



fcibank

QUARTERLY
REPORT
SEPTEMBER 30,
2021

Major Joint Venture Partners:



FIRST CREDIT AND INVESTMENT BANK LTD.



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. Faisal Ahmed Topra
Chairman



Mr. Muhammad Mohsin Ali
President & CEO



Mr. Naveed Asghar Chaudhry
Director



Mr. Asad Ullah Saleem
Director



Syed Irfan Husnain Rizvi
Director



Mr. Muhammad Naeemuddin
Director



Mrs. Nina Afridi
Director



Mr. Jamal Nasim
Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

COMPANY INFORMATION

AUDIT COMMITTEE:

Mr. Muhammad Naeemuddin Chairman
Syed Irfan Husnain Rizvi
Mrs. Nina Afridi

HR AND REMUNERATION COMMITTEE:

Mr. Muhammad Naeemuddin Chairman
Mr. Naveed Asghar Chaudhry
Mr. Asad Ullah Saleem
Mr. Muhammad Mohsin Ali

RISK MANAGEMENT COMMITTEE:

Mr. Asad Ullah Saleem Chairman
Mr. Naveed Asghar Chaudhry
Mr. Muhammad Naeemuddin
Mr. Muhammad Mohsin Ali

COMPANY SECRETARY:

Mr. Muhammad Amin Khatri

AUDITORS:

Crowe Hussain Chaudhry & Co.
Chartered Accountants

LEGAL ADVISOR:

Ahmed & Qazi

BANKERS:

National Bank of Pakistan
MCB Bank Limited
Allied Bank Limited
FINCA Microfinance Bank Limited
NRSP Microfinance Bank Limited
Tameer Microfinance Bank Limited
Khushhali Bank Limited
U Microfinance Bank Limited
The First Microfinance Bank Limited

SHARE REGISTRAR:

THK Associates (Pvt.) Limited
Plot # 32-C, Jami Commercial Street # 2,
D.H.A, Phase-VII, Karachi-75500.
Ph. # +92 (21) 35310191-96
Fax # +92 (21) 35310190

HEAD OFFICE / REGISTERED OFFICE:

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

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FIRST CREDIT AND INVESTMENT BANK LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors, we have the privilege of presenting un-audited financial statements of **First Credit and Investment Bank Limited** for the first quarter ended September 30, 2021.

Operating Results

Total income for the quarter ended September 30, 2021 was Rs.30.47million as compared to Rs. 39.58 million for the quarter ended September 30, 2020. The Company reports operating income of Rs.2.35 million during the first quarter ended September 30, 2021 as compared to operating income of Rs. 7.85 million for the corresponding period of last year. Further, after taking effect of reversals of already made provisions against non-performing investments, the Company was able to report profit before tax of Rs.4.77 million during the first quarter of FY 2021-22. The profit before tax for the quarter ended September 30, 2020 was Rs.8.77 million. Similarly, the Company closed the current quarter registering net profit after tax to Rs.3.10 million as against profit after tax of Rs. 7.25million for the corresponding quarter last year. Shareholders equity, net of deficit on re-measurement of investment, decreased to Rs.744.14 million as at September 30, 2021 from Rs. 749.95 million as at June 30, 2021. Total balance sheet footing as at September 30, 2021 was Rs.2,244.86million compared to Rs. 2,272.04 million as at June 30, 2021.

Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 31, 2020 has reaffirmed the medium to long-term rating of the Company at 'A-' (Single A Minus) and Short-term rating at 'A-2' (A-Two). The outlook of the rating is 'Stable'.

Future Outlook

We are diversifying our business focus into new avenues to increase revenue streams, which will be forthcoming with improvement in economic and business conditions of the country. Your Company will continue to improve its assets quality, infrastructure, build capacity through training of existing personnel and engaging professionals to diversify products and services, updating policies and procedures to meet the requirements of the new challenges and opportunities.

Acknowledgement

The directors wish to express their appreciation to stakeholders, valued customers and financial institutions for their continued trust and patronage. We are grateful to the regulatory authorities especially the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and the Pakistan Stock Exchange for their guidance and support. We also acknowledge hard work and dedication of the management and employees.

