



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.*



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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 AND REMUNERATION COMMITTEE:

Dr. Asif A. Brohi	(Chairman)
Chaudhry Tahir Hussain	(Member)
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,
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FIRST CREDIT AND INVESTMENT BANK LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors, I have the privilege of presenting the un-audited financial statements of First Credit & Investment Bank Limited for the first quarter ended September 30, 2012.

Operating Results

Financial results of the Bank are as under:

	(Rupees in thousand)	
	For the quarter ended	
	Sep 30, 2012	Sep 30, 2011
	(Un-audited)	
Profit & Loss Account		
Total revenue	28,275	34,604
Operating profit/ (loss)	3,853	(1,408)
(Loss) before tax	(8,100)	(1,422)
(Loss) after tax	(2,254)	(1,765)
Earning/ (loss) per (Rs.)	(0.03)	(0.03)

	As at	
	Sep 30, 2012	June 30, 2012
	(Un-audited)	(Audited)
Balance Sheet		
Shareholders' equity	654,529	656,783
Total assets	1,048,431	1,221,078

Due to slow down in the economic and investment activities, total income for the quarter ended September 30, 2012 saw 18.3% decrease to Rs. 28,275 million as compared to Rs. 34,604 million for the quarter ended September 30, 2011. However, through reduction in financial expenses and control over admin expenses the Bank was able to report operating profit of Rs. 3,853 million during the first quarter ended September 30, 2012 as compared to operating loss of Rs. 1,408 million for the corresponding period of last year. Further, after taking effect of provisions against nonperforming investments in compliance with the NBFCs Regulations, the Bank closed this quarter with a small net loss after tax of Rs. 2,254 million as against loss after tax of Rs. 1,765 million for the corresponding quarter last year. As a result, shareholders equity decreased by Rs. 2,254 million to Rs. 654,529 million as at September 30, 2012 from Rs. 656,783 million as at June 30, 2012. Total balance sheet footing as at September 30, 2012 were Rs. 1,048,431 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 January 31, 2012 has maintained the medium to long-term entity rating of the Bank at 'A-' (Single A Minus) and short-term rating at 'A-2' (A-Two).

Future Outlook

The SBP's policy rate has come down to 10%, a decline of 200 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.

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, build capacity through training of existing personnel and hiring key professionals, diversify products and services, 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.

By order of the Board

Karachi
October 31, 2012

Mohammad Imran Malik
Chief Executive / President



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2012

	Note	30-Sep-12 Rupees (Un-audited)	30-Jun-12 (Audited)
ASSETS			
Non-Current Assets			
Fixed assets -tangible	5	10,262,919	10,966,102
Fixed assets - intangible		1,825,592	2,059,149
Long-term investments	6	491,571,754	560,575,495
Long-term loans and finances		49,403,460	58,472,493
Long-term security deposits		1,050,000	1,050,000
Deferred tax assets		90,689,270	83,798,027
		644,802,995	716,921,266
Current Assets			
Short-term investments	7	193,522,722	237,728,850
Short-term placements		-	100,000,000
Current portion of non-current assets			
Long term Investments		139,551,704	94,221,008
Long term loans and finances		26,614,118	16,266,712
Mark-up/interest accrued		22,714,833	37,938,915
Advances, prepayments and other receivables		2,336,006	2,709,748
Advance tax - net		11,553,283	10,777,477
Cash and bank balances		7,335,554	4,514,160
		403,628,220	504,156,870
Total Assets		1,048,431,215	1,221,078,136
EQUITIES & LIABILITIES			
Share Capital and Reserves			
Authorized capital		750,000,000	750,000,000
Issued, subscribed and paid-up capital		650,000,000	650,000,000
Reserves		4,529,071	6,782,851
		654,529,071	656,782,851
Deficit on revaluation of investment -net	8	(19,160,748)	(19,446,884)
Non-Current Liabilities			
Long-term loan		109,375,000	125,000,000
Long-term certificate of deposits		15,550,000	9,200,000
		124,925,000	134,200,000
Current Liabilities			
Short-term borrowings	9	165,000,000	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 deposits		28,670,000	32,740,000
Accrued mark-up	10	8,155,073	13,060,926
Accrued expenses and other liabilities		8,187,819	9,037,748
		288,137,892	449,542,169
Contingencies and commitments	11	-	-
		1,048,431,215	1,221,078,136

