

Quarterly Report
September 30, 2011



INVEST CAPITAL INVESTMENT BANK LIMITED

Company Information	1
Directors' Review	2
Condensed Interim Balance Sheet (Un-audited)	4
Condensed Interim Profit and Loss Account (Un-audited)	5
Condensed Interim Statement of Comprehensive Income (Un-audited)	6
Condensed Interim Cash Flow Statement (Un-audited)	7
Condensed Interim Statement of Changes in Equity (Un-audited)	9
Notes to the Financial Statements (Un-audited)	10
Our Network	19

Board of Directors

Mr. Ahmed Kamran	- Chairman
Mr. Naveed Amin	- Chief Executive
Mr. Basheer A. Chowdry	- Director
Mr. Shaukat Ali	- Director
Mr. Muhammad Qasim	- Director
Mr. Muhammad Asif	- Director
Ms. Ayesha Zahid	- Director
Ms. Fiza Zahid	- Director

Audit Committee

Mr. Shaukat Ali	- Chairman
Mr. Ahmed Kamran	- Member
Ms. Fiza Zahid	- Member

Chief Financial Officer

Mr. M. Naim Ashraf

Company Secretary

Mr. Syed Shahid Owais

Auditors

Avais Hyder Liaquat Nauman
Chartered Accountants

Legal Advisors

Ahmed & Qazi

Share Registrar

CorpTec Associates (Private) Limited,
7/3-G, Mushtaq Ahmed Gurmani Road,
Gulberg - II, Lahore.
Tel: 042-35788097-98 / 042-35755216 (Direct)
Fax: 042-35755215
Email: mimran.esbm@gmail.com

Bankers

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Burj Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
State Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd
United Bank Limited

Registered Office

801-802, 8th Floor, Lakson Square Building
No. 3, Sarwar Shaheed Road, Karachi.
Tel: (92-21) 35205110 / 35661938, 48,58
Fax: (92-21) 35658409 / 35661988
Website: www.icibl.com

Head Office

701-A, City Tower, 6-K Main Boulevard,
Gulberg II, Lahore.
Tel: (92-42) 35770383-86
Fax: (92-42) 35788710

The Board of Directors of Invest Capital Investment Bank Limited (the "Bank") is pleased to present before the members of the bank, the un-audited financial statements for the three months period ended September 30, 2011.

Bank's Review

During the three months period under review, no visible improvement has been observed in the overall economic and political conditions as compared to those prevailing at the end of June 2011. The law and order situation also remained depressed, especially in Karachi which is the economic hub of the country. The NBFC sector which is the most affected sector in the economy is still under stress and struggling for its survival.

Under the new management, your bank is also making all out efforts to transform itself into a profit making entity. As discussed in the annual report of 2011, various steps taken for bringing improvement in the affairs of the bank have started giving results and we are very much hopeful that the bank will soon be put on the right track. The regulatory issues are also expected to be resolved with the help and assistance of the SECP.

During the period the company made progress in the following fronts for revival and continuity of the bank (refer to note 1.3):

1. Reduction in administrative and operating expenses & Financial costs
2. Starting fresh leasing business
3. Settlements and rescheduling with banks and financial institutions
4. Disposal of non-core assets
5. Disposal and transfer of brokerage related assets and liabilities
6. Improvement in recovery of stuck-up leases and loans

Further hard work will be required to be made for achieving the benefits of the above mentioned measures initiated during the period.

Financial Statements

The bank has entered into an agreement with the outgoing group for sale of 100% shares of Invest Capital Markets Limited which is effective from 1st July 2011. Therefore, there is no need for any consolidation of these quarterly accounts which have been prepared on standalone basis. During the three months under review the bank incurred a loss of Rs. 77.82 million (September 2010 Rs. 149.65 million) with negative earnings of Rs. 0.27 (September 2010 Rs. -0.53) per share. The Gross revenue including other income amounted to Rs. 37.46 million as compared to Rs. 76.83 of the first quarter of previous year. The Financial charges stood at Rs. 58.63 million (September 2010 Rs. 132.39 million) and the Administration and operating expenses showed a reduction of Rs. 26.92 million from Rs. 75.05 million to Rs. 48.13 million.