MUHAMMAD MOHSIN ALI
President and CEO

MUHAMMAD NAEEMUDDIN
Director

Karachi:
October 26, 2021

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ڈائریکٹرز جائزہ

ہم فرسٹ کریڈیٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے پہلی سہ ماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ بمطابق ۳۰ ستمبر ۲۰۲۱ پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

۳۰ ستمبر ۲۰۲۱ کو ختم ہونے والی پہلی سہ ماہی کے اختتام پر بینک کی کل آمدنی ۳۰.۴۷ ملین روپے رہی، جو کہ پچھلے سال ۳۰ ستمبر ۲۰۲۰ کو ختم ہونے والی اسی مدت میں ۳۹.۵۸ ملین روپے تھی۔ کمپنی نے پہلی سہ ماہی کے اختتام پر ۳۵.۳ ملین روپے آپریٹنگ منافع حاصل کیا جو پچھلے سال اسی عرصہ میں ۸۵.۷ ملین روپے تھا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں نقصان کے خدشات کو ملحوظ خاطر لاتے ہوئے رقم مختص کی گئی تھی ان اکاؤنٹ میں بہتری کی وجہ سے وہ رقم واپس شامل کر لی گئی ہے جس کی وجہ سے کمپنی نے سال ۲۰۲۱-۲۰۲۰ کی موجودہ پہلی سہ ماہی میں قبل از ٹیکس منافع ۷۷.۴ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۷۷.۴ ملین روپے ظاہر کیا گیا تھا۔ اسی طرح رواں مالی سال کی پہلی سہ ماہی کے اختتام پر بعد از ٹیکس منافع ۱۰.۳ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۲۵.۷ ملین روپے ریکارڈ کیا گیا تھا۔ اسکے نتیجے میں شیئر ہولڈرز ایکٹیو سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد کم ہو کر ۱۴.۱ ملین روپے ہو گئی جبکہ ۳۰ جون ۲۰۲۱ کو شیئر ہولڈرز ایکٹیو ۹۵.۹۵ ملین روپے تھی۔ ۳۰ ستمبر ۲۰۲۱ کو بینک کے کل اثاثہ جات ۸۶.۲۲۴ ملین روپے ہو گئے، جو کہ ۳۰ جون ۲۰۲۱ کو ۲۰۴.۰۲ ملین روپے تھے۔

کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کی رپورٹ بتاریخ ۳۱ دسمبر ۲۰۲۰ کے مطابق بینک نے درمیانے سے طویل مدتی ریٹنگ کو 'A' (سنگل A منفی) اور مختصر مدتی ریٹنگ کو 'A-2' پر برقرار رکھا ہے۔ ریٹنگ کا آؤٹ لک مستحکم ہے۔

مستقبل کے امکانات:

ہماری تمام کاروباری سرگرمیاں آمدنی کے نئے ذرائع کو متعارف کرانے پر مرکوز ہیں جو ملک کے اقتصادی و کاروباری حالات میں بہتری کے ساتھ آگے بڑھیں گے۔ آپ کی کمپنی نے اپنے اثاثوں کے معیار کو بہتر کرنے، اور، موجودہ عملہ اور مزید اہم پیشہ ورانہ عملہ کی خدمات



FIRST CREDIT AND INVESTMENT BANK LIMITED

حاصل کر کے ان کو ٹریڈنگ کے ذریعہ اپنے انفراسٹرکچر میں بہتری لانے، مختلف النوع پروڈکٹس کو بروئے کار لانے کی مناسب کوشش کر رہا ہے، اور نئے مواقع اور نئے چیلنجز کا سامنے کرنے کے لئے اپنی پالیسیاں اور طریقہ کار کو اپ ڈیٹ کر رہے ہیں۔

اظہار تشکر:

ڈائریکٹر اپنے اسٹیک ہولڈرز، قابل قدر صارفین اور مالیاتی اداروں کا ان کے مسلسل اعتماد اور سرپرستی کے لیے تشکر کا اظہار کرتے ہیں۔ ریگولیٹری اداروں خاص طور پر سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی رہنمائی اور حوصلہ افزائی کے بھی شکر گزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کے معترف ہیں۔

