

Half Yearly Report December 31, 2012



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

Major Joint Venture Partners:





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.*



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BOARD OF DIRECTORS



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 AND REMUNERATION COMMITTEE:

Dr. Asif A. Brohi (Chairman)
Mr. Anwar-ul-Haq (Member)
Mr. Imdad Ali Shaikh (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:

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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, 2012.

Operating Results

Financial results of the Bank are as under:

	For the half year ended	
	Dec 31, 2012 (Reviewed)	Dec 31, 2011 (Reviewed)
(Rupees in thousand)		
Profit & Loss Account		
Total revenue	49,242	69,235
Operating profit/ (loss)	2,520	(2,232)
(Loss) before tax	(2,191)	(35,466)
Profit/ (loss) after tax	866	(24,508)
Earning/(loss) per share-basic & diluted (Rs.)	.01	(0.38)

	As at	
	Dec 31, 2012 (Reviewed)	June 30, 2012 (Audited)
Balance Sheet		
Shareholders' equity	657,649	656,783
Total assets	1,028,368	1,221,078

Due to slow down in the economic and investment activities, total income for the half year ended December 31, 2012 saw 28.9% decrease to Rs.49.242 million as compared to Rs 69.235 million for the half year ended December 31, 2011. Despite adverse conditions the Bank was able to report operating profit of Rs.2.52 million during the half year ended December 31, 2012 as compared to operating loss of Rs.2.232 million for the corresponding period of last year, through control over financial expenses. Further, after taking effect of provisions against nonperforming investments in compliance with the NBFCs Regulations, the Bank closed current half year with a small net after tax profit of Rs.0.866 million as against loss after tax of Rs.24.508 million for the corresponding half year, last year. As an overall result, shareholders equity increased by Rs.0.866 million to Rs.657.649 million as at December 31, 2012 from Rs.656.783 million as at June 30, 2012. Total balance sheet footing as at December 31, 2012 was lower Rs.1,028.368 million as against Rs.1,221.078 million as at June 30, 2012. This decrease was due to repayment of borrowed funds as there were no viable business opportunities to deploy these funds at reasonable spread.



FIRST CREDIT AND INVESTMENT BANK LIMITED

Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 28, 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 SBP's policy rate has come down to 9.5%, a decline of 250 basis points since July 1, 2012. This decline is expected to have a positive impact on the economic activities in the country as well as the performance at the stock exchanges due to lower cost of borrowing for the investors. We are also confident that the report prepared by the NBF reform committee setup by SECP, more business opportunities and level playing field will be available to NBFCs through expected regulatory and other policy measures in the near future

Your Board is vigilant to the changing market conditions to diversify our business and increase revenue streams, which hopefully will be forthcoming with improvement in economic conditions of the country. Your Bank would continue to restore reasonable quality of its assets, improve its infrastructure, diversify products and services, improve recoveries and update policies and procedures to meet the requirements of the new challenges and opportunities.

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 Securities & Exchange Commission of Pakistan, the State Bank of Pakistan and the Karachi Stock Exchange for their continued guidance and support. We acknowledge the hard work and dedication of our employees who are our real assets.

Karachi
February 23, 2013

By order of the Board

Mohammad Imran Malik
Chief Executive / President



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 December 31, 2012** 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, 2011 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information Performed by the Independent Auditor of the Entity". A review of interim financial information consist 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, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

We draw attention to Note 1.2 to the financial statements which describes the minimum capital requirements of Company which is below by Rs.42.35 million. Our opinion is not qualified in respect of this matter.