The total assets on the balance sheet reduced by Rs. 451.08 million to Rs. 2,937.38 million in three months time mainly due to maturity of leases and payment/adjustment of liabilities.

A summary of the profit and loss account is given below:

-----Rs. in million-----

	September 30, 2011	September 30, 2010
Gross Revenue	35.38	74.98
Other Income	2.08	1.85
Profit/ (Loss) for the period before taxation	(77.47)	(148.57)
Taxation – net	(0.35)	(1.08)
Profit/(Loss) for the period after taxation	(77.82)	(149.65)
Earnings / (Loss) per Share	(0.27)	(0.53)

The causes of loss were high financial charges, operating expenses, provisioning for lease losses and reduction in income due to matured leases. Reduction in the above three expense items is being achieved through different corrective measures taken over the period of time whereas an increase is anticipated in the income with increase in fresh disbursements which have started.

Delay in presentation of the financial statements

Due to a delay of seven (7) months in presentation of the financial statements of June 2010, the financial statements of June 2011 were also delayed and published on March 20, 2012 and approved in the AGM on 27th April 2012. As a result of the above the review for December 2011 started a bit late and so the quarterly accounts for September 2011, December 2011 and March 2012 got delayed. However, the management is hopeful that annual accounts of June 2012 will be presented within the statutory time frame.

Auditors

The present auditors, M/s Avais Haider Liaquat Nauman, Chartered Accountants being eligible offered themselves for re-appointment for the year 2011-12. Their appointment has been approved by the shareholders in the AGM held on 27th April 2012.

Acknowledgments

The Directors wish to place on record their appreciation for the valuable guidance and support provided by the Securities and Exchange Commission of Pakistan. The Board is also thankful for the support of the shareholders and the lenders for their cooperation in our efforts for revival of the bank. The devotion and loyalty shown by the employees of the bank also needs due recognition.

For and on behalf of the Board

Lahore

July 20, 2012

Naveed Amin

Chief Executive Officer

Condensed Interim Balance Sheet (Un-audited)
As at September 30, 2011



Note	Un-audited September 30, 2011	Audited June 30, 2011
	--- Rupees in thousands ---	
ASSETS		
Non-current assets		
	Property, plant and equipment	310,817
5	Intangible assets	5,230
	Long term investments	112,882
6	Net investment in Ijarah finance / assets under Ijarah arrangements	340,100
7	Long term musharakah finances	54,784
	Long term loans	18,784
	Long term security deposits	12,958
	Deferred taxation	-
8		-
	800,352	855,960
Current assets		
	Short term investments	20,304
9	Short term musharakah finances	95,069
	Short term finances	25,769
	Assets acquired in satisfaction of finances	49,500
	Ijarah rentals receivable	92
7	Current maturity of non-current assets	633,153
10	Advances, deposits, prepayments and other receivables	100,496
	Stock in trade	620
	Cash and bank balances	15,341
11	Assets classified as held for sale	-
12		1,592,155
	2,137,030	2,532,499
	2,937,382	3,388,459
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Share Capital and Reserves		
	Authorized capital	4,850,000
	485,000,000 (June 30, 2011 : 485,000,000) ordinary shares of Rs. 10 each	4,850,000
	Issued, subscribed and paid-up capital	2,848,669
	Capital reserve on amalgamation	(2,022,076)
	Gain / (loss) on remeasurement of available for sale investments	1,374
	Accumulated loss	(1,203,440)
		(375,473)
	Surplus on revaluation of assets	9,258
		9,258
Non-current liabilities		
	Subordinated loan from directors	-
13	Security deposits from lessees	154,582
	Long term certificates of musharakah / deposits	112,085
	Long term certificates of investments and deposits	7,345
	Long term musharakah and murabaha borrowings	30,831
14	Musharakah Term Finance Certificates	245,775
15	Redeemable capital - Term Finance Certificates	128,380
16	Long term loans	-
17	Deferred revenue	1,102
		680,100
	705,861	680,100
Current liabilities		
	Current portion of long term liabilities	774,251
18	Short term certificates of musharakah / deposits	359,519
	Short term certificates of investments and deposits	85,226
	Short term borrowings	93,301
19	Short term musharakah borrowings	2,700
	Loan from sponsor	197,542
20	Creditors, accrued and other liabilities	233,742
	Liabilities directly associated with the assets classified as held for sale	1,250,816
12		2,997,059
	2,597,736	2,997,059
	2,937,382	3,388,459
TOTAL EQUITY AND LIABILITIES		
CONTINGENCIES AND COMMITMENTS		
21		-