محمد محسن علی
پریذیڈنٹ وی ای او

محمد نعیم الدین
ڈائریکٹر
کراچی۔ ۲۶ اکتوبر ۲۰۲۱



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

		September 30, 2021	June 30, 2021
	Note	Rupees (Un-audited)	Rupees (Audited)
ASSETS			
Non-current Assets			
Property and equipment	6	15,512,487	17,429,948
Long-term investments	7	359,060,753	365,964,739
Long-term loans and finances		248,710,303	273,150,714
Net investment in finance lease	8	-	-
Long-term deposits		57,500	57,500
Deferred tax asset	9	70,243,226	69,249,846
Total non-current assets		693,584,269	725,852,747
Current assets			
Current portion of non-current assets	10	193,076,606	194,215,555
Short-term investments	11	147,379,561	1,149,472,390
Markup/interest accrued		37,878,185	42,647,462
Prepayments and other receivables		1,004,966,698	4,981,560
Taxation-net		17,600,938	15,917,244
Cash and bank balances		150,369,797	138,951,392
Total current assets		1,551,271,785	1,546,185,603
Total Assets		2,244,856,054	2,272,038,350
EQUITY & LIABILITIES			
Shareholders' equity			
Authorized share capital			
75,000,000 (June 30, 2021: 75,000,000) ordinary shares of Rs.10 each		75,000,000	75,000,000
Issued, subscribed and paid-up share capital 65,000,000 (June 30, 2021: 65,000,000) ordinary shares of Rs.10 each		650,000,000	650,000,000
Accumulated profit		115,906,542	114,707,652
Deficit on remeasurement of investments - net	12	(21,763,911)	(14,756,757)
Total shareholders' equity		744,142,631	749,950,895
Non-Current Liabilities			
Deferred liability - Staff gratuity		6,594,659	6,134,957
Lease liability		4,228,743	8,766,345
Security deposit against finance lease		418,600	418,600
Total non-current liabilities		11,242,002	15,319,902
Current Liabilities			
Current portion of long-term loan		62,500,000	78,125,000
Current portion of lease liability		4,651,821	4,941,627
Short-term running finance facility	13	49,992,033	49,992,033
Short-term repo borrowing		347,996,450	350,000,000
Up-paid dividend		7,348,477	7,348,477
Markup / interest accrued	14	4,247,132	5,458,268
Accrued expenses and other payables		1,012,735,508	1,010,902,148
Total current liabilities		1,489,471,421	1,506,767,553
Total liabilities		1,500,713,423	1,522,087,455
Contingencies and commitments	15	-	-
Total equity and liabilities		2,244,856,054	2,272,038,350

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
Note Rupees	
Income from term finances and fund placements	12,728,350	17,749,816
Income from investments	19,770,214	17,288,702
Unrealized gain/(Loss) in investment classified as fair value through profit or loss account	(2,107,269)	4,001,726
Fees and commission income	63,880	102,266
Other income	12,861	440,830
	30,468,036	39,583,341
Finance costs	(12,473,673)	(17,075,094)
Administrative and operating expenses	(15,641,396)	(14,661,041)
Operating income before taxation and provisions	2,352,966	7,847,206
Reversals/(Provision)		
Reversal against accrued mark-up	160,846	-
Reversal of diminution in value of long-term investments 7.1	2,345,845	1,100,000
Profit for the period before taxation and workers' welfare fund	4,859,657	8,947,206
Workers' welfare fund	(89,067)	(181,642)
Profit for the period before taxation	4,770,590	8,765,564
Taxation 16	(1,668,857)	(1,516,308)
Profit for the period after taxation	3,101,733	7,249,256
Earnings per share -basic and diluted 17	0.05	0.11

