FIRST DAWOOD INVESTMENT BANK LIMITED

CORPORATE BRIEFING SESSION FOR THE YEAR ENDED JUNE 30, 2020

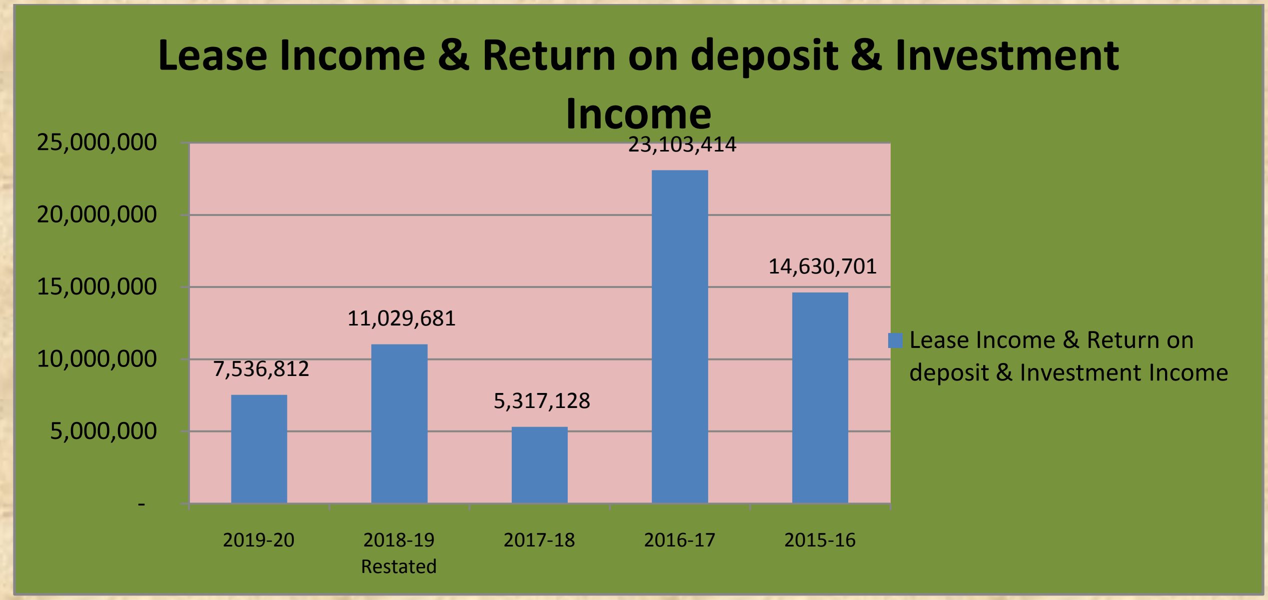
NATURE AND STATUS OF BUSINESS

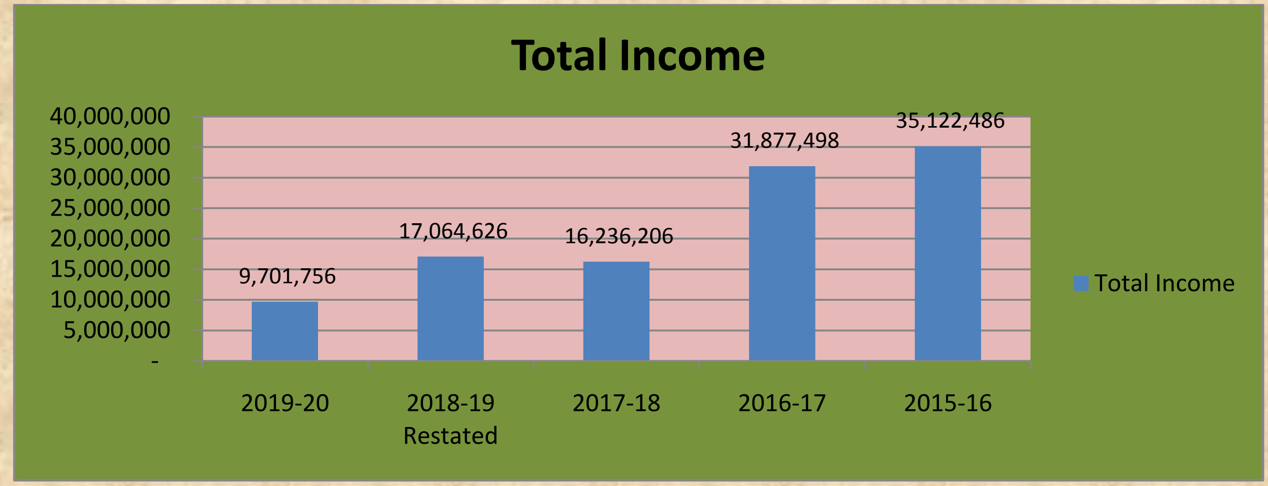
First Dawood Investment Bank Limited ("the Company") was incorporated on June 22, 1994 as a public limited company in Pakistan under the Companies Act, 2017 (formerly Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 19th Floor, Tower B, Saima Trade Towers, I.I Chundrigar Road, 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 has been expired and awaiting renewal.