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

	Note	Quarter ended September 30	
		2011	2010
--- Rupees in thousand ---			
Income			
Income from leasing operations		8,097	19,892
Operating lease rentals		12,832	32,674
Profit on musharakah investments		2,440	8,867
Income from investment and placement		144	114
Income from finances		4,630	3,210
Income on deposits with banks		2,351	3,721
Income from joint ventures		3,595	2,171
Dividend income		-	4,517
Net gain / (loss) on sale of marketable securities		1,294	2,310
Unrealized gain / (loss) on investment in marketable securities - net		-	(2,496)
		35,383	74,980
Expenses			
Administrative and operating expenses		(48,134)	(75,048)
Financial charges		(58,630)	(132,391)
		(106,764)	(207,439)
		(71,381)	(132,459)
Other income		2,078	1,854
		(69,303)	(130,605)
Provision (Charged)/Reversed on Non-performing loans and Write-offs			
Provision against doubtful finance lease receivable and lease rentals - net		(3,612)	(15,506)
Provision against long term / short term musharakah finances		(4,566)	(2,660)
Provision against long term / short term loan		16	205
		(8,162)	(17,961)
Loss before taxation		(77,465)	(148,566)
Provision for taxation	22	(354)	(1,081)
Loss after taxation		(77,819)	(149,647)
Loss per share			
- Basic	23	(0.27)	(0.53)
- Diluted	23	(0.27)	(0.53)

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director



Quarter ended September 30	
2011	2010

--- Rupees in thousand ---

Loss for the period	(77,819)	(149,647)
Other comprehensive income / (loss)		
Unrealized gain / (loss) on remeasurement of available for sale investments	342	-
Total comprehensive loss for the period	<u>(77,477)</u>	<u>(149,647)</u>

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

	September 30, 2011	September 30, 2010
	--- Rupees in thousand ---	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Taxation	(77,465)	(148,566)
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	3,958	27,016
Amortization of intangible assets	423	745
Depreciation on assets leased out	16,896	19,155
Provision against doubtful finance lease receivable and lease rentals - net	3,612	15,301
Provision against long term/short term musharaka finances	4,566	2,660
(Reversal) / provision against long term loan/short term loan	(16)	205
Financial charges - net	58,630	132,391
(Gain) / loss on disposal of operating assets	-	(956)
Unrealised (gain) /loss on investments in marketable securities	-	2,738
	88,069	199,255
Cash flow from operating activities before working capital changes	10,604	50,689
(Increase)/decrease in current assets		
Short term investments	19,447	-
Short term musharaka finances	4,800	32,286
Short term finances	15,126	5,878
Trade debts	-	27,060
Ijarah rentals receivables	92	(33,392)
Advances, deposits, prepayments and other receivables	(27,069)	(4,060)
	12,396	27,772
Increase/(decrease) in current liabilities		
Short term certificates of musharaka/deposits	(118,696)	(102,088)
Short term certificates of investments and deposits	12,900	-
Creditors, accrued and other liabilities	19,328	(11,123)
	(86,468)	(113,211)
Cash flow from operating activities after working capital changes	(63,468)	(34,750)
Financial charges paid	(21,408)	(77,286)
Income tax paid	(420)	(576)
	(21,828)	(77,862)
Net cash flow from operating activities	(85,296)	(112,612)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(1,116)
Long term investments	14,207	217,610
Net investment in Ijarah finance / assets under Ijarah arrangements	53,869	200,214
Long term musharaka finances	4,183	(1,917)
Long term loans	14,265	6,623
Long term security deposits	(516)	313
Sale proceeds from disposal of tangible fixed assets	-	8,459
Net cash flow from investing activities	86,008	430,186

