. PLACEMENTS AND FINANCES			
Placement and finances - unsecured		14,500,000	14,500,000
Provision for doubtful finances		(14,500,000)	(14,500,000)
		-	-
Financing against shares		311,071,100	311,071,100
Provision for doubtful finances		(311,071,100)	(311,071,100)
		-	-
Short-term finance - secured		63,081,567	66,081,567
Provision for doubtful finances		(39,500,901)	(39,500,901)
		23,580,666	26,580,666
Certificates of deposit		5,000,000	5,000,000
Provision for doubtful finances		(5,000,000)	(5,000,000)
		-	-
Morabaha / musharika finances		124,018,446	124,018,446
Provision for doubtful finances		(75,123,463)	(75,123,463)
		48,894,983	48,894,983
		<u>72,475,649</u>	<u>75,475,649</u>
12. LONG TERM LOANS			
<i>Secured</i>			
Asian Development Bank		21,242,060	49,460,344
Commercial Banks		440,635,597	460,885,597
		461,877,657	510,345,941
Current portion	13	(193,031,617)	(232,682,873)
		<u>268,846,040</u>	<u>277,663,068</u>
13. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans		193,031,617	232,682,873
Lease deposits		120,841,043	120,541,687
		<u>313,872,660</u>	<u>353,224,560</u>
14. SHORT TERM CERTIFICATES OF INVESTMENT			
Non Banking Financial Institutions		<u>88,500,000</u>	<u>107,250,000</u>

An out of court settlement with State Life Corporation of Pakistan (SLIC) was initiated on December 29, 2012 with assistance of Karachi Centre for Dispute Resolution (KCDR). Subsequently a compromise application was filed and accepted by the Honorable High Court of Sindh on February 06, 2013. According to the agreement terms have to be executed within 90 days of the signing i.e. by March 29, 2013 subject to all regulatory approvals. In lieu of which agreed assets are in the process of being transferred including 8.4 million shares of Burj Bank Limited which at present FDIBL do not hold. However, sponsors are committed to make the aforesaid shares available for settlement with SLIC within stipulated time. Due to regulatory compliances due date has been extended with mutual agreement by another 30 days i.e. April 28, 2013.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingent liabilities

Letters of comfort / guarantee	2,038,000,000	2,038,000,000
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16. 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 personnel and their close family members.

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

	<i>March 31, 2013</i>		<i>June 30, 2012</i>	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
	<i>Rupees</i>			
Long term finances / loans				
Balance at beginning of the period / year	-	-	71,799	-
Sanctioned / granted	-	-	-	-
Received during the period / year	-	-	(71,799)	-
Balance at end of the period / year	-	-	-	-
Investment in associate				
Balance at beginning of the period / year	-	182,360,837	-	163,947,170
Increase / (decrease) in interest	-	-	-	45,000,000
Transfer to / (from) available for sale investments	-	-	-	-
Share of (loss / profit)	-	(4,210,357)	-	(27,454,104)
Share of surplus / (deficit) on revaluation	-	160,639	-	867,771
Balance at end of the period / year	-	178,311,119	-	182,360,837
Advances and prepayments	-	3,000,000	-	8,100,000
Acquisition of fixed assets - cost	-	127,500	-	-
Disposal of fixed assets - cost	-	41,500	3,224,350	-
Unearned rent	-	2,262,500	-	3,077,000
Markup accrued	-	-	-	714,000
Settlement transactions				
Short term investments acquired	-	-	-	146,000,000
Property transferred	-	-	-	70,000,000
Term finance facility received	-	-	-	7,500,000
Term finance facility transferred	-	-	-	7,151,192
Other receivables acquired	-	-	-	26,950,351
Cash paid	-	-	-	26,000,000
Short term investments transferred	-	-	-	50,000,000

	<i>March 31, 2013</i>		<i>March 31, 2012</i>	
<i>Charge to profit and loss account</i>				
Finance cost	-	-	-	12,761,644
Lease income	-	-	-	1,129,129
Return on placements, finances, deposits and investments	-	-	-	9,024,962
Share of common expenses	-	2,072,600	-	5,025,295
Share of (loss) / profit from associate	-	(4,210,357)	-	11,452,429
Share of common expenses received	-	408,384	-	1,311,435
Service charges on staff loan	18,564	-	-	-
Rental income	-	814,500	-	-
Rental expense	-	1,720,440	-	-
Insurance expense	-	38,852	-	-
Other income	-	-	-	8,790,000

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 26, 2013 by the Board of Directors of the Company.

18. GENERAL

Figures have been rounded off to the nearest Rupee.

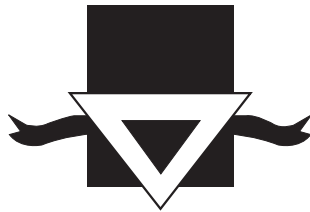
CHIEF EXECUTIVE OFFICER

DIRECTOR

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