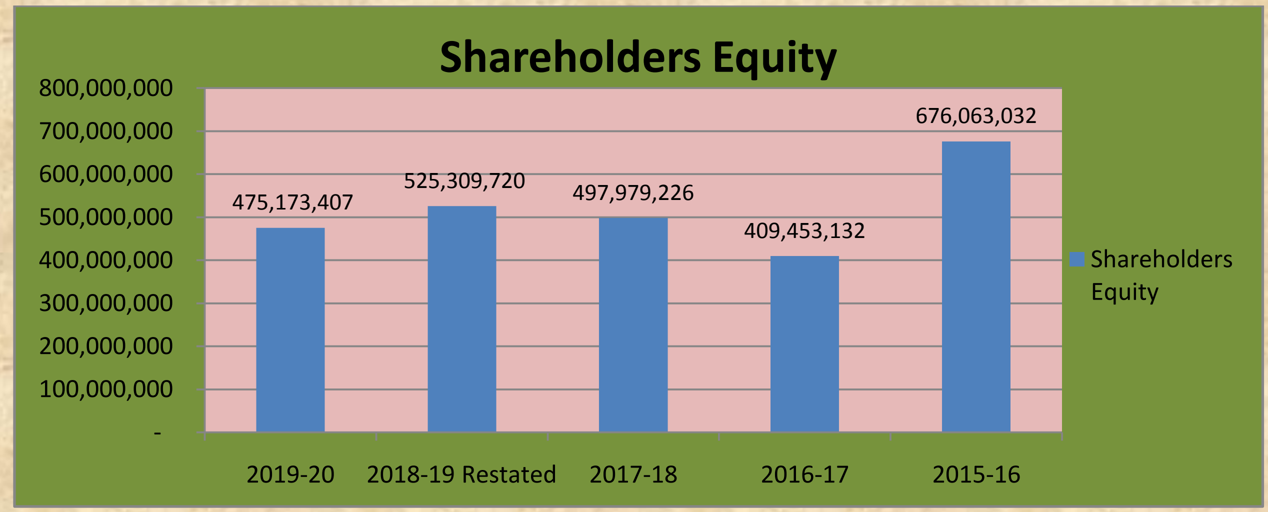
FINANCIAL PEROFORMANCE

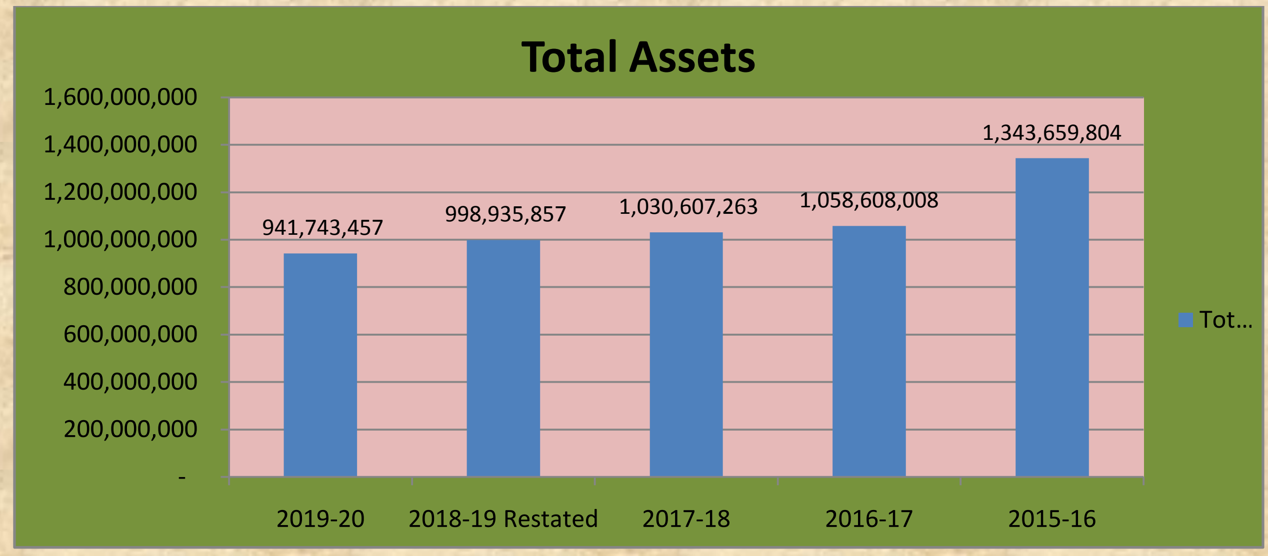
The Company has incurred a net loss of Rs. 63.409 million during the year ended June 30, 2020, its accumulated losses reached to Rs. 1,470.941 million as at June 30, 2020. The Company faced liquidity crunch due to aftermath of financial crisis 2008-09 which result primarily in view of unwarranted closure of PSX for all practical purpose for 109 days. The stock market nosedived by approximately 60% which resulted in withdrawal of money market lines by financial institution of NBFC sector. Owing to abrupt withdrawal of clean money market, money of the Company of over Rs. 05 billion from the banking sector; the Company was unable to meet its commitments on time. To honour its commitment to creditors/lenders, the Company settled its majority of its liabilities against its assets, thus various loans and liabilities have been settled and about Rs. 389.102 million is outstanding for which the Company is making efforts to settle in a similar manner. Presently, the equity of the Company is Rs. 475.173 million. However, as per SECP Order dated May 24, 2018, MCR shall exclude deferred tax asset and markup of Rs. 62.49 million for which appeal has been filed. Similarly, and going forward, the management of the Company is confident that it will continue with the mitigation plan, as explained in the following paragraphs, which will also ensure that the Company continues as going concern owing to these factors financials statement are prepared on going concern basis.

