

# Half Yearly Report December 2011



**fcibank**

**FIRST CREDIT AND INVESTMENT BANK LTD.**

Major Joint Venture Partners:





**FIRST CREDIT AND INVESTMENT BANK LIMITED**

---

## *Vision*

*Be a preferred investment bank enhancing value  
for the stakeholders and contributing to the  
National goals.*

## *Mission Statement*

*Contributing through innovative financing and  
investment in quality portfolio, advisory services  
delivered in an environment of trust and  
customer confidence supported by a team of  
professionals.*



## **C O N T E N T S**

COMPANY INFORMATION.....	02
DIRECTORS' REVIEW .....	03
INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS ...	05
CONDENSED INTERIM BALANCE SHEET .....	06
CONDENSED INTERIM PROFIT & LOSS ACCOUNT .....	07
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME .....	08
CONDENSED INTERIM CASH FLOW STATEMENT .....	09
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY .....	10
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS ...	11



**FIRST CREDIT AND INVESTMENT BANK LIMITED**

**BOARD OF DIRECTORS**



**Mr. Shahid Anwar Khan**  
Chairman



**Dr. Asif A. Brohi**  
Director



**Mr. Najib Tariq**  
Director



**Mr. Imdad Ali Shaikh**  
Director



**Mr. Wajahat A. Baqai**  
Director



**Mr. Anwar-ul-Haq**  
Director



**Chaudhary Tahir Hussain**  
Director



**Mr. Mohammad Imran Malik**  
President & Chief Executive



## FIRST CREDIT AND INVESTMENT BANK LIMITED

### COMPANY INFORMATION

**HR COMMITTEE:**

Dr. Asif A. Brohi (Chairman)  
Mr. Anwar-ul-Haq (Member)  
Mr. Mohammad Imran Malik (Member)

**AUDIT COMMITTEE:**

Mr. Najib Tariq (Chairman)  
Mr. Wajahat A. Baqai (Member)  
Mr. Anwar -ul- Haq (Member)  
Mr. Imdad Ali Shaikh (Member)

**INVESTMENT AND CREDIT COMMITTEE:**

Chaudhry Tahir Hussain (Chairman)  
Mr. Najib Tariq (Member)  
Mr. Wajahat A. Baqai (Member)  
Mr. Imdad Ali Shaikh (Member)

**COMPANY SECRETARY:**

Mr. Muhammad Mohsin Ali

**AUDITORS:**

Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

**LEGAL ADVISOR:**

Mohsin Tayebaly & Company

**BANKERS:**

Allied Bank Limited  
MCB Bank Limited  
National Bank of Pakistan

**SHARE REGISTRAR:**

THK Associates (Pvt.) Limited  
Ground Floor, State Life Building-3  
Dr. Ziauddin Ahmed Road,  
Karachi. 75530  
Ph. # +92 (21) 111-000-322  
Fax # +92 (21) 35655595

**HEAD OFFICE / REGISTERED OFFICE:**

2nd Floor, Sidco Avenue Centre,  
Stratchen Road,  
Karachi - 74200  
Pakistan.  
Ph. # : 35658750-1, 35670452, 35688490  
Fax. # : 35689331, 35686310  
E-mail: info@fcibank.com.pk  
Website: www.fcibank.com.pk

**LAHORE BRANCH:**

Ground Floor, Office # 2, 83-A-E/1  
Main Boulevard, Gulberg III, Lahore.  
Ph. # : +92 (42) 35790251  
Fax. # : +92 (42) 35790252



## FIRST CREDIT AND INVESTMENT BANK LIMITED

### DIRECTORS' REVIEW

On behalf of the directors of First Credit & Investment Bank Limited I have the honour of presenting the Directors' Review along with the interim financial statements (reviewed) of the Bank for the half-year ended December 31, 2011.