September 30, 2011	September 30, 2010
-----------------------	-----------------------

--- Rupees in thousand ---

CASH FLOWS FROM FINANCING ACTIVITIES

Subordinated loan from directors	126,000	-
Repayment of liability against assets subject to finance lease	(1,982)	(1,628)
Security deposits from lessees	(40,575)	(99,300)
Long term certificates of musharaka /deposits	(9,840)	(10,590)
Long term certificates of investments and deposits	-	(600)
Long term musharaka and murabaha borrowings	(14,718)	-
Musharaka Term Finance Certificates	-	(11,680)
Long term loan	(7,295)	(18,563)
Short term borrowings	(24,992)	(277,697)
Short term musharakah borrowings	-	(12,034)
Amount received against assets classified as held for sale	24,000	-
Net cash flow from financing activities	50,598	(432,092)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	51,310	(114,518)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	15,341	161,924
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	66,651	47,406

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2011



	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	Gain on remeasurement of available for sale investments	Accumulated loss	Total
	--- Rupees in thousand ---				
Balance as at July 01, 2010	2,848,669	(2,022,076)	(1,798)	(600,073)	224,722
Total comprehensive income / (loss) for three months ended September 30, 2010					
Loss for the period	-	-	-	(149,647)	(149,647)
Unrealized gain / (loss) on remeasurement of available for sale investments	-	-	2,061	-	2,061
Balance as at September 30, 2010	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>2,061</u>	<u>(149,647)</u>	<u>(147,586)</u>
Total comprehensive income / (loss) for nine months ended June 30, 2011					
Loss for the period	-	-	-	(375,901)	(375,901)
Unrealized gain / (loss) on remeasurement of available for sale investments	-	-	(966)	-	(966)
Transfer of gain / (loss) in the value of investment classified as available for sale taken to profit and loss account	-	-	1,735	-	1,735
Balance as at June 30, 2011	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>769</u>	<u>(375,901)</u>	<u>(375,132)</u>
Total comprehensive income / (loss) for the period					
Loss for the period	-	-	-	(77,819)	(77,819)
Transfer of gain / (loss) in the value of investment classified as available for sale taken to profit and loss account	-	-	342	-	342
Balance as at September 30, 2011	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>1,374</u>	<u>(1,203,440)</u>	<u>(375,473)</u>

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

I. LEGAL STATUS AND OPERATIONS

- 1.1** Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company is engaged in the business of leasing and investment finance activities as a Non-Banking Finance Company and is regulated by the Securities and Exchange Commission of Pakistan (SECP). The Company is listed on all the stock exchanges of Pakistan. The registered office of the Company is situated at Karachi in the province of Sindh.
- 1.2** In 2009, the Company entered in a scheme of arrangement for the amalgamation by way of merger of Al-Zamin Leasing Corporation Limited (AZLCL) and Al-Zamin Leasing Modaraba (AZLM) with and into Invest Capital Investment Bank Limited. All the assets and liabilities and reserves of the AZLCL and AZLM were vested with and assumed by the Company. The Honourable High Court of Sindh approved the amalgamation by way of merger through order dated December 08, 2009 effective from June 30, 2009 (close of business).
- 1.3** Since year 2009 the Company is facing financial and operational difficulties. These financial and operational difficulties have resulted in Company suffering loss during the period and negative equity as at the balance sheet date. Effective July 2011 new management of the Company have acquired major shareholding and management control of the Company from the outgoing group. A total of Rs. 150 million has been injected by the new management, Rs. 126 million directly as subordinated loan and Rs. 24 million indirectly through outgoing group as consideration of sale of Invest Capital Markets Limited - a wholly owned subsidiary - and Company's brokerage business related assets and liabilities.