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
Note	Rupees	Rupees
Profit after taxation for the period	3,101,733	7,249,256
Other comprehensive income / (loss):		
Items that will not be subsequent reclassified to statement of profit or loss - net of tax :		
Unrealized gain / (loss) on re-measurement of fair value through other comprehensive income investments	(7,007,154)	(11,155,229)
Total comprehensive income / (loss) for the period	<u>(3,905,421)</u>	<u>(3,905,973)</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid-up share capital	Revenue Accumulated Profit	Total	Deficit on remeasurement of investment classified as fair value through other comprehensive income	Total share- holders' equity
	Rupees				
Balance as at July 01, 2020	650,000,000	95,027,077	95,027,077	(6,236,650)	738,790,427
Profit after tax for the quarter	-	7,249,256	7,249,256	-	7,249,256
Transfer from OCI on disposal	95,843	95,843	95,843	-	95,843
Other comprehensive loss	-	-	-	(11,155,229)	(11,155,229)
	-	7,345,099	7,345,099	(11,155,229)	(3,810,130)
Balance as at September 30, 2020	650,000,000	102,372,176	102,372,176	(17,391,879)	734,980,297
Balance as at July 01, 2021	650,000,000	114,707,652	114,707,652	(14,756,757)	749,950,895
Profit after tax for the quarter	-	3,101,733	3,101,733	-	3,101,733
Transfer from OCI on disposal	-	(1,902,843)	(1,902,843)	-	(1,902,843)
Other comprehensive loss	-	-	-	(7,007,154)	(7,007,154)
	-	1,198,890	1,198,890	(7,007,154)	(5,808,264)
Balance as at September 30, 2021	650,000,000	115,906,542	115,906,542	(21,763,911)	744,142,631

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)


FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
Note Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,770,590	8,765,564
Adjustments for:		
Depreciation	1,917,461	2,030,335
Gain on disposal of property and equipment	-	(197,455)
Gratuity expenses	459,702	341,414
Dividend Income	(1,021,617)	(183,039)
Finance Cost	12,473,673	17,075,094
Reversal against accreued mark-up	(160,846)	-
Reversal for non-performing investments	(2,345,845)	(1,100,000)
	<u>11,322,529</u>	<u>17,966,349</u>
Operating cash flows before working capital changes	16,093,119	26,731,913
(Increase) / decrease in current assets		
Prepayments and other receivables	(999,985,138)	(312,936)
Mark-up/interest accrued	4,930,123	19,693,826
	<u>(995,055,015)</u>	<u>19,380,890</u>
Increase / (decrease) in current liabilities		
Accrued expenses and other payables	1,833,360	(53,862,512)
Cash generated from operations	(977,128,537)	(7,749,709)
Income tax paid	(4,345,931)	(10,376,745)
Dividend income received	1,021,617	183,039
Markup on finance cost paid	(18,512,217)	(20,309,682)
	<u>(21,836,531)</u>	<u>(30,503,388)</u>
Net cash (used in)/generated from operating activities	(998,965,068)	(38,253,097)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from disposal of property and equipment	-	197,455
Long-term investments-net	2,242,675	17,917,653
Short-term investments	1,000,189,986	(12,304,787)
Long-term finances -net	25,579,361	2,739,360
Net cash (used in) / generated in investing activities	1,028,012,023	8,549,681
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan repaid	(15,625,000)	-
Net cash used in from financing activities	(15,625,000)	-
Net (decrease) / increase in cash and cash equivalents	13,421,955	(29,703,417)
Cash and cash equivalents at the beginning of the period	(261,040,641)	(664,632,471)
Cash and cash equivalents at the end of the period	18 <u>(247,618,686)</u>	<u>(694,335,888)</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


MUHAMMAD KAMRAN
Chief Financial Officer


MUHAMMAD MOHSIN ALI
President & CEO


MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

1 STATUS AND NATURE OF BUSINESS

- 1.1 First Credit and Investment Bank Limited ("the Investment Bank") was incorporated in Pakistan on August 31, 1989 as a private company with its liability limited by shares under the name of 'First Credit and Discount Corporation (Private) Limited', converted in to a public company. Subsequently, the name of the Investment Bank was changed to First Credit and Investment Bank Limited. During the year ended June 30, 2009, the Investment Bank was listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) limited by way of issue of shares to general public. The registered office of the Investment Bank is situated at 2nd floor, Sidco Avenue Centre, Stratchen Road, R.A. Lines, Karachi, Pakistan. The Investment Bank is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP) which each holds 30.77% holding in the Investment Bank.
- 1.2 The Investment Bank is licensed to undertake business of investment finance services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") issued by the Securities and Exchange Commission of Pakistan (SECP). The Investment Bank has changed its status from Deposit taking Investment Bank to Non-Deposit taking Investment Bank from July 01, 2018.