Chartered Accountants
Engagement Partner: **Muhammad Waseem**

Karachi:
Dated : February 23, 2013



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2012

	Note	December 31, 2012 Rupees (Reviewed)	June 30, 2012 (Audited)
ASSETS			
Non-Current Assets			
Property plant and equipment	6	9,588,968	10,966,102
Intangible assets		1,592,035	2,059,149
Long-term investments	7	538,011,195	560,575,495
Long-term loans and finances		47,453,590	58,472,493
Long-term security deposits		1,050,000	1,050,000
Deferred tax asset		86,114,164	83,798,027
		683,809,952	716,921,266
Current Assets			
Short-term investments	8	80,067,086	237,728,850
Short-term placements		100,000,000	100,000,000
Current portion of non current assets			
-Long-term investments		91,806,179	94,221,008
-Long-term loans and finances		27,757,759	16,266,712
Mark-up accrued		22,585,171	37,938,915
Advances prepayments and other receivables		6,336,759	2,709,748
Advance taxation - net		12,596,710	10,777,477
Cash and bank balances		3,408,339	4,514,160
		344,558,004	504,156,870
Total Assets		1,028,367,956	1,221,078,136
Equities and Liabilities			
Authorized capital			
		750,000,000	750,000,000
Issued, subscribed and paid-up capital		650,000,000	650,000,000
Reserves		7,649,138	6,782,851
		657,649,138	656,782,851
Deficit on revaluation of investments - net	9	(11,942,597)	(19,446,884)
Non - Current Liabilities			
Long term loan		93,750,000	125,000,000
Long-term certificate of deposit		12,500,000	9,200,000
		106,250,000	134,200,000
Current Liabilities			
Short-term borrowings	10	150,000,000	279,162,800
Short-term running finance		-	37,415,695
Current portion of long-term loan		78,125,000	78,125,000
Short-term certificates of deposit		38,165,000	32,740,000
Accrued markup	11	6,712,926	13,060,926
Accrued expenses and other liabilities		3,408,489	9,037,748
		276,411,415	449,542,169
Contingencies and Commitments	12	-	-
Total Equity and Liabilities		1,028,367,956	1,221,078,136

The annexed notes from 1 to 17 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 2012



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (REVIEWED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012

Note	Six months ended		Quarter ended		
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	
----- Rupees -----					
Income					
Income from term finance and fund placements	1,153,393	14,611,000	335,095	7,002,150	
Income from investments	45,276,317	52,406,842	19,131,875	26,391,279	
Capital gains on disposal of securities	1,656,426	257,379	953,340	1,250	
Dividend income	646,061	1,050,245	180,544	749,796	
Fees and commission	289,553	687,154	239,553	377,127	
Other Income	219,844	221,908	125,769	109,021	
	49,241,593	69,234,528	20,966,175	34,630,623	
Finance costs					
Mark-up on bank loans	10,458,279	16,804,044	4,602,731	8,121,579	
Mark-up on other short term borrowings	9,198,197	8,883,012	2,850,956	4,670,630	
Mark-up on short term running finance	77,831	11,521	(9,105)	10,974	
Mark-up on certificates of deposits	2,754,074	22,683,153	1,423,676	10,979,473	
Others	19,877	31,351	16,935	11,373	
	22,508,258	48,413,081	8,885,193	23,794,029	
Administrative and operating expenses	24,213,470	23,053,549	13,414,270	11,660,423	
	46,721,728	71,466,630	22,299,463	35,454,452	
Operating (loss)/profit	2,519,865	(2,232,102)	(1,333,288)	(823,829)	
Provision for markup / income accrued	568,129	-	-	-	
Provision for non performing investments	(8,303,151)	(33,204,254)	6,486,488	(33,204,254)	
Provision for non performing finances	3,018,334	-	750,000	-	
Unrealized loss on re-measurement of investments classified as held-for-trading	5,809	(29,550)	5,809	(16,150)	
(Loss) / Profit before taxation	(2,191,014)	(35,465,906)	5,909,009	(34,044,233)	
Taxation	13	3,057,301	10,958,179	(2,788,942)	11,301,179
Profit / (Loss) after taxation	866,287	(24,507,727)	3,120,067	(22,743,054)	
Earnings / (Loss) per share - basic and diluted	14	0.01	(0.38)	0.05	(0.35)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


MOHAMMAD IMRAN MALIK
Chief Executive Officer/President


WAJAHAT A. BAQAI
Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME - (REVIEWED)**
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012

	December 31, 2012	December 31, 2011
 Rupees	
Profit / (Loss) after taxation	866,287	(24,507,727)
Other comprehensive income not transferred to equity		
Gains / (Losses) on remeasuring of investment classified 'as available for sale'.	7,504,287	(3,999,588)
Total Comprehensive income / (loss) for the period	<u>8,370,574</u>	<u>(28,507,315)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


MOHAMMAD IMRAN MALIK
Chief Executive Officer/President


WAJAHAT A. BAQAI
Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (REVIEWED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012