The new management is in the process of implementation of a multi-facet plan and is taking measures to address the financial and operational problems being faced by the Company. Brief listing of the plan and efforts are as under:

- Substantial reduction in administrative and other expenses
- Commencement of new car leasing business
- Settlement / rescheduling of loans / deposits with lending banks / financial institutions
- Disposal of non-core assets including properties
- Substantial development in settlement of liabilities of brokerage business by the outgoing group
- Improved recovery of non-performing leases and loans portfolio

Management is hopeful that the above mentioned plans / measures will help overcome the financial and operational problems and will result in the improvement of financial position and financial results of the Company.

2. BASIS OF PREPARATION

2.1 Basis of Preparation

This condensed interim financial report has been prepared under the 'historical cost convention' except investment in joint ventures which have been accounted for using equity method, non-current assets classified as held for sale which are stated at the lower of carrying amount and fair value less costs to sell, and available for sale investments which are stated at fair value.

2.2 Statement of Compliance

This condensed interim financial report has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements of IAS 34 differ with the requirements of the Companies Ordinance, 1984, the provisions of or the directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial report does not include all the information required for a complete set of annual financial report, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2011.

This condensed interim financial report is un-audited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

2.3 Functional and Presentation Currency

This condensed interim financial report is prepared in Pakistani Rupee which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computation followed in the preparation of this condensed interim financial report are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2011 except the policy for investment in joint ventures as detailed below:

In previous periods long term investment in joint ventures were carried at cost in the separate financial statements as the Company was also issuing consolidated financial statements. Effective July 01, 2011 the Company is not required to issue consolidated financial statements owing to disposal of subsidiary and, therefore, the Company has changed its accounting policy for investment in joint ventures from cost to equity method to comply with the requirements of IAS 31 'Investment in joint ventures'.

This change in accounting policy has been applied retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Since the share of profits of joint ventures was accounted for as dividend / distribution of profits from joint ventures, the change in accounting policy has resulted in decrease of long term investment in joint ventures by Rs. 0.98 million (June 30, 2011 : Rs. 2.52 million) and decrease of other liabilities by Rs. 0.98 million (June 30, 2011 : Rs. 2.52 million).

- 3.2** Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

4. ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 4.1** The preparation of financial reports in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant area of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim financial report were the same as those applied to the published audited financial statements for the year ended June 30, 2011.

- 4.2** Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2011.

Note	Un-audited September 30, 2011	Audited June 30, 2011
		--- Rupees in thousand ---

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	292,995	296,602
Capital work in progress	14,215	14,215
	307,210	310,817

Quarter ended September 30 (Un-audited)			
2011		2010	
Additions	Disposals	Additions	Disposals

--- Rupees in thousand ---

5.1 Acquisitions and disposals of operating assets - at cost

Owned

Furniture and fixtures	-	-	-	131
Office equipments	-	-	766	-
Vehicles	-	-	-	1,935
	-	-	766	2,066

Note	Un-audited September 30, 2011	Audited June 30, 2011
		--- Rupees in thousand ---

6. LONG TERM INVESTMENTS

Investment in subsidiary - at cost		-	116,850
Investment in joint ventures	6.1	81,879	80,339
Available for sale investments:			
- Ordinary shares & certificates of listed and un-listed entities		27,165	27,165
- Term finance certificates		5,308	5,378
		114,352	229,732
Transferred to assets classified as held for sale		-	(116,850)
		114,352	112,882

6.1 Investment in joint ventures

This represents investment in CNG / Diesel filling stations. The latest available unaudited financial statements of joint ventures as on September 30, 2011 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited	6.1.1	34,078	32,698
- UMA Enterprises	6.1.2	26,464	26,895
- Ameen Enterprises	6.1.3	21,337	20,746
		81,879	80,339