#### Operating Results

Financial results of the Bank are as under:

	For the half year ended	
	Dec 31, 2011 (Reviewed)	Dec 31, 2010 (Reviewed)
	(Rupees in thousand)	
<b>Profit &amp; Loss Account</b>		
Total revenue	69,235	70,772
Operating profit	(2,232)	1,007
Profit/ (Loss) before tax	(35,466)	(70,551)
Profit/ (Loss) after tax	(24,508)	(45,961)
Earning/ (Loss) per share-basic & diluted (Rs.)	(0.38)	(0.71)

	As at	
	Dec 31, 2011 (Reviewed)	June 30, 2011 (Audited)
<b>Balance Sheet</b>		
Shareholders' equity	703,472	727,980
Total assets	1,351,120	1,517,877

Economies in the West continue to move into recession with rising unemployment, lower growth and sovereign debt crisis which are leading the affected countries to resort to severe austerity measures calling for adjustments in their respective budget deficits and consequently withdrawal of various social benefits like pensions, unemployment benefits, medical care, etc. and in essence causing private demand destruction.

Notwithstanding, South Asian economies and the Chinese economy in particular, continue to show substantial growth except Pakistan where growth has been stunted on account of severe energy crisis, coupled with massive flood-affecting agriculture-the main stay of the economy. This has inevitably lead to lower credit demand by industry which has been more than compensated by Government borrowings on a large scale, impacting inflation, which continues to hover around double digits.

In this scenario, the Bank's asset-portfolio continues to suffer on account of non-serviceability of the infected portfolio impacting on total revenue which for the half-year ended December 31, 2011 has marginally fallen to Rs.69.235 million as compared to Rs. Rs.70.772 million for the half-year ended December 31, 2010. Operating loss for the half-year under review was Rs. 2.232 million as against operating profit of Rs 1.007 million for the corresponding half-year ended December 31, 2010.



## FIRST CREDIT AND INVESTMENT BANK LIMITED

Due to ongoing market conditions, your Bank, based on subjective analysis of the investments, has made a provision at Rs 33.204 million for the six months under review. The Bank was able to close half-year under review with a after tax loss of Rs.24.508 million as against after tax loss of Rs.45.961 million for the corresponding period of last year.

Net shareholders' equity as at December 31, 2011 was Rs.703.47 million as compared to Rs.727.98 million as at June 30, 2011. Total assets as at December 31, 2011 decreased to Rs.1,351.1 million from Rs.1,517.9 million as at June 30, 2011.

### **Credit Rating**

JCR-VIS Credit Rating Company Limited vide its report dated January 31, 2012 has maintained the medium to long-term entity rating of the Bank at 'A-' (Single A Minus). Short-term rating has been maintained at 'A-2' (A-Two).

### **Future Outlook & Strategy**

The financial and economic crises in the country coupled with deteriorating law and order situation, uncertainties in the government policies, high inflation, and high input costs, etc still pose a big challenge for the financial sector particularly small financial institutions including investment banking sector in Pakistan. We are vigilant to the situation for safeguarding the interest of our shareholders. We will continue to avail opportunities to diversify our products and services for increasing our revenue streams as soon as conditions warrant. We shall be continuously reviewing and suitably amending our operational policies and procedures accordingly.

Notwithstanding, losses on account of 'provisioning', which have to be provided in compliance of prudential regulations, as applicable, which are likely to be reversed partly in the following years once the economy picks up and the litigations in process mature into 'execution in decrees' in favour of the Bank.

### **Acknowledgement**

The Directors wish to place on record their appreciation to our shareholders, valued customers and financial institutions for their continued trust and patronage. We are grateful to the regulatory authorities especially the SECP, SBP and KSE for their continued guidance and support. We acknowledge the hard work and dedication of our employees who are our real assets.

