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FIRST DAWOOD INVESTMENT BANK LIMITED

FDIBL/MG/4451/2015

The General Manager
Karachi Stock Exchange Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi.

February 19, 2015

Sub: Financial Results of First Dawood Investment Bank Limited for Half Year Ended December 31, 2014.

Dear Sir,

We have to inform you that the Board of Directors of **First Dawood Investment Bank Limited** in their meeting held on **Thursday, February 19, 2015 at 12:00 Noon** at 18th Floor, B.R.R Tower, Hassan Ali Street, Off: I.I. Chundrigar Road, Karachi, recommended the following:

- | | | |
|--|-------|---------------|
| (i) <u>CASH DIVIDEND</u> | -NIL- | <u>AND/OR</u> |
| (ii) <u>BONUS SHARES</u> | -NIL- | <u>AND/OR</u> |
| (iii) <u>RIGHT SHARES</u> | -NIL- | <u>AND/OR</u> |
| (iv) <u>ANY OTHER ENTITLEMENT/CORPORATE ACTION</u> | -NIL- | <u>AND/OR</u> |
| (v) <u>ANY OTHER PRICE-SENSITIVE INFORMATION</u> | -NIL- | |

Financial Results of the Company are on page 3.

Certain qualification / observation by the auditors are on page 2

We will send you 200 copies of printed Accounts for distribution amongst the TRE Certificate Holders of the Exchange in due course.

Yours truly,

Naveed Ahmed
Company Secretary



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EXTRACTS FROM AUDITOR REPORT

Auditor's Qualifications

- a) As at December 31, 2014 the company has recognized deferred tax asset of Rs. 198.89 million in respect of unabsorbed tax depreciation on leases, carry forward of unused tax losses and deductible temporary differences. As stated in note 10 to the condensed interim financial information, the management has carried out assessment for recoverability of the said deferred tax asset on the basis of projection for future taxable income taking into account various assumptions regarding future business prospects and conditions. However, we were not provided adequate supporting documentation/bases for the assumptions used in preparation of those projections and consequently, we were unable to determine whether any adjustment in the amount of deferred tax asset was necessary.
- b) The operations of one of the associated undertaking were closed due to reason stated in note 8.2 to the condensed interim financial information; consequently assessment for impairment of investment in that associate should have been made by the management. However, in the absence of such exercise, we were unable to determine whether any adjustment in the carrying value of investment in the associate was necessary.

Auditor's Emphasis Paragraph

- i. note 1.3 to the condensed interim financial information which describes that the Company is facing financial problems, its accumulate losses as at December 31, 2014 are in the tune of Rs. 1,611,267 million, and as of that date, the Company's current liabilities exceed its current assets by RS. 427.86 million, its licenses to carryout business are not renewed and it's not being able to meet minimum equity requirements. These conditions along with other matters as stated in note 1.3 and unfunded exposure as described in note 21 indicates the existence of uncertainties which may cast significant doubt about the company's ability to continue as a going concern;
- ii. As stated in note 21 to the condensed interim financial information, guarantees issued by the company amounting Rs.1,098 million which are under litigation. The ultimate outcome in this regard cannot presently be ascertained; and
- iii. As stated in note 8.4 and 21 to the condensed interim financial information, the company is not in compliance with certain requirements of NBFC Regulations. Further, as stated in note 1.2 to the condensed interim financial information appeal for renewal of registration as Debt Securities Trustee under regulation 6(2) of Debt Securities Trustee Regulation, 2012 is currently pending at the appellate bench of SECP.

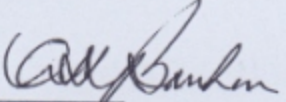
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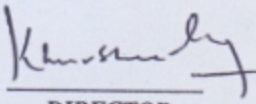
FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2014

Note	<i>Six months ended</i>		<i>Quarter ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2014	2013	2014	2013
	----- Rupees -----			
INCOME				
Lease income	-	1,329,495	-	135,312
Return on placement, finance deposits and investments	2,620,222	6,202,146	27,263	3,580,171
Gain / (loss) on sale of securities	1,615,062	1,035,782	1,434,053	530,249
Income from long-term finances	1,072,660	368,571	1,033,321	258,925
Other income / (loss)	6,123,925	1,904,343	3,936,106	(1,235,536)
	<u>11,431,869</u>	<u>10,840,337</u>	<u>6,430,743</u>	<u>3,269,121</u>
PROVISION / CHANGES IN FAIR VALUE				
(Provision)/Reversal of provision for potential lease losses and other loan losses - net	22. 15,016,119	1,153,177	11,547,257	343,177
(Deficit) / surplus on remeasurement of held for trading securities	961,389	(902,406)	1,254,387	1,556,870
Surplus on revaluation of investment property	18,323,960	-	18,323,960	-
Surplus on revaluation of non-current asset held for sale	5,194,000	-	-	-
Loss on settlement of liabilities	-	(64,926)	-	(64,926)
	<u>39,495,468</u>	<u>185,845</u>	<u>31,125,604</u>	<u>1,835,121</u>
	<u>50,927,337</u>	<u>11,026,182</u>	<u>37,556,347</u>	<u>5,104,242</u>
EXPENDITURES				
Administrative expenses	(22,208,118)	(37,243,051)	(10,445,622)	(20,791,710)
Finance cost	(19,553,050)	(7,065,460)	(16,583,461)	(4,482,133)
	<u>(41,761,168)</u>	<u>(44,308,511)</u>	<u>(27,029,083)</u>	<u>(25,273,843)</u>
Share of profit/(loss) from associates	7,219,341	(3,367,517)	7,219,341	(3,367,517)
LOSS BEFORE TAXATION	<u>16,385,510</u>	<u>(36,649,846)</u>	<u>17,746,605</u>	<u>(23,537,118)</u>
TAXATION				
Current	23. (732,047)	(972,830)	(732,047)	(972,830)
Prior year	-	765,692	-	765,692
	<u>(732,047)</u>	<u>(207,138)</u>	<u>(732,047)</u>	<u>(207,138)</u>
PROFIT/(LOSS) AFTER TAXATION	<u>15,653,463</u>	<u>(36,856,984)</u>	<u>17,014,558</u>	<u>(23,744,256)</u>
Earnings/(loss) per share - basic	<u>0.03</u>	<u>(0.82)</u>	<u>0.164</u>	<u>(0.61)</u>
Earnings/(loss) per share - diluted	<u>0.11</u>	<u>(0.26)</u>	<u>0.0126</u>	<u>(0.16)</u>

The annexed notes from 1 to 27 form an integral part of this condensed interim financial information.

This condensed interim financial information has been signed by two Directors due to reasons stated in note 1.9 to this condensed interim financial information.


 DIRECTOR


 DIRECTOR