	Un-audited September 30, 2011	Audited June 30, 2011
Note		
	--- Rupees in thousand ---	
6.1.1 Centre Gas (Private) Limited		
Cost	34,536	34,536
Share of profit / (loss) of joint venture	(458)	(1,838)
Dividend received	-	-
	34,078	32,698
6.1.2 UMA Enterprises		
Cost	27,705	27,705
Share of profit of joint venture	3,550	2,810
Dividend received	(4,791)	(3,620)
	26,464	26,895
6.1.3 Ameen Enterprises		
Cost	20,622	20,622
Share of profit of joint venture	5,951	4,360
Dividend received	(5,236)	(4,236)
	21,337	20,746
7. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS		
Contracts accounted for as finance lease under IAS 17	7.1 534,724	608,952
Contracts accounted for under IFAS 2	176,246	203,605
	710,970	812,557
Less : Current portion	10 (435,607)	(472,457)
	275,363	340,100

7.1 Net investment in Ijarah finance

Following is a statement of lease receivables accounted for under IAS 17:

	As at September 30, 2011 (Un-audited)			As at June 30, 2011 (Audited)		
	Due within one year	Due after one year but within five years	Total	Due within one year	Due after one year but within five years	Total
	--- Rupees in thousand ---					
Minimum lease payments receivable	917,550	113,498	1,031,048	921,146	134,428	1,055,574
Residual value of leased assets	64,111	44,862	108,973	94,048	64,643	158,691
Lease contracts receivable	981,661	158,360	1,140,021	1,015,194	199,071	1,214,265
Unearned lease income (including suspended income)	(177,947)	(22,270)	(200,217)	(176,619)	(27,093)	(203,712)
Provision for potential lease losses	(368,107)	(36,973)	(405,080)	(366,119)	(35,482)	(401,601)
	(546,054)	(59,243)	(605,297)	(542,738)	(62,575)	(605,313)
	435,607	99,117	534,724	472,456	136,496	608,952

Un-audited September 30, 2011	Audited June 30, 2011
--	-----------------------------

Note --- Rupees in thousand ---

7.2 Ijarah rentals receivable

The rentals receivable for Ijarah contracts accounted for under IFAS 2 are as under:

Ijarah rentals receivable	63,106	44,722
Less : Provision against Ijarah rentals receivable	(63,106)	(44,630)
	<u><u>-</u></u>	<u><u>92</u></u>

8. DEFERRED TAX ASSET

As at September 30, 2011, net deferred tax asset amounting to Rs. 933 million (June 30, 2011 : Rs. 958 million) has not been recognized as a matter of prudence.

9. SHORT TERM INVESTMENTS

Investments at fair value through profit and loss

Quoted securities - Mutual funds

	-	10,585
--	---	--------

Available for sale

Quoted securities - Mutual funds

	-	8,862
--	---	-------

Un-quoted securities

Dawood Family Takaful Limited	857	857
	<u>857</u>	<u>20,304</u>

10. CURRENT MATURITY OF NON-CURRENT ASSETS

Net investment in lease finance / assets under Ijarah arrangements	7	435,607	472,457
Long term musharakah finances		119,022	120,096
Long term loans		40,600	40,600
		<u>595,229</u>	<u>633,153</u>

11. CASH AND BANK BALANCES

Balance with banks in:

Current accounts in local currency with:

- State Bank of Pakistan	44	101
- Commercial Banks	4,293	1,345
	<u>4,337</u>	<u>1,446</u>

Deposit accounts - local currency

	62,087	14,585
--	---------------	--------

Cash in hand - local currency	227	489
-------------------------------	------------	-----

	<u>66,651</u>	<u>16,520</u>
--	----------------------	---------------

Transferred to assets classified as held for sale	12	-	(1,179)
---	----	----------	---------

		<u>66,651</u>	<u>15,341</u>
--	--	----------------------	---------------

12. ASSETS CLASSIFIED AS HELD FOR SALE

The Company has entered into an agreement for transfer of assets and liabilities related to its brokerage business to the outgoing shareholder group. The agreement is effective from July 01, 2011, and its sale consideration amounting to Rs. 24 million has been received by the Company on July 11, 2011. As per terms of the agreement the outgoing group shall settle entire bank liabilities comprising long term loan and short term borrowings (amounting to Rs. 937.67 million as at June 30, 2011) by March 31, 2012 or such extended date as is mutually

agreed between the parties. The Company shall transfer assets to the outgoing group upon the settlement of liabilities. Assets are in use of the outgoing group.