**By order of the Board**

**Mohammad Imran Malik**  
Chief Executive & President

Karachi  
February 22, 2012



## FIRST CREDIT AND INVESTMENT BANK LIMITED

### **AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

#### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **First Credit and Investment Bank Limited** as at **31st December, 2011** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof (herein after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2010 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi: February 22, 2012  
Dated

**Chartered Accountants**  
Engagement Partner: **Muhammad Waseem**





## FIRST CREDIT AND INVESTMENT BANK LIMITED

### CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2011

	Note	December 31, 2011 ..... Rupees (Reviewed)	June 30, 2011 ..... (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property plant and equipment	5	8,810,984	10,265,622
Intangible assets		1,446,270	1,805,616
Long-term investments	6	634,834,889	676,605,288
Long-term loans and finances		52,629,953	61,132,786
Long-term security deposits		1,050,000	1,050,000
Deferred tax asset		79,450,171	67,823,992
		<b>778,222,267</b>	<b>818,683,304</b>
<b>Current Assets</b>			
Short-term investments	7	217,403,429	154,343,017
Short-term placements		100,000,000	255,924,700
Current portion of non current assets			
-Long-term investments		167,682,342	204,834,420
-Long-term loans and finances		29,867,285	25,115,122
Mark-up accrued		34,700,706	38,437,935
Advances prepayments and other receivables		3,168,205	3,517,348
Advance taxation - net		10,252,314	8,423,041
Cash and bank balances		9,823,148	8,597,745
		<b>572,897,429</b>	<b>699,193,328</b>
<b>Total Assets</b>		<b>1,351,119,695</b>	<b>1,517,876,632</b>
<b>Equities and Liabilities</b>			
<b>Authorized capital</b>			
		<b>750,000,000</b>	<b>750,000,000</b>
<b>Issued, subscribed and paid-up capital</b>			
		<b>650,000,000</b>	<b>650,000,000</b>
Reserves		53,471,988	77,979,714
		<b>703,471,988</b>	<b>727,979,714</b>
Deficit on revaluation of investments - net	8	(16,585,722)	(12,586,134)
<b>Non - Current Liabilities</b>			
Long term loan		156,250,000	203,125,000
Long-term certificate of deposit		7,650,000	5,000,000
		<b>163,900,000</b>	<b>208,125,000</b>
<b>Current Liabilities</b>			
Short-term borrowings		47,984,600	181,575,800
Current portion of long-term loan		78,125,000	46,875,000
Short-term certificates of deposit		329,065,000	333,020,000
Accrued markup	9	39,633,604	24,524,319
Accrued expenses and other liabilities		5,525,225	8,362,933
		<b>500,333,429</b>	<b>594,358,052</b>
<b>Contingencies and Commitments</b>			
Total Equity and Liabilities	10	<b>1,351,119,695</b>	<b>1,517,876,632</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
**MOHAMMAD IMRAN MALIK**  
Chief Executive Officer / President

  
**WAJAHAT A. BAQAI**  
Director

**HALF YEARLY REPORT DECEMBER 2011**




## FIRST CREDIT AND INVESTMENT BANK LIMITED

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (REVIEWED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2011

Note	Six months ended		Quarter ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
----- Rupees -----				
<b>Income</b>				
Income from term finance and fund placements	14,611,000	12,587,893	7,002,151	6,818,552
Income from investments	52,406,842	55,364,634	26,391,279	22,932,053
Capital gains on disposal of securities	257,379	1,613,791	1,250	470,713
Dividend income	1,050,245	675,953	749,796	263,457
Fees and commission	687,154	-	377,127	-
Others	221,908	529,678	109,021	356,320
	<b>69,234,528</b>	<b>70,771,949</b>	<b>34,630,623</b>	<b>30,841,095</b>
<b>Finance costs</b>				
Mark-up on bank loans	16,804,044	9,794,267	8,121,579	5,796,048
Mark-up on other short term borrowings	8,883,012	15,123,553	4,670,630	6,948,475
Mark-up on short term running finance	11,521	425,112	10,974	151,307
Mark-up on certificates of deposits	22,683,153	21,250,838	10,979,473	10,888,118
Others	31,351	754,971	11,373	8,325
	<b>48,413,081</b>	<b>47,348,741</b>	<b>23,794,029</b>	<b>23,792,273</b>
Operating expenses	23,053,549	22,416,022	11,660,423	11,473,473
	<b>71,466,630</b>	<b>69,764,763</b>	<b>35,454,452</b>	<b>35,265,746</b>
Operating (loss)/profit	<b>(2,232,102)</b>	<b>1,007,186</b>	<b>(823,829)</b>	<b>(4,424,651)</b>
Provision for non performing investments	(33,204,254)	(41,515,625)	(33,204,254)	(41,515,625)
Provision for markup / income accrued	-	(30,037,977)	-	(30,037,977)
Unrealized loss on re-measurement of investments classified as held-for-trading	(29,550)	(4,350)	(16,150)	2,325
<b>Loss before taxation</b>	<b>(35,465,906)</b>	<b>(70,550,766)</b>	<b>(34,044,233)</b>	<b>(75,975,928)</b>
Taxation	11 10,958,179	24,589,396	11,301,179	26,136,396
<b>Loss after taxation</b>	<b>(24,507,727)</b>	<b>(45,961,370)</b>	<b>(22,743,054)</b>	<b>(49,839,532)</b>
<b>Loss per share - basic and diluted</b>	12 <b>(0.38)</b>	<b>(0.71)</b>	<b>(0.35)</b>	<b>(0.77)</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
**MOHAMMAD IMRAN MALIK**  
 Chief Executive Officer / President

