



fcibank

Half Yearly Report
December 31,
2020

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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FIRST CREDIT AND INVESTMENT BANK LIMITED

BOARD OF DIRECTORS



Mr. Faisal Ahmed Topra
Director
(Subject to approval from SECP)



Mr. Asad Ullah Saleem
Chairman



Mr. Muhammad Mohsin Ali
President & CEO



Mr. Naveed Asghar Chaudhry
Director



Syed Irfan Husnain Rizvi
Director



Mr. Muhammad Naeemuddin
Director



Mr. Jamal Nasim
Director
(Subject to approval from SECP)



Mrs. Nina Afridi
Director

HALF YEARLY REPORT DECEMBER 2020



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) 111-000-322
Fax # +92 (21) 35310190

HEAD OFFICE / REGISTERED OFFICE:

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

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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 condensed interim financial statements (un-audited) of **First Credit and Investment Bank Limited**, reviewed by the auditors for the half year ended December 31, 2020.

Operating Results

Total income for the half year ended December 31, 2020 increased by 19% to Rs.82.49 million as compared to Rs.69.42 million for the half year ended December 31, 2019. The Company recorded operating profit of Rs.16.53 million during the first half year ended December 31, 2020 as compared to operating profit of Rs. 17.97 million for the corresponding period last year. The decrease in operating profit is mainly attributable to substantial reduction in interest rates. Further, after taking effect of reversals of already made provisions against non performing investments, the Company earned profit before tax to Rs.19.16 million during the first half of FY 2020-21 as against Rs.20.09 million reported for the corresponding period previous year. Similarly, the Company closed the first half of the current financial year by registering profit after tax to Rs.14.12 million as against profit after tax of Rs. 14.52 million posted for the corresponding period of last year. Shareholders equity net of deficit on re-measurement of available for sale investments is reported at Rs.737.02 million as of December 31, 2020 against Rs.738.79 million reported as at June 30, 2020. Total balance sheet footing as of December 31, 2020 significantly increased to Rs.2,750.28 million from Rs.1,667.19 million as at June 30, 2020. Increase in the balance sheet footing was on account of enhanced treasury operations.

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 bank 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 bank 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.

In view of the COVID 19 pandemic it is pertinent to mention here that the bank will continue to actively monitor the situation and may take actions that alter its business operations that are in the best interests of our stockholders.

Acknowledgement

The directors wish to express their appreciation to our stakeholders, valued customers and financial institutions for their continued trust and patronage. We are grateful to the regulatory authorities i.e. the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and the Pakistan Stock Exchange for their continued 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:
February 26, 2021

HALF YEARLY REPORT DECEMBER 2020



ڈائریکٹرز جائزہ

ہم فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے پہلی ششماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ بمعہ آڈیٹرز جائزہ رپورٹ بمطابق ۳۱ دسمبر ۲۰۲۰ء پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

۳۱ دسمبر ۲۰۲۰ء کو ختم ہونے والی پہلی ششماہی میں بینک کی کل آمدنی ۱۹% اضافہ کے بعد ۸۲.۴۹ ملین روپے رہی جو کہ پچھلے سال ۳۱ دسمبر ۲۰۱۹ء کو ختم ہونے والی اسی مدت میں ۶۹.۴۲ ملین روپے تھی۔ بینک نے سال کے پہلے چھ ماہ کے اختتام پر ۱۹.۵۳ ملین روپے آپریٹنگ منافع حاصل کیا جو پچھلے سال اسی عرصہ میں ۱۷.۹۷ ملین روپے تھا۔ مذکورہ آپریٹنگ منافع میں کی کاسبب شرح منافع میں تیزی مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں نقصان کے خدشات کو ملحوظ خاطر لاتے ہوئے رقم شخص کی گئی تھی ان اکاؤنٹ میں بہتری کی وجہ سے وہ رقم واپس شامل کر لی گئی ہے جس کی وجہ سے بینک نے سال ۲۰۲۰-۲۱ء کی موجودہ پہلی ششماہی میں قبل از ٹیکس منافع ۱۹.۱۶ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۲۰.۰۹ ملین روپے قبل از ٹیکس منافع ۱۲.۵۲ ملین روپے تھا۔ اس کے نتیجے میں شیئر ہولڈرز ایکویٹی سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۳۷.۰۲ ملین روپے ہو گئی جبکہ ۲۰۲۰ جون ۳۰ء کو شیئر ہولڈرز ایکویٹی ۳۸.۷۹ ملین روپے تھی۔ ۳۱ دسمبر ۲۰۲۰ء کو بینک کے کل اثاثہ جات نمایاں اضافے کے بعد ۵۰.۲۸ ملین روپے ہو گئے جو کہ ۲۰۲۰ جون ۳۰ء کو ۶۶.۱۹ ملین روپے تھے۔ مذکورہ کل اثاثہ جات میں اضافہ کی بنیاد ڈیڑھری آپریشن میں بڑھوتی ہے۔

کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کی رپورٹ بتا رہی ہے کہ ۳۱ دسمبر ۲۰۲۰ء کے مطابق بینک نے درمیان سے 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 کے بینک اپنے اثاثوں کے معیار کو بہتر کرنے، اور، موجودہ عملہ اور اہم پیشہ ورانہ عملہ کی خدمات حاصل کر کے ان کو ریٹنگ کے ذریعہ اپنے انفراسٹرکچر میں بہتری لانے مختلف النوع پروڈکٹس کو بروئے کار لانے کی مناسب کوشش کر رہی ہے، اور نئے مواقع اور نئے چیلنجز کا سامنے کرنے کے لئے اپنی پالیسیاں اور طریقہ کار کو اپ ڈیٹ کر رہی ہے۔ یہاں اس بات کا ذکر کرنا مناسب ہے کہ کوویڈ ۱۹ کے وبائی امراض کے پیش نظر ایسے مغفرت جو کاروباری عمل کو متاثر کر سکیں بینک نے ایسی تمام صورتحال پر فعال طور پر نگرانی جاری رکھی ہوئی ہے جو ہمارے اسٹاک ہولڈرز کے بہترین مفاد میں ہے۔

اظہار تشکر:

ڈائریکٹرز 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 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیت 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 حسن علی
پریذیڈنٹ وی ای او



محمد نعیم الدین
ڈائریکٹر

کراچی۔ ۲۶ فروری ۲۰۲۱



FIRST CREDIT AND INVESTMENT BANK LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Credit And Investment Bank Limited
Report on review of interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **First Credit and Investment Bank Limited** (the Investment Bank), as at December 31, 2020 and the related condensed interim statement of profit or loss condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

Crowe Hussain Chaudhury

Crowe Hussain Chaudhury & Co.
Karachi.
Date: February 26, 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

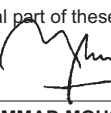
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Note	December 31, 2020 Rupees (Un-audited)	June 30, 2020 (Audited)
ASSETS			
Non-current Assets			
Property and equipment	6	19,577,763	23,098,249
Long-term investments	7	723,341,930	756,452,079
Long-term loans and finances		336,725,208	483,368,698
Net investment in finance lease	8	264,783	567,487
Long-term security deposits		57,500	57,500
Deferred tax asset		74,447,021	69,969,650
		<u>1,154,414,205</u>	<u>1,333,513,663</u>
Current Assets			
Current portion of non-current assets	9	148,984,622	82,195,933
Short-term investments	10	1,122,630,029	107,304,365
Short-term placements	11	140,000,000	40,000,000
Mark-up/interest accrued		54,377,527	68,500,445
Prepayments and other receivables		1,604,524	1,651,591
Advance taxation - net		9,851,681	6,413,550
Cash and bank balances		118,417,896	27,606,009
		<u>1,595,866,279</u>	<u>333,671,893</u>
		<u>2,750,280,484</u>	<u>1,667,185,556</u>
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized share capital			
75,000,000 (June 30, 2020: 75,000,000)			
shares of Rs. 10 each		<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up share capital			
65,000,000 (June 30, 2020: 65,000,000)			
shares of Rs. 10 each		<u>650,000,000</u>	<u>650,000,000</u>
Accumulated profit		109,200,171	95,027,077
Deficit on remeasurement of investment-net	12	(22,183,178)	(6,236,650)
Total shareholders' equity		<u>737,016,993</u>	<u>738,790,427</u>
LIABILITIES			
Non-current liabilities			
Deferred liability - staff gratuity		4,895,854	4,213,027
Lease liability		9,106,965	8,637,094
Long term loan		31,250,000	62,500,000
Security deposit against finance lease		418,600	418,600
		<u>45,671,419</u>	<u>75,768,721</u>
Current liabilities			
Current portion of long-term loan		62,500,000	31,250,000
Current portion of lease liability		3,826,380	3,826,380
Short term running finance facility	13	175,991,633	82,238,480
Short-term repo borrowing		700,000,000	650,000,000
Unpaid dividend		7,348,477	7,350,852
Markup / Interest accrued	14	6,910,861	9,299,007
Accrued expenses and other payables		1,011,014,721	68,661,689
		<u>1,967,592,072</u>	<u>852,626,408</u>
CONTINGENCIES AND COMMITMENTS	15	<u>2,750,280,484</u>	<u>1,667,185,556</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