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer / President

Director

QUARTERLY REPORT SEPTEMBER 2012



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	Note	30-Sep-12 Rupees	30-Sep-11 Rupees
INCOME			
Income from finances and fund placements		818,298	7,609,450
Income from investments		26,144,442	26,015,563
Capital gains on disposal of securities		703,086	256,129
Dividend Income		465,517	300,449
Fees and commission		50,000	310,027
Others		94,075	112,287
		28,275,418	34,603,905
EXPENSES			
Finance cost			
Mark-up on bank loans		5,855,548	8,682,465
Mark-up on other short-term borrowings		6,347,241	4,212,382
Mark-up on short-term running finance		86,936	547
Mark-up on certificate of deposits		1,330,398	11,703,680
		13,620,123	24,599,074
Administrative and operating expenses		10,799,200	11,393,126
Others		2,942	19,978
		24,422,265	36,012,178
Operating Profit/(Loss)		3,853,153	(1,408,273)
Provision for mark-up/interest accrued		568,129	-
Provision for non-performing investments		(14,789,639)	-
Provision for non-performing finances		2,268,334	-
Unrealized loss on held-for-trading investments		-	(13,400)
(Loss) before taxation		(8,100,023)	(1,421,673)
Provision for taxation	12	5,846,243	(343,000)
(Loss) after taxation		(2,253,780)	(1,764,673)
(Loss) per share -basic and diluted	13	(0.03)	(0.03)

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer / President

Director

QUARTERLY REPORT SEPTEMBER 2012



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	30-Sep-12 Rupees	30-Sep-11 Rupees
(Loss) after taxation	(2,253,780)	(1,764,673)
(Deficit)/Surplus on remeasurement of investments classified 'as available for sale'	286,136	413,818
Total comprehensive (loss) for the period	<u>(1,967,644)</u>	<u>(1,350,855)</u>

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer / President

Director

QUARTERLY REPORT SEPTEMBER 2012



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2012

Note	30-Sep-12 Rupees (Un-audited)	30-Sep-11 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(8,100,023)	(1,421,673)
Less: Dividend income	(465,517)	(300,449)
Adjustments for:		
Depreciation	720,006	806,153
Amortization	233,557	179,682
Provision for the gratuity	413,172	821,442
Provision for markup interest accrued	(568,129)	-
Provision for non performing investments	14,789,639	-
Provision for dim in value of investments	(2,268,334)	13,400
	<u>13,319,911</u>	<u>1,820,677</u>
Operating cash flows before working capital changes	4,754,371	98,555
(Increase) / decrease in current assets		
Short-term investments	44,206,128	(23,643,078)
Short-term placements	100,000,000	(24,075,300)
Mark-up/interest accrued	15,224,082	13,330,452
Advances, prepayments and other receivables	(552,035)	(327,313)
	<u>158,878,175</u>	<u>(34,715,239)</u>
Increase / (decrease) in current liabilities		
Accrued and other liabilities	(849,929)	34,728
Accrued mark-up	(4,905,853)	8,783,910
Short-term borrowings	(114,162,800)	6,271,200
	<u>(119,918,582)</u>	<u>15,089,838</u>
Cash generated from operations	43,713,964	(19,526,846)
Gratuity contribution paid	(234,879)	(213,528)
Income tax paid	(1,881,381)	(1,858,094)
	<u>(2,116,260)</u>	<u>(2,071,622)</u>
Net cash generated from operating activities	45,830,224	(21,598,468)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Additions in fixed assets	(16,820)	(91,080)
Long-term investments	8,883,406	19,162,411
Dividend income received	163,652	300,449
Long-term loans and finances	(1,278,373)	1,713,724
Net cash generated from investing activities	<u>7,751,865</u>	<u>21,085,504</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long term loan	(15,625,000)	-
Short-term running finance	(37,415,695)	-
Certificates of deposit	2,280,000	(690,000)
Net cash generated from financing activities	<u>(50,760,695)</u>	<u>(690,000)</u>
Net increase in cash and cash equivalents	2,821,394	(1,202,964)
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	7,335,554	7,394,781