  
**WAJAHAT A. BAQAI**  
 Director

**HALF YEARLY REPORT DECEMBER 2011**




## FIRST CREDIT AND INVESTMENT BANK LIMITED

### **CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (REVIEWED)** FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2011

	December 31, 2011	December 31, 2010
	..... Rupees .....	
<b>Loss after taxation</b>	<b>(24,507,727)</b>	<b>(45,961,370)</b>
<b>Other comprehensive income not transferred to equity</b>		
(Losses) / gains on remeasuring of investment classified 'as available for sale'.	<b>(3,999,588)</b>	4,905,572
<b>Total comprehensive loss for the period</b>	<b><u>(28,507,315)</u></b>	<b><u>(41,055,798)</u></b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
**MOHAMMAD IMRAN MALIK**  
Chief Executive Officer / President

  
**WAJAHAT A. BAQAI**  
Director

HALF YEARLY REPORT DECEMBER 2011



## FIRST CREDIT AND INVESTMENT BANK LIMITED

### CONDENSED INTERIM CASH FLOW STATEMENT (REVIEWED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2011

	December 31, 2011	December 31, 2010
Note	..... Rupees .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(35,465,906)	(70,550,766)
Less: Dividend income	(1,050,245)	(675,953)
Realised gain on sale of investment	(257,379)	-
<b>Adjustments for:</b>		
Depreciation	1,619,222	1,428,495
Amortisation	359,346	-
(Gain) on disposal of asset	-	(78,263)
Provision for the gratuity	571,176	405,191
Provision for interest/markup accrued	-	30,037,977
Provision for non performing finances	1,458,334	3,515,625
Provision for non performing investments	31,745,920	38,000,000
Unrealised loss on investments at fair value through profit & loss	29,550	4,350
	<u>35,783,548</u>	<u>73,313,375</u>
	(989,982)	2,086,656
<b>(Increase) / decrease in current assets</b>		
Short-term placement	155,924,700	(91,680,350)
Markup accrued	3,737,229	(8,527,962)
Advances prepayments and other receivables	699,470	(544,420)
	<u>160,361,399</u>	<u>(100,752,732)</u>
<b>Increase / (decrease) in current liabilities</b>		
Short-term borrowings	(133,591,200)	(71,447,700)
Accrued markup	15,109,285	8,764,500
Accrued and other liabilities	(4,038,665)	(3,468,982)
	<u>(122,520,580)</u>	<u>(66,152,182)</u>
	36,850,837	(164,818,258)
<b>Cash generated from operations</b>		
Gratuity contribution paid	(946,878)	(309,460)
Income tax paid	(2,497,273)	(1,236,406)
	<u>(3,444,151)</u>	<u>(1,545,866)</u>
Net cash generated from / (used in) operating activities	<u>33,406,686</u>	<u>(166,364,124)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property and equipment	(164,580)	(4,820,290)
Short-term investments acquired	(91,611,433)	110,699,710
Sale proceeds from disposal of assets	-	82,500
Long-term investments proceeds	71,698,440	(94,191,438)
Dividend income received	1,075,620	681,329
Long-term loans and finances	3,750,670	47,174,825
Net cash (used in) / from investing activities	<u>(15,251,283)</u>	<u>59,626,636</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long term loan	(15,625,000)	125,000,000
Long term certificate of deposit	2,650,000	100,000
Short-term running finance	-	(11,180,805)
Short term Certificate of deposit	(3,955,000)	(5,480,000)
Net cash (used in) / from financing activities	<u>(16,930,000)</u>	<u>108,439,195</u>
Net (decrease) / increase in cash and cash equivalents	1,225,403	1,701,707
Cash and cash equivalents at the beginning of the period	8,597,745	18,898,227
Cash and cash equivalents at the end of the period	<u>9,823,148</u>	<u>20,599,934</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
MOHAMMAD IMRAN MALIK  
Chief Executive Officer / President