The JCR-VIS has re-affirmed the investment bank credit rating of 'A-' (A minus) for long & medium term and 'A-2' (A Two) for short term on December 31, 2020. The outlook of the rating is stable.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statement of the Investment Bank for the three months period ended September 30, 2021 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 Act 2017, the NBFC Rules 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations") and the other directives issued by the SECP. Wherever the requirements of the Act, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Act, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

This condensed interim financial statement does not include all the information required for full annual financial statements, and should be read in conjunction with the Investment Bank's annual financial statements for the year ended June 30, 2021.

3 ACCOUNTING POLICIES

In preparing this condensed interim financial information, the significant judgements made by management in applying the Investment Bank accounting policies and key sources of estimation are same as those applied by the Investment Bank in the annual financial statements for the year ended June 30, 2021.

4 FINANCIAL RISK MANAGEMENT

The Investment Bank's financial risk management objectives and policies are same as disclosed in the annual financial statements for the year ended June 30, 2021.

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FIRST CREDIT AND INVESTMENT BANK LIMITED

5 ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing this condensed interim financial statement, the significant judgments made by management in applying the Investment Bank's accounting policies and key sources of estimation are same as those applied by the Investment Bank in the annual financial statements for the year ended June 30, 2021.

	Note	September 30, 2021 Un-audited Rupees	June 30, 2021 Audited
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	7,516,170	8,302,899
Right of use assets		7,996,317	9,127,049
		<u>15,512,487</u>	<u>17,429,948</u>

6.1 There have been no additions during the period. Additions/deletions during the year ended June 30, 2021 are as under:

	For the three months periods ended September 30, 2021		For the year ended June 30, 2021	
	Unaudited		Audited	
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
	Rupees			
- Office Equipment	-	-	157,746	-
- Computers	-	-	577,840	106,590
- Air Conditioner	-	-	54,000	-
- Vehicles	-	-	-	1,851,137
	<u>-</u>	<u>-</u>	<u>789,586</u>	<u>1,957,727</u>

	Note	September 30, 2021 Un-audited Rupees	June 30, 2021 Audited
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7 LONG-TERM INVESTMENTS

At amortised cost

-Term finance certificates/sukuk - listed		32,415,276	32,415,276
-Term finance certificates/sukuk - unlisted		188,090,167	190,185,167
		<u>220,505,443</u>	<u>222,600,443</u>
Less: Provision against investments	7.1	(181,640,705)	(183,735,705)
		<u>38,864,738</u>	<u>38,864,738</u>

At fair value through other comprehensive income

- Pakistan Investment Bonds PIBs		346,718,100	353,127,200
- Quoted Shares		985,429	1,480,315
- Term finance certificates- listed		17,126,302	17,377,147
		<u>364,829,831</u>	<u>371,984,662</u>
Less: Provision against investments	7.1	(17,126,302)	(17,377,147)
		<u>347,703,529</u>	<u>354,607,515</u>

Less: Current Portion of TFCs		(27,507,514)	(27,507,514)
		<u>359,060,753</u>	<u>365,964,739</u>

7.1 Provision for diminuation in value of long-term investments

Opening balance		201,109,132	213,537,199
Charged during the period/year		-	-
(Reversal) during the period/year		(2,345,845)	(12,428,067)
		<u>(2,345,845)</u>	<u>(12,428,067)</u>
Balance at the end of period/year		<u>198,763,287</u>	<u>201,109,132</u>

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	September 30, 2021 Un-audited Rupees	June 30, 2021 Audited
8 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		55,086	221,736
Residual value of lease assets		418,600	418,600
Gross investment in finance lease		473,686	640,336
Less: Unearned finance lease Income		(11,767)	(16,107)
		461,919	624,229
Less: Current maturity of net investment in finance lease		(461,919)	(624,229)
Net investment in finance lease		-	-

9 DEFERRED TAX ASSET

The management of the Investment Bank has prepared financial projections. The said projections are based on certain key assumptions made for the estimation of future profitability. The management believes that the Investment Bank will be able to achieve the profit projected in the financial projections and consequently the deferred tax asset accounted for in the financial statements will be fully realized in the future.