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer / President

Director

QUARTERLY REPORT SEPTEMBER 2012



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	Issued, subscribed and paid-up capital	Reserves Statutory reserve	Unappro- priated profit	Total
 (Rupees)			
Balance as at July 01, 2011	650,000,000	117,663,484	(39,683,770)	727,979,714
Net loss for the quarter	-	-	(1,764,673)	(1,764,673)
Transfer to statutory reserve	-	-	-	-
Balance as at September 30, 2011	650,000,000	117,663,484	(41,448,443)	726,215,041
Balance as at October 01, 2011	650,000,000	117,663,484	(41,448,443)	726,215,041
Net loss for the nine months	-	-	(69,432,190)	(69,432,190)
Transfer to statutory reserve	-	-	-	-
Balance as at June 30, 2012	650,000,000	117,663,484	(110,880,633)	656,782,851
Balance as at July 01, 2012	650,000,000	117,663,484	(110,880,633)	656,782,851
Net loss for the quarter			(2,253,780)	(2,253,780)
Transfer to statutory reserve	-	-	-	-
Balance as at September 30, 2012	650,000,000	117,663,484	(113,134,413)	654,529,071

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chief Executive Officer / President

Director

QUARTERLY REPORT SEPTEMBER 2012



FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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 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, rated by JCR-VIS Credit Rating Company Limited, as of January 31, 2012 is 'A-' with negative outlook. Short term rating of the Company is 'A-2'.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the company for the quarter ended September 30, 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 for 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 do not include all the information and disclosures required in the 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 at June 30, 2012

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this un-audited 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. requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.



FIRST CREDIT AND INVESTMENT BANK LIMITED

In preparing this condensed interim financial information, the significant judgments made by the 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 30th June, 2012.

	30-Sep-12		30-Jun-12	
	Additions	Disposals	Additions	Disposals
	Rupees		Rupees	
5 FIXED ASSETS				
Furniture and Fixture	-	-	449,020	13,500
Office Equipment	16,820	-	81,120	-
Computers	-	-	462,271	-
Vehicles	-	-	3,226,875	2,031,192
	16,820	-	4,219,286	2,044,692
6 LONG-TERM INVESTMENTS				
	30-Sep-12		30-Jun-12	
 Rupees			
Held-to-maturity				
-Term finance certificates/Sukuk - Unlisted	499,051,898		502,757,011	
-Term finance certificates - Listed	49,854,502		49,860,486	
-Government securities - PIB's	253,457,605		253,419,114	
	802,364,005		806,036,611	
Less: Provision against Investments	(188,618,496)		(182,993,496)	
Available-for-sale				
-Term finance certificates - Listed	28,442,214		33,653,014	
Less: Provision against Investments	(11,064,265)		(1,899,626)	
Less: Current Portion of TFCs	(139,551,704)		(94,221,008)	
	491,571,754		560,575,495	
7 SHORT-TERM INVESTMENTS				
Available for sale				
-Dewan Cement Ltd.- Pre IPO term finance certificates	50,000,000		50,000,000	
-Investment in shares - Listed	23,752,882		23,393,876	
-Investment in mutual funds	21,977,240		35,677,834	
-Investment in preference shares - Listed	15,057,750		15,055,000	
	110,787,872		124,126,710	
Less: Provision for non-performing investments	(25,000,000)		(25,000,000)	
Held-to-maturity				
-Government securities- T-Bills	7.1	107,580,390	138,451,380	
Held-for-trading				
-Investment in shares - Listed		154,460	150,760	
		193,522,722	237,728,850	