  
WAJAHAT A. BAQAI  
Director

HALF YEARLY REPORT DECEMBER 2011





## FIRST CREDIT AND INVESTMENT BANK LIMITED

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (REVIEWED)**

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2011

#### **1. Status and Nature of Business**

First Credit and Investment Bank Limited ("the Company") was incorporated in Pakistan on August 31, 1989 as a private limited company under the name of First Credit and Discount Corporation (Private) Limited. Subsequently, the name of the Company was changed to First Credit and Investment Bank Limited. During the year 2008-09, the Company was listed on the Karachi Stock Exchange by way of issue of shares to general public. The Company is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP).

The Company is licensed to undertake business of investment finance services as a Non-Banking Finance Company ("NBFC") under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") issued by the Securities and Exchange Commission of Pakistan (SECP) [previously described under SRO 585(1)/87 dated July 13, 1987 issued by the Ministry of Finance, Government of Pakistan. The registered office of the Company is situated at 2nd Floor, SIDCO Avenue Centre, Stratchen Road, Karachi.

The medium to long term credit rating of the company is 'A-' with stable outlook and short term rating of the Company is 'A-2' as of 31 December, 2010 by JCR-VIS Credit Rating Company limited.

#### **2. Statement of compliance**

This condensed interim financial information of the company for the six months period ended December 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard - 34, Interim Financial Reporting Standards, provisions of and directives issued under the Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations") and the directives issued by SECP. Wherever the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP have been followed.

The SECP has deferred the applicability of International Accounting Standards, IAS-39, 'Financial Instruments: Recognition and measurement' and IAS-40, 'Investment Property' through Circular No.19 dated August 13, 2003 to NBFCs providing investment finance services, discounting services and housing finances services. The SECP has also deferred the applicability of International Financial Reporting Standard, IFRS-7, 'Financial Instruments: Disclosures' through Circular No. 411(1)/2008 dated April 28, 2008 to NBFCs providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in preparation of these condensed interim financial statements.

This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2011.

#### **3. Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended as on June 30, 2011 except as follows:

##### **3.1 Adoption of new accounting standards**

The company has adopted the following amended IFRS and related interpretations which became effective during the period:





## FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	31-Dec-11	30-Jun-11
		..... Rupees .....	
<b>6.1 Provision for non-performing TFC's/Sukuk</b>			
Opening balance		<b>109,243,496</b>	40,000,000
Charge for the period	6.1.1	<b>3,750,000</b>	69,243,496
		<b>112,993,496</b>	109,243,496

**6.1.1** This represents investment in Sukuk Certificates issued for a period of five years at the rate of 3- month KIBOR+2% with a floor of 11% and cap of 25%, secured by gurantee of a commercial bank. This is a non-performing investment and classified under 'sub-standard' category. Accordingly a provision of Rs.3,750,000 has been made.

**6.2** This represents investment in TFCs with maturity in 2017, at the rate of 6- months KIBOR+ upto 1.75% and secured by first pari passu mortgage charge over assets of the investee company. This is a non-performing investment and classified under 'sub-standard' category. Accordingly a provision of Rs.2,995,920/- has been made.