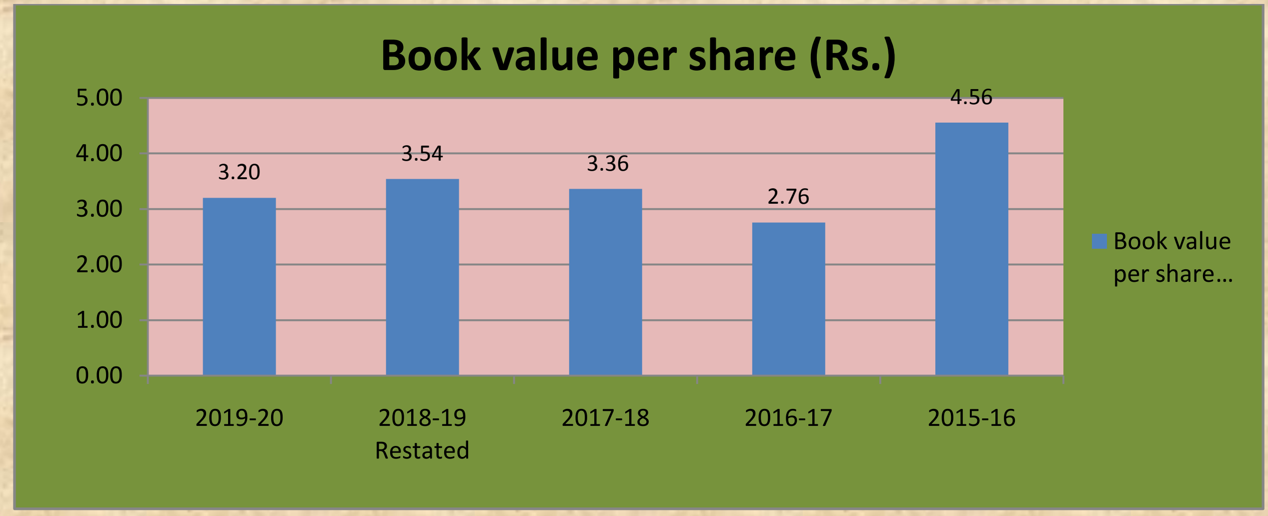
FINANCIAL HIGHLIGHTS

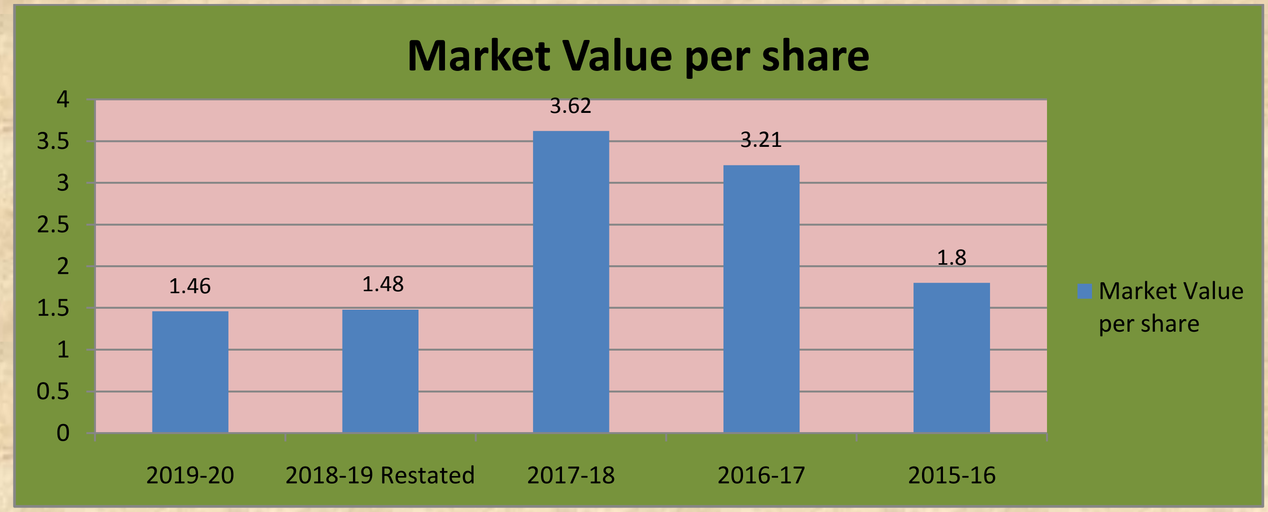







Total Assets
1,600,000,000
1,400,000,000
1,200,000,000
1,000,000,000
800,000,000
600,000,000
400,000,000
200,000,000
-
941,743,457
998,935,857
1,030,607,263
1,058,608,008
1,343,659,804
2019-20
2018-19 Restated
2017-18
2016-17
2015-16
Tot...


Book value per share (Rs.)
5.00
4.00
3.00
2.00
1.00
0.00
3.20
3.54
3.36
2.76
4.56
2019-20
2018-19 Restated
2017-18
2016-17
2015-16
Book value per share...


Market Value per share
4
3.5
3
2.5
2
1.5
1
0.5
0
1.46
1.48
3.62
3.21
1.8
2019-20
2018-19 Restated
2017-18
2016-17
2015-16
Market Value per share

MITIGATION PLAN

'The Company has successfully been able to meet over many of its financial obligations through recoveries and settlements and has been able to settle majority of its liabilities and other commitments through its assets in last few years. It further plans to continue with the settlement of its remaining outstanding liabilities i.e. Rs. 389.102 million.

'The Company is hopeful to restructure/ settle the residual amount of liabilities in the near future.

The Company is meeting all of its expenses since the financial turmoil of 2008-09 without any external financial support or a bail-out package. Further, the Company has adequate liquid assets in the form of bank balances and short term investments to meet its obligations / expenses in the near future.

The Company is aggressively following-up with its non-performing portfolio for recovery of principal, mark-up and repossession of collaterals assets. In this respect, the management has realigned its strategy accordingly.

'During the year, the Company made recoveries amounting Rs. 11.825 million which is below the expected recovery amount of Rs. 80 million. Major reason for the difference was slow litigation system in the country. The management is expecting to recover the amount either through auction of the collateralized assets or transfer of title of the collateralized asset through the Court order or out of court settlement.

FUTURE OUTLOOK

During the year, a substantial amount has been made recovered against non-performing lease and advances portfolio and further recovery is also expected which will provide cash flow cushion within next two - three years. The management is confident that it will manage to continue writing back provisions as a result of expected recoveries which will result in better cash flows. Administrative expenses have been curtailed and departments have been restructured and rationalized/ right sized to reduce the payroll cost and overhead expenses. The proposed reduction in financing cost through restructuring/ settlements with the lenders will assist in further reducing the losses and improving the equity. This will make the Company attractive for equity participation/ merger along with an opportunity for the existing shareholders to inject additional equity. The main sponsors are committed to subscribe their portion of right issue. The management is confident that the Company will be able to resume its operations upon renewal of licenses and take advantage of deferred tax by writing new lease facilities.