	December 31, 2012	December 31, 2011
Note Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,191,014)	(35,465,906)
Less: Dividend income	(646,061)	(1,050,245)
Realised gain on sale of investment	-	(257,379)
Adjustments for:		
Depreciation	1,445,771	1,619,222
Amortisation	467,114	359,346
(Gain) on disposal of asset	(25,000)	-
Provision for the gratuity	397,096	571,176
Provision for interest/markup accrued	(568,129)	-
Provision for non performing finances	(3,018,334)	1,458,334
Provision for non performing investment	8,303,151	31,745,920
Unrealised loss on investments at fair value through profit & loss	(5,809)	29,550
	<u>6,995,860</u>	<u>35,783,548</u>
	4,158,786	(989,982)
(Increase) / decrease in current assets		
- Short-term investment	157,661,764	155,924,700
- Markup accrued	15,353,744	3,737,229
- Advances prepayments and other receivables	(3,554,349)	699,470
	<u>169,461,159</u>	<u>160,361,399</u>
Increase / (decrease) in current liabilities		
- Short-term borrowings	(129,162,800)	(133,591,200)
- Accrued markup	(6,348,000)	15,109,285
- Accrued and other liabilities	(5,629,259)	(4,038,665)
	<u>(141,140,059)</u>	<u>(122,520,580)</u>
Cash generated from operations	32,479,886	36,850,837
Gratuity contribution paid	(469,758)	(946,878)
Income tax paid	(304,126)	(2,497,273)
	<u>(773,884)</u>	<u>(3,444,151)</u>
Net cash generated from operating activities	31,706,002	33,406,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment	(68,634)	(164,580)
Short-Term investment acquired	-	(91,611,433)
Sale proceeds from disposal of assets	25,000	-
Long-term investments proceeds	32,483,415	71,698,440
Dividend income received	646,061	1,075,620
Long-term loans and finances	(5,956,969)	3,750,670
Net cash (used in) investing activities	<u>27,128,873</u>	<u>(15,251,283)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long term loan	(31,250,000)	(15,625,000)
Long term certificate of deposit	3,300,000	2,650,000
Short-term running finance	(37,415,695)	-
Short term Certificate of deposit	5,425,000	(3,955,000)
Net cash (used in) financing activities	<u>(59,940,695)</u>	<u>(16,930,000)</u>
Net (decrease)/ increase in cash and cash equivalents	(1,105,821)	1,225,403
Cash and cash equivalents at the beginning of the period	4,514,160	8,597,745
Cash and cash equivalents at the end of the period	<u>3,408,339</u>	<u>9,823,148</u>

The annexed notes from 1 to 17 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 2012



FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (REVIEWED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012

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 medium to long term credit rating of the company rated as of December 28, 2012 by JCR-VIS Credit Rating Company limited is 'A-' with a negative outlook. Short term rating of the Company is 'A-2'.

- 1.2 Schedule I of Regulation 4 of NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS 2008, requires a minimum equity of Rs. 700 million by June 30, 2012 and thereof Rs. 1000 million to be achieved by the company by the end of June 30, 2013. The current equity of the company is Rs. 657.649 million.

2 Statement of compliance

This condensed interim financial information of the company for the six months period ended December 31, 2012 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 finance 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, 2012.

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, 2012 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:

IFRS 7 - Financial Instruments: Disclosures

IAS 24 - Related Party Disclosures (Revised)

IFRIC 14 - Prepayments of a Minimum funding Requirement (Amendment)



FIRST CREDIT AND INVESTMENT BANK LIMITED

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures
 - Clarification of disclosures
- IAS 1 - Presentation of Financial Statements
 - Clarification of Statement of changes in equity
- IFRIC 13 - Presentation of Financial Statements
 - Fair Value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements.

4 Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2012

5 Accounting estimates and judgments

The preparation of this condensed interim financial information is in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation were the same as those that applied to the preceding published financial statements as at and for the year ended June 30, 2012.

6. Property plant and equipment

Major additions and deletions are as follows:

	31-Dec-12		30-June-12	
	Additions Rupees	Disposals	Additions Rupees	Disposals Rupees
- Furniture and fixtures	-	79,200	449,020	13,500
- Office Equipments	16,820	-	81,120	-
- Computers	51,814	-	462,271	-
- Vehicles	-	-	3,226,875	2,031,192
	68,634	79,200	4,219,286	2,044,692

7. LONG-TERM INVESTMENTS

	Note	31-Dec-12 Rupees	30-Jun-12
Held-to-maturity			
- Term finance certificates - unquoted		484,603,565	502,757,011
- Term finance certificates - quoted		49,849,908	49,860,486
- Government / Government guaranteed securities		-	253,419,114
		534,453,473	806,036,611
Less : Provision against investments	7.1	(193,196,273)	(182,993,496)
Available-for-sale			
- Government / Government guaranteed securities	7.2	256,001,126	-
- Term finance certificates - quoted		24,087,126	33,653,014
- Investment in shares-Listed		8,471,922	-
Less : Provision against Investments		-	(1,899,626)
Less : Current portion of Investments		(91,806,179)	(94,221,008)
		538,011,195	560,575,495

