

FIRST DAWOOD INVESTMENT BANK LIMITED

EXTRACT FROM AUDITOR'S REPORT TO THE MEMBER

Report that:

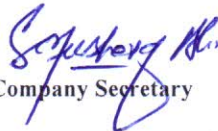
- a) As at December 31, 2017, the Company has recognized deferred tax asset of Rs.428.97 million in respect of carry forward of unused tax losses, various provisions and Alternate corporate tax. As stated in note 10 of the condensed interim financial information, the management has carried out assessment for recoverability of the said deferred tax asset on the basis of projections for future taxable income taking into account various assumptions regarding future business prospects and conditions. However, since the company does not have a valid license to do new business, therefore it is difficult to accept the assumptions and projections in this regard and accordingly, deferred tax asset should be reversed resulting in corresponding impact on equity and profits;

in their opinion, except for the possible effects of the matter described in above (a) paragraph, proper books of accounts have been kept by the Company as required by the Repealed Companies ordinance, 1984;

they draw attention to the following matters:

- (i) Note 1.3 to the condensed interim financial information which describes that licenses to carryout business are not renewed. These conditions along with other matters as stated in note 1.3 and investment exposures exceeding threshold as described in note 8.3 indicates the existence of uncertainties which may cast significant doubt about the company's ability to continue as a going concern and company may not be able to realize its assets and discharge its liabilities at stated amounts.
- (ii) Note 21 to the condensed interim financial information which gives details of contingencies, the ultimate outcome in this regard cannot presently be determined.
- (iii) 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 Honourable High Court of Sindh, Karachi.

Their opinion is not qualified in respect of these matters.


Company Secretary



Date: February 26, 2018

FIRST DAWOOD INVESTMENT BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2017

	<i>Six months ended</i>		<i>Quarter ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
<i>Note</i>	<i>----- Rupees -----</i>			
Income				
Lease income	1,553,332	1,274,177	1,182,832	1,269,035
Return on placement, finance deposits and investments	1,462,479	11,389,020	127,238	1,255,378
Gain on sale of securities	4,885,675	3,100,995	4,430,519	1,531,101
Income from long-term finances	44,819	1,606,970	21,523	1,579,698
Other income	1,015,150	1,874,847	1,010,900	(632,253)
	<u>8,961,455</u>	<u>19,246,009</u>	<u>6,773,012</u>	<u>5,002,959</u>
Provision / changes in fair value				
Reversal / (provision) for potential lease losses and other loan losses - net	22. 45,494,641	4,962,760	36,769,459	4,762,760
(Deficit) / surplus on remeasurement at fair value through profit and loss	(805,502)	6,188,097	(574,390)	3,749,654
Unrealized gain on remeasurement of investments property	2,707,000	-	2,707,000	-
Impairment on assets held for sale	(10,592,960)	-	(10,592,960)	-
Liabilities Written back	62,492,349	-	62,492,349	-
	<u>99,295,528</u>	<u>11,150,857</u>	<u>90,801,458</u>	<u>8,512,414</u>
	<u>108,256,983</u>	<u>30,396,866</u>	<u>97,574,470</u>	<u>13,515,373</u>
Expenditures				
Administrative expenses	(18,486,664)	(18,287,170)	(9,670,141)	(9,065,294)
Finance cost	-	(5,483,370)	-	3,769
	<u>(18,486,664)</u>	<u>(23,770,540)</u>	<u>(9,670,141)</u>	<u>(9,061,525)</u>
Share of profit from associates	4,884,944	2,753,261	4,884,944	2,753,261
Profit before taxation	<u>94,655,264</u>	<u>9,379,587</u>	<u>92,789,274</u>	<u>7,207,109</u>
Taxation	23. 32,902,637	(473,475)	(14,216,407)	(360,581)
Profit after taxation	<u>127,557,901</u>	<u>8,906,112</u>	<u>78,572,867</u>	<u>(360,581)</u>
Earning per share - basic	<u>0.86</u>	<u>0.06</u>	<u>0.53</u>	<u>0.05</u>
Earning per share - diluted	<u>0.86</u>	<u>0.06</u>	<u>0.53</u>	<u>0.05</u>

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


 Chief Executive


 Chief Financial Officer


 Director