MUHAMMAD KAMRAN
Chief Financial Officer


MUHAMMAD MOHSIN ALI
President & CEO


MUHAMMAD NAEEMUDDIN
Director

HALF YEARLY REPORT DECEMBER 2020




FIRST CREDIT AND INVESTMENT BANK LIMITED


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

Note	For the Six months period ended		For the Three months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Rupees				
INCOME				
Income from finance and fund placements	31,934,786	64,150,916	14,184,970	29,549,392
Income from investments	42,943,839	3,846,454	25,655,136	2,434,150
Unrealized gain/(loss) on investment classified as fair value through profit or loss account	6,810,756	952,397	2,809,030	1,453,116
Fees and commission	172,310	158,097	70,044	85,560
Other income	632,689	313,955	191,859	156,407
	82,494,380	69,421,819	42,911,039	33,678,625
LESS: EXPENDITURES				
Finance cost:				
- Mark-up on bank loans	3,781,231	8,620,168	1,890,821	4,171,460
- Mark-up on short-term running finance	2,868,314	15,626,351	1,250,324	4,467,411
- Mark-up on Repo Borrowing	26,649,018	1,084,755	13,326,649	1,084,755
- Others	487,870	16,405	243,545	15,705
	33,786,433	25,347,679	16,711,339	9,739,331
Administrative and operating expenses	32,182,890	26,108,488	17,521,849	13,697,407
	65,969,323	51,456,167	34,233,188	23,436,738
Operating income	16,525,057	17,965,652	8,677,851	10,241,887
(Provision) / Reversals				
Reversal of provision for non-performing investments	7.1 3,050,000	2,500,000	1,950,000	1,300,000
	19,575,057	20,465,652	10,627,851	11,541,887
Workers welfare fund	(412,081)	(375,761)	(230,439)	(189,917)
PROFIT FOR THE PERIOD BEFORE TAXATION	19,162,976	20,089,891	10,397,412	11,351,970
Taxation	16 (5,045,588)	(5,572,476)	(3,529,280)	(2,898,714)
PROFIT FOR THE PERIOD AFTER TAXATION	14,117,388	14,517,415	6,868,132	8,453,256
Earnings per share - basic and diluted	17 0.22	0.22	0.11	0.13

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


MUHAMMAD KAMRAN
 Chief Financial Officer


MUHAMMAD MOHSIN ALI
 President & CEO


MUHAMMAD NAEEMUDDIN
 Director

HALF YEARLY REPORT DECEMBER 2020



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	For the six months period ended		For the three months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees -----			
PROFIT FOR THE PERIOD AFTER TAXATION	14,117,388	14,517,415	6,868,132	8,453,256
Other comprehensive income				
<i>Items that may be reclassified to statement of profit or loss subsequently:</i>				
(Loss)/Gain on remeasurement of investment classified as 'fair value through other comprehensive income'	(15,946,528)	9,136,832	(4,791,299)	13,151,137
<i>Items that will not be reclassified to statement of profit or loss subsequently:</i>				
Remeasurement of defined benefit obligations	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(1,829,140)	23,654,247	2,076,833	21,604,393

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

HALF YEARLY REPORT DECEMBER 2020



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Issued, subscribed and paid-up share capital	Revenue Reserves Accumulated (loss)/profit	Deficit on remeasurement of investment classified as fair value through other comprehensive income	Total share- holders' equity
	Rupees			
Balance as at July 01, 2019 as previously reported	650,000,000	92,830,246	(24,237,749)	718,592,497
Transactions with other than owners of equity:				
Net profit for the period	-	14,517,415	-	14,517,415
Transfer from OCI on disposal	-	(725,182)	-	(725,182)
Other comprehensive income	-	-	9,136,832	9,136,832
Total comprehensive income	-	13,792,233	9,136,832	22,929,065
Final dividend for the year 2019	-	(19,500,000)	-	(19,500,000)
Balance as at December 31, 2019	650,000,000	87,122,479	(15,100,917)	722,021,562
Balance as at July 01, 2020	650,000,000	95,027,077	(6,236,650)	738,790,427
Transactions with other than owners of equity:				
Net profit for the period	-	14,117,388	-	14,117,388
Transfer from OCI on disposal	-	55,706	-	55,706
Other comprehensive income	-	-	(15,946,528)	(15,946,528)
Total comprehensive income	-	14,173,094	(15,946,528)	(1,773,434)
Balance as at December 31, 2020	650,000,000	109,200,171	(22,183,178)	737,016,993

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

HALF YEARLY REPORT DECEMBER 2020



FIRST CREDIT AND INVESTMENT BANK LIMITED

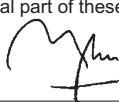
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED DECEMBER 31, 2020