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	31-Dec-12	30-Jun-12
	 Rupees
7.1 Provision for non-performing TFC's /Sukuk			
Opening balance		182,993,496	134,243,496
Charge during the year	7.1.1	10,202,777	48,750,000
		193,196,273	182,993,496
7.1.1	This represents investment in Sukuk Certificates issued for a period of five years @ 3-month Kibor+ 2% with a floor of 11% and cap of 25% secured by guarantee of a commercial bank. The company has made provision in respect thereof in accordance with the NBFC Regulations.		
7.2	These include investment in government securities to comply with the requirement of regulation 14(4) (i) of NBFC Regulations.		
7.3	These include Shares of a listed fertilizer company received against part settlement of a listed TFC under restructuring arrangement carried at cost.		
8 Short-Term Investments	Note	31-Dec-12	30-Jun-12
	 Rupees
Available for sale			
- Pre- IPO TFCs	8.1	50,000,000	50,000,000
- Investment in shares-Listed		16,191,828	23,393,876
- Investments in mutual funds		23,875,259	35,677,834
- Investment in preference shares		15,000,000	15,055,000
		105,067,086	124,126,710
Held-to-maturity			
- Government Securities -T-Bills		-	138,451,380
Held-for-trading			
- Investment in shares-Listed		-	150,760
		-	138,602,140
Less: Provision against investment		(25,000,000)	(25,000,000)
		80,067,086	237,728,850
8.1	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. The company has made provision in respect thereof in accordance with the NBFC Regulations.		
9. Deficit on Revaluation of Investments - net Available-for-sale - Quoted Securities	Note	31-Dec-12	30-Jun-12
	 Rupees
Shares		(10,651,146)	(10,660,939)
Term finance certificates		(324,845)	(4,922,925)
Mutual funds		(2,907,859)	(3,863,020)
Government Securities PIBs		2,986,542	-
Related deferred tax		(1,045,290)	-
		1,941,252	-
		(11,942,597)	(19,446,884)
10 Short-Term Borrowings			
Recured under repurchase agreement	10.1	150,000,000	279,162,800
10.1	This amount include Rs.100.0 million (June 30, 2012 Rs.279.162 million) borrowed from National Bank of Pakistan, an associated undertaking, against government securities carrying mark-up rate of 9.4 % (June 30, 2012: 11.85% to 11.9%) per annum maturing on February 27, 2013.		



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	31-Dec-12 Rupees	30-Jun-12 Rupees
11 Accrued markup Secured			
- Loans and borrowings including running finances	11.1	4,592,123	7,089,938
- Repo borrowings		142,466	4,893,181
Unsecured			
- Certificates of deposit		1,978,337	1,077,807
		<u>6,712,926</u>	<u>13,060,926</u>

11.1 This amount includes Rs.4,720,889/- (June 30, 2012: Rs.11,983,047/-) due to National Bank of Pakistan, an associated undertaking.

12 Contingencies and Commitments

Commitments

Bank guarantee	5,000,000	5,000,000
Stand-by letter of credit facility	57,979,123	56,375,712

12.1 There are no contingencies existed at the balance sheet date.

	Note	31-Dec-12 Rupees	31-Dec-11 Rupees
13 Taxation			
- Current		304,126	668,000
- Deferred taxation		(3,361,427)	(11,626,179)
		<u>(3,057,301)</u>	<u>(10,958,179)</u>

14 (Loss)/Earnings Per Share - Basic and Diluted

(Loss)/ Earnings for the period	866,287	(24,507,727)
Weighted average number of shares	65,000,000	65,000,000
(Loss)/ Earnings per share - basic and diluted	0.01	(0.38)

15 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.

Nature of relationship of the related party with the company	Nature of Transaction	31-Dec-12 Rupees	31-Dec-11 Rupees
Associate	Mark-up accrued on long-term loan	10,458,279	16,804,044
	Mark-up on short-term running finance	77,831	11,450
	Mark-up on Repo Borrowing	8,289,291	5,646,268
	Rent Paid	1,055,672	1,055,672
	Balance at period ended	271,875,000	282,359,600
Key management personnel	Salaries, benefits and other allowances	7,192,108	5,906,146
	Retirement benefits	962,651	879,600
	Return on long-term loans	192,837	217,150
	Balance at period ended	14,941,121	15,537,950
FCIBL Provident and Gratuity Fund	Contributions made to staff retirement plans	966,324	1,092,915

16 Date of Authorization for Issue

This interim financial information were authorized for issue on February 23, 2013 by the Board of Directors of the Company

17 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 2012