During the quarter ended September 30, 2011 the outgoing group has settled short term borrowings amounting to Rs. 79.59 million and the Company has transferred other liabilities amounting to Rs. 313.13 million to the outgoing group. Consequently, the Company has transferred investment in subsidiary amounting to Rs. 116.85 million and trade debts amounting to Rs. 275.88 million to the outgoing group.

The assets classified as held for sale of discontinued operation and other non-current assets and liabilities directly associated with such assets in their respective categories are summarized hereunder:

Note	Un-audited September 30, 2011	Audited June 30, 2011
------	-------------------------------------	-----------------------------

--- Rupees in thousand ---

12.1 Assets classified as held for sale

Assets held for sale of discontinued operation

Property, plant and equipment	29,213	29,213
Intangible assets	1,691	1,691
Investment in subsidiary - at cost	-	116,850
Long term loans	8,641	8,641
Long term security deposits and receivables	513	513
Short term investments	25,315	25,315
Trade debts - unsecured	596,192	872,077
Advances, deposits, prepayments and other receivables	48,566	48,566
Cash and bank balances	1,179	1,179
Properties	96,488	96,488
	<u>807,798</u>	<u>1,200,533</u>
Non-current assets held for sale	391,622	391,622
Total assets classified as held for sale	<u>1,199,420</u>	<u>1,592,155</u>

12.2 Liabilities directly associated with assets held for sale

Long term loan	6,295	6,295
Short term borrowings	851,785	931,383
Creditors, accrued and other liabilities	-	313,138
	<u>858,080</u>	<u>1,250,816</u>

12.3 These comprise properties approved by the Board of Directors of the Company to be disposed off. Active campaign is being undertaken to dispose-off these properties at the earliest. Subsequently properties amounting to Rs. 129.07 million have been disposed-off against settlement of borrowings.

12.4 The Company has not carried out any brokerage business during the period. The cash flows related to discontinued business are as follows:

Operating cash flows	<u>(37,252)</u>	-
Investing cash flows	<u>116,850</u>	-
Financing cash flows	<u>(79,598)</u>	-

13. SUBORDINATED LOAN FROM DIRECTORS

This represents subordinated loan provided by the directors in cash to the Company on July 11, 2011. It is interest free. It will not be repaid before clearance of overdue deposits and creditors, upgradation of the Company's ranking to investment grade and compliance of minimum equity requirements.

	Un-audited September 30, 2011	Audited June 30, 2011
Note		
	--- Rupees in thousand ---	
14. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS		
Secured		
Musharakah borrowings		
From commercial banks	33,333	33,333
Murabaha borrowings		
From commercial banks	136,012	150,525
From other financial institutions	60,934	61,140
	196,946	211,665
	230,279	244,998
Current portion	18 (230,279)	(214,167)
	-	30,831
15. MUSHARAKAH TERM FINANCE CERTIFICATES		
TFCs - privately placed and secured		
Commercial banks	268,573	268,573
Other financial institutions	237,434	237,434
Other	38,924	38,924
	544,931	544,931
Current portion	18 (350,000)	(297,014)
Total initial transaction cost	7,400	7,400
Less : Amortization to date	(5,258)	(5,258)
	2,142	2,142
	192,789	245,775
16. REDEEMABLE CAPITAL - TERM FINANCE CERTIFICATES		
Term Finance Certificates	128,380	128,380
Less : Current portion	-	-
	128,380	128,380
17. LONG TERM LOANS		
Secured		
Facility I	38,022	38,022
Facility II, III & IV	66,723	67,724
Facility V	-	6,295
	104,745	112,041
Less : Facility V transferred to liabilities directly associated with discontinued operation	-	(6,295)
Less : Current portion	18 (104,745)	(105,746)
	-	-
18. CURRENT PORTION OF LONG TERM LIABILITIES		
Liabilities under finance lease arrangements	5,597	7,579
Security deposit from lessees	78,612	111,915
Certificates of musharakah	36,400	37,830
Long term musharakah and murabaha borrowings	14 230,279	214,167
Musharakah Term Finance Certificates	15 350,000	297,014
Long term loans	17 104,745	105,746
	805,633	774,251