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



FIRST CREDIT AND INVESTMENT BANK LIMITED

8	DEFICIT ON REVALUATION OF INVESTMENTS	Note	30-Sep-12 Rupees	30-Jun-12 Rupees
	Available-for-sale - Listed Securities			
	Term finance certificates		(4,417,494)	(4,922,925)
	Shares		(10,295,478)	(10,660,939)
	Mutual funds		(4,447,776)	(3,863,020)
			<u>(19,160,748)</u>	<u>(19,446,884)</u>
9	SHORT-TERM BORROWINGS			
	Secured under repurchase agreement	9.1	<u>165,000,000</u>	<u>279,162,800</u>
	9.1 This represent borrowed from National Bank of Pakistan, an associated undertaking, against government securities carrying mark-up rate of 10.4% (June 30, 2012: 11.85% to 11.9%) per annum maturing on October 01, 2012.			
10	ACCRUED MARK-UP			
	Mark-up allocated on:			
	Secured			
	- Loans and borrowings including running finance	10.1	5,942,484	7,089,938
	- Repo borrowings	10.1	517,110	4,893,181
			<u>6,459,594</u>	<u>11,983,119</u>
	Unsecured			
	- Certificates of deposits		1,695,479	1,077,807
			<u>8,155,073</u>	<u>13,060,926</u>
	10.1 These amounts represent due to National Bank of Pakistan an associated undertaking (June 2012 : Rs.11,983,047/-).			
11	CONTINGENCIES AND CONCOMMITMENTS			
	Contingencies			
	There are no material contingencies as at the reporting date (June 30, 2012: Nil)		-	-
	Commitments			
	Bank Guarantee		5,000,000	5,000,000
	Standby letter of credit facility		56,554,531	56,375,712
			<u>61,554,531</u>	<u>61,375,712</u>
12	TAXATION		30-Sep-12 Rupees	30-Sep-11 Rupees
	Current		1,045,000	343,000
	Deferred		(6,891,243)	-
			<u>(5,846,243)</u>	<u>343,000</u>



FIRST CREDIT AND INVESTMENT BANK LIMITED

	30-Sep-12	30-Sep-11
 Rupees	
13 (LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED		
(Loss) after taxation	<u>(2,253,780)</u>	<u>(1,764,673)</u>
Weighted average number of shares outstanding during the period	<u>65,000,000</u>	<u>65,000,000</u>
(Loss) per share - basic and diluted	<u>(0.03)</u>	<u>(0.03)</u>

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel and post employment benefit schemes. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to associated undertakings, executives and remuneration of directors and executives are disclosed in the relevant notes. Transactions with related parties are as follows:

Nature of relationship of the related party with the company	Nature of Transaction		
Associate	Mark-up accrued on long-term loan	5,855,548	8,682,465
	Mark-up on short-term running finance	86,936	476
	Mark-up on Repo Borrowing	5,925,190	2,863,375
	Rent Paid	527,835	527,835
	Balance at period ended	352,500,000	343,879,400
Key management personnel	Salaries, benefits and other allowances	3,012,874	2,588,225
	Retirement benefits	469,965	409,886
	Return on long-term loans	93,012	110,318
	Balance at period ended	14,013,443	14,045,532
FCIBL Provident and Gratuity Fund	Contributions made to staff retirement plans	666,552	553,318

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on October 31, 2012 by the Board of Directors of the Company

16 GENERAL

Figures have been rounded off to the nearest Rupee.

Chief Executive Officer / President

Director

QUARTERLY REPORT SEPTEMBER 2012