	Note	December 31, 2020	December 31, 2019
		Rupees	
Cash flows from operating activities			
Profit for the period before taxation		19,162,976	18,412,312
Adjustments for non-cash and other items:			
Depreciation		1,507,333	929,888
Amortisation		2,547,118	-
Gain on disposal of property and equipment		(197,821)	-
Gratuity expense		682,827	609,839
Dividend income		(948,160)	(1,032,818)
Finance cost		33,786,433	25,347,679
Reversal of provision for non-performing investments		(3,050,000)	(2,500,000)
		<u>34,327,730</u>	<u>23,354,588</u>
Operating cash flows before working capital changes		53,490,706	41,766,900
(Increase) / decrease in current assets			
Prepayments and other receivables		47,067	(2,822,873)
Mark-up/interest accrued		14,122,918	4,529,938
		<u>14,169,985</u>	<u>1,707,065</u>
Increase / (decrease) in current liabilities			
Accrued expenses and other payables		942,353,032	(23,558,447)
		<u>942,353,032</u>	<u>(23,558,447)</u>
Cash generated from operations		<u>1,010,013,723</u>	<u>19,915,518</u>
Income tax paid		(12,961,090)	(1,896,657)
Dividend received		948,160	1,032,818
Markup on finance cost paid		(36,174,579)	(27,855,098)
		<u>(48,187,509)</u>	<u>(28,718,937)</u>
Cash (used in) / generated from operating activities		<u>961,826,214</u>	<u>(8,803,419)</u>
Cash flows from investing activities			
Acquisition of property and equipment		(147,000)	(1,335,400)
Sale proceeds on disposal of property and equipment		280,727	-
Long-term investments - net		20,213,621	17,168,054
Short-term investments		(1,015,269,958)	(272,882,435)
Long-term loan and finances (payment) / received		80,157,505	48,076,280
Net cash (used in) / generated from investing activities		<u>(914,765,105)</u>	<u>(208,973,501)</u>
Cash flows from financing activities			
Long-term loan repaid		-	(31,250,000)
Cash dividend paid		(2,375)	(12,128,603)
Net cash used in financing activities		<u>(2,375)</u>	<u>(43,378,603)</u>
Net decrease in cash and cash equivalents		<u>47,058,734</u>	<u>(261,155,523)</u>
Cash and cash equivalents at the beginning of the period		<u>(664,632,471)</u>	<u>(19,715,090)</u>
Cash and cash equivalents at the end of the period	18	<u>(617,573,737)</u>	<u>(280,870,613)</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


MUHAMMAD KAMRAN
 Chief Financial Officer


MUHAMMAD MOHSIN ALI
 President & CEO


MUHAMMAD NAEEMUDDIN
 Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

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 six months period ended December 31, 2020 are reviewed by the auditors and 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, 2020.

These condensed interim financial statements are un-audited but have been subject to limited scope review by the auditors as required by the Code of Corporate Governance.

3 ACCOUNTING POLICIES

In preparing this condensed interim financial information, the significant judgments 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, 2020.

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, 2020.

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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, 2020.

	Note	December 31, 2020 Un-audited Rupees	June 30, 2020 Audited
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	9,191,536	10,634,775
Right of use assets		10,386,227	12,463,474
		<u>19,577,763</u>	<u>23,098,249</u>

6.1 Additions/deletions during the period ended December 31, 2020 are as under:

	For the six-months period ended December 31, 2020		For the year ended June 30, 2020	
	Unaudited		Audited	
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
	----- Rupees -----			
Office Equipment	-	-	17,000	41,865.00
Computer	147,000	106,590	759,397	236,275
Vehicles	-	1,851,137	7,417,415	-
	<u>147,000</u>	<u>1,957,727</u>	<u>8,193,812</u>	<u>278,140</u>

	Note	December 31, 2020 Un-audited Rupees	June 30, 2020 Audited
7 LONG-TERM INVESTMENTS			
At amortised cost			
Term Finance Certificates/Sukuk - listed		32,415,276	37,415,276
Term Finance Certificates/Sukuk - unlisted		194,220,167	197,270,167
		<u>226,635,443</u>	<u>234,685,443</u>
Less: Provision against investments	7.1	(192,820,581)	(195,870,581)
		<u>33,814,862</u>	<u>38,814,862</u>
At fair value through other comprehensive income			
Pakistan Investment Bonds		708,247,805	628,416,012
Investment in shares - quoted		1,236,901	1,132,817
Term finance certificate -listed		17,666,618	17,666,618
		<u>727,151,324</u>	<u>647,215,447</u>
Less: Provision against investments	7.1	(17,666,618)	(17,666,618)
		<u>709,484,706</u>	<u>629,548,829</u>
At fair value through profit or loss			
Pakistan Investment Bonds PIBs		-	108,046,026
Total long-term investments		<u>743,299,568</u>	<u>776,409,717</u>
Less: Current portion of long-term investments		(19,957,638)	(19,957,638)
		<u>723,341,930</u>	<u>756,452,079</u>
7.1 Provision against investments			
Opening balance		213,537,199	216,937,199
Provision/(Reversed) during the period/year		(3,050,000)	(3,400,000)
Closing balance		<u>210,