	Note	September 30, 2021 Un-audited Rupees	June 30, 2021 Audited
10 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments			
Current portion of term finance certificates-listed		27,507,514	27,507,514
Loans and finances			
Current portion of loans to employees		2,599,503	2,670,223
Current portion of loans to other - term finance facility (secured)		162,507,670	163,413,589
		165,107,173	166,083,812
Net investment in lease finance			
Current maturity of net investment in finance lease		461,919	624,229
		193,076,606	194,215,555

11 SHORT-TERM INVESTMENTS

Fair value through other comprehensive income

- Dewan Cement Limited- Pre IPO			
term finance certificates	11.1	50,000,000	50,000,000
Less: Provision TFC - Dewan Cement Limited	11.1	(6,930,383)	(6,930,383)
		43,069,617	43,069,617

- Quoted Shares		11,565,447	14,262,041
- Mutual Funds		29,712,946	31,012,583
		84,348,010	88,344,241

Fair value through profit or loss

- Investment in government securities - T-Bills		-	998,804,718
- Quoted Shares		42,452,824	42,222,989
- Mutual Funds		20,578,727	20,100,442
		63,031,551	1,061,128,149
Investments at market value		147,379,561	1,149,472,390

11.1 This investment has been classified under loss category and accordingly made provision of entire amount considering FSV of the collateral held as per NBFC and NE regulations.

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	Note	September 30, 2021 Un-audited Rupees	June 30, 2021 Audited
12 DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET			
Fair value through other comprehensive income			
Government securities		(8,919,549)	(3,086,150)
Quoted Shares long-term		(2,357,217)	(1,862,332)
Quoted Shares short-term		(12,407,951)	(9,711,337)
Mutual Fund		(684,786)	(1,129,070)
Related deferred tax (asset)		<u>2,605,592</u>	<u>1,032,132</u>
		<u>(21,763,911)</u>	<u>(14,756,757)</u>
13 SHORT-TERM RUNNING FINANCE FACILITY			
National Bank of Pakistan- as associated undertaking	13.1	<u>49,992,033</u>	<u>49,992,033</u>
		<u>49,992,033</u>	<u>49,992,033</u>
13.1 This represents short term running finance obtained with a limit of Rs.50 million (June 30, 2021: Rs.50 million) carrying markup at a rate based on 3 month KIBOR plus 1% (June 30, 2021: 3 month KIBOR plus 1%) per annum. The running finance is secured by first pari passu hypothecation charge against all present and future assets of the Investment Bank with 25% margin.			
	Note	September 30, 2021 Un-audited Rupees	June 30, 2021 Audited
14 MARK-UP/INTEREST ACCRUED			
Mark-up accrued on:			
Secured			
- Loans and borrowings including running finance facility	14.1	<u>2,686,970</u>	<u>3,035,031</u>
- Lease liability		-	863,100
Unsecured			
- Certificates of deposits		<u>1,560,137</u>	<u>1,560,137</u>
		<u>4,247,107</u>	<u>5,458,268</u>
14.1 This amount includes mark-up due to National Bank of Pakistan, an associated undertaking.			
15 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no material contingencies as at the reporting date (June 30, 2021: Nil)			
Commitments			
-Standby letter of credit	15.1	<u>41,104,062</u>	<u>37,593,732</u>

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FIRST CREDIT AND INVESTMENT BANK LIMITED

15.1 This represents the Investment Bank's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited that is a primary party to the Hubco Power Company Limited for the purpose to guarantee the equity investment, cost over running of Laraib project and short falling in debt servicing reserve account. Under the said agreement, the Investment Bank irrevocably agrees and undertakes with Allied Bank Limited to take undivided share of 2.5% in standby letter of credit up to November 17, 2021.