	Note	31-Dec-11	30-Jun-11
		..... Rupees .....	
<b>7 Short-Term Investments</b>			
<b>Available for sale</b>			
Pre-IPO TFCs	7.1	<b>50,000,000</b>	50,000,000
Investment in shares- Listed		<b>28,916,547</b>	33,684,701
Investments in mutual funds		<b>34,922,802</b>	33,676,116
Investment in preference shares		<b>15,000,000</b>	15,000,000
		<b>128,839,349</b>	132,360,817
<b>Held-to-maturity</b>			
Government Securities -T-Bills	7.2	<b>138,451,380</b>	46,839,950
<b>Held-for-trading</b>			
Investment in shares- Listed		<b>112,700</b>	142,250
		<b>138,564,080</b>	46,982,200
Less: Provision against investment	7.1	<b>(50,000,000)</b>	(25,000,000)
		<b>217,403,429</b>	154,343,017

**7.1** This Pre - IPO investment was made for a period of five years at the rate of 6- months Kibor + 2% and secured by way of first pari passu charge over assets of the investee company. This is a non- performing investment and has been classified under 'loss' category. Accordingly 100% provision has been made.

**7.2** These represent investment in government securities to comply with the requirement of Regulation 14(4)(i) of NBFC Regulations.

	Note	31-Dec-11	30-Jun-11
		..... Rupees .....	
<b>8. Deficit on Revaluation of Investments - net Available-for-sale - Quoted Securities</b>			
Shares		<b>(14,922,936)</b>	(10,154,781)
Term finance certificates		<b>(3,064,697)</b>	(2,586,579)
Mutual funds		<b>1,401,911</b>	155,226
		<b>(16,585,722)</b>	(12,586,134)

### 9. Accrued markup

#### Secured

Loans and borrowings including running finances	9.1	<b>8,132,601</b>	8,781,757
Repo borrowings		<b>47,326</b>	4,668,414

#### Unsecured

Certificates of deposit		<b>31,453,677</b>	11,074,148
		<b>39,633,604</b>	24,524,319

**9.1** This amount includes Rs.8,179,875 (June 30, 2011: Rs.8,781,704/-) due to National Bank of Pakistan, an associated undertaking.





## FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	31-Dec-11	30-Jun-11
<b>10. Contingencies and Commitments</b>		..... Rupees .....	
Bank Guarantee issued		5,000,000	5,000,000
Stand-by letter of credit facility		73,000,766	91,443,991
Underwriting to IPO Term finance certificates		-	10,000,000
		<u>                    </u>	<u>                    </u>
<b>11. Taxation</b>	Note	31-Dec-11	31-Dec-10
		..... Rupees .....	
Current		668,000	695,663
Deferred taxation		(11,626,179)	(25,285,059)
		<u>                    </u>	<u>                    </u>
		(10,958,179)	(24,589,396)
<b>12. Loss Per Share - Basic and Diluted</b>			
Loss for the period		(24,507,727)	(45,961,370)
Weighted average number of shares		65,000,000	65,000,000
Loss per share - basic and diluted		<u>                    </u>	<u>                    </u>
		(0.38)	(0.71)

### 13. Transactions with Related Parties

The related parties comprise associated undertaking, key management personnel and post employment benefit scheme. The company in the normal course of business carries out transactions with various related parties.

#### Associated Undertakings

Mark-up accrued on long-term loan	16,804,044	9,794,267
Mark-up on short-term running finance	11,450	425,495
Mark-up on repo borrowings	5,646,268	-
Rent of the office premises	1,055,671	1,005,406

#### Staff Retirement Plans

Contribution to staff retirement plans	1,092,915	1,355,484
--	-----------	-----------

#### Key management personnel


Salaries, benefits and other allowances	5,906,146	4,705,466
Retirement benefits	879,600	718,441
	6,785,746	5,423,907
Return on long-term loan	217,150	220,890

### 14. Date of Authorization for Issue

This interim financial information were authorized for issue on February 22, 2012 by the Board of Directors of the Company

### 15. General

- Figures have been rounded off to the nearest rupee.

  
**MOHAMMAD IMRAN MALIK**  
Chief Executive Officer / President

  
**WAJAHAT A. BAQAI**  
Director

HALF YEARLY REPORT DECEMBER 2011