Note	Un-audited September 30, 2011	Audited June 30, 2011
		--- Rupees in thousand ---

19. SHORT TERM BORROWINGS

Payable under repurchase transaction:

- Clean borrowings - 303,900

Bank finance facilities - secured

Facility II	-	66,188
Facility III	-	75,002
Facility IV	-	27,227
Facility V	-	167,876
Facility VI	-	225,000
Facility VII	-	66,189
Facility VIII	48,733	48,733
Facility IX	-	24,993
Facility X	16,776	16,776
	65,509	717,984
From Non-Banking Finance Company - unsecured	2,800	2,800
	68,309	1,024,684

Clean borrowings and facility II to VII transferred to liabilities directly associated with discontinued operation

-	(931,383)
68,309	93,301

20. LOAN FROM SPONSOR

The loan carries profit rate of 13.5% per annum (June 30, 2011 : 13.5% per annum).

21. CONTINGENCIES AND COMMITMENTS

Contingencies

There has been no change in contingencies as stated in the annual financial statements for the year ended June 30, 2011.

Commitments

Lease financing contracts committed but not executed at the balance sheet date amounted to Rs. Nil (June 30, 2011 : Rs. Nil).

22. PROVISION FOR TAXATION

Current		
For the period	354	1,081
Deferred	-	-
	354	1,081

23. BASIC AND DILUTED LOSS PER SHARE

Loss after taxation for the period	Rupees in thousand	(77,819)	(149,647)
Weighted average of ordinary shares	Number	284,866,896	284,866,896
Loss per share - basic	Rupees	(0.27)	(0.53)
Loss per share - diluted	Rupees	(0.27)	(0.53)

24. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated companies with or without common directors, retirement retirement fund, directors, other key management personnel and their close family members. Contributions to the staff retirement fund are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of employment. Loans to the employees are in accordance with their terms of employment. Other transactions with related parties are entered into at agreed rates.

Details of transactions for the period with related parties, other than those which have been disclosed elsewhere in this condensed interim financial report, are as follows:

		Quarter ended September 30 (Un-audited)	
Note	2011	2010	
	--- Rupees in thousand ---		

Transactions during the period

Contribution to staff retirement fund
Key management compensation

461	1,029
<u>3,610</u>	<u>7,513</u>

25. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial report was authorized for issue on July 20, 2012 by the Board of Directors of the Company.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

Registered Office

801-802, 8th Floor, Lakson Square Building No.3,
Sarwar Shaheed Road, Karachi.
Tel: + (92-21) 35205110 / 35661938, 48, 58
Fax: + (92-21) 35658409 / 35661988
Website: www.icibl.com

Head Office

701-A, 7th Floor, City Tower, 6-K
Main Boulevard, Gulberg II, Lahore.
Tel: (92-42) 35770383-86
Fax: (92-42) 35788710

Islamabad Office

11-West, Jinnah Avenue,
Blue Area, Islamabad.
Tel: (92-51) 2270588 / 2279807
Fax: (92-42) 2272813

Peshawar Office

Shop No. LG-524-525
Dean Trade Centre, Islamia Road
Peshawar Cantt.
Tel: (92-91) 5603107 / 5603109

Faisalabad Office

20 Bilal Road, Civil Lines
Faisalabad.
Tel: (92-41) 2626418 / 2620010
Fax: (92-41) 2613467

Gujranwala Office

51-A, Trust Plaza, G.T. Road,
Gujranwala.
Tel: (92-055) 3730308, 3730300
Fax: (92-055) 3731108

Multan Office

Khawar Centre, Nusrat Road, Multan.
Tel: (92-061) 4781699
Fax: (92-061) 4781599



INVEST CAPITAL INVESTMENT BANK LIMITED
Head Office

701-A, City Tower, 6-K, Main Boulevard, Gulberg II, Lahore.

Tel: +92(42) 35770383-86, Fax: +92(42) 35788710

www.icibl.com