Three months period ended
September 30, September 30,
2021 2020
Un-audited Un-audited
..... Rupees

16 TAXATION

-Current	1,088,777	1,063,795
-Deferred	580,080	452,513
	<u>1,668,857</u>	<u>1,516,308</u>

17 EARNING PER SHARE- BASIC AND DILUTED

Profit after taxation for the period	<u>3,101,733</u>	<u>7,249,256</u>
Weighted average number of shares outstanding during the period	<u>65,000,000</u>	<u>65,000,000</u>
Earnings per share - basic and diluted	<u>0.05</u>	<u>0.11</u>

18 CASH AND CASH EQUIVALENT

Cash and bank balances	150,369,797	50,178,266
Short-term placements	-	40,000,000
Short-term running finance facility	(49,992,033)	(84,514,154)
Short-term repo borrowing	(347,996,450)	(700,000,000)
	<u>(247,618,686)</u>	<u>(694,335,888)</u>

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel and retirement benefit schemes. The Investment Bank 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 other than disclosed elsewhere in these financial statements are as follows:



FIRST CREDIT AND INVESTMENT BANK LIMITED

Nature of relationship with related party	Nature of transactions and balances	For the three months period ended and as at September 30, 2021	For the three months period ended September 30, 2020 and as at Jun 30, 2021
		-----Rupees-----	
Associated undertakings	Transactions for the three-months period:		
	National Bank of Pakistan (NBP holds 30.7% of FCIBL Shares)		
	Mark-up on long-term loan	1,340,690	1,890,410
	Mark-up on short-term running finance	1,064,762	1,037,977
	Rent Paid	1,361,469	1,233,342
	Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)		
	Brokerage expenses	10,950	14,594
	NBP Fund Management Limited (NBP holds 54% shares of NBP Fund Management Limited		
	Commission	110,000	99,448
	Balances at period-end/year-end		
	National Bank of Pakistan: (NBP holds 30.7% of FCIBL Shares)		
	Investment in shares at cost	3,858,395	3,858,395
	Long-term loan	62,500,000	93,750,000
	Short-term running finance	49,992,033	49,992,033
	NAFA Stock Fund	24,827,296	19,059,518
	NBP Income Opportunity Fund (NBP holds 54% shares of NBP Fund Management Limited - Management Company of the Fund)	20,000,000	-
Key management personnel	Transactions for the three months period:		
	Salaries, benefits and other allowances	4,775,752	4,409,452
	Retirement benefits	334,121	314,671
	Balances at period-end/year-end	3,641,200	395,836
Staff Retirement Plans	Transactions for the three months period:		
	Contributions to staff retirement plans	298,046	257,544

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FIRST CREDIT AND INVESTMENT BANK LIMITED

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of all financial instruments as at three months/year end are based on the valuation methodology outlined below:

a) Finance and certificates of deposit

For all finances (including certificates of deposit) the fair values have been taken at carrying amounts as these are not considered materially different from their fair values based on the current yields / market rates and re-pricing profits of similar finance and deposit portfolios.

b) Investments

The fair values of quoted investments are based on quoted market prices. Unquoted investments, except where an active market exists, are carried at cost less accumulated impairment, if any, which approximates their fair value in the absence of an active market.

The Investment Bank uses following fair value hierarchy that reflects significance of inputs used in making the measurements:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	September 30, 2021 (Un-audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	91,524,494	-	-
Unlisted securities	-	11,357,224	-
	<u>91,524,494</u>	<u>11,357,224</u>	<u>-</u>
	June 30, 2021 (Audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	122,074,843	-	-
Unlisted securities	-	11,357,224	-
	<u>122,074,843</u>	<u>11,357,224</u>	<u>-</u>

c) Other financial instruments

The fair values of all other financial instruments are considered to approximate their carrying amounts.

21 GENERAL

Figures have been rounded off to the nearest rupees

22 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on October 26, 2021 by the Board of Directors of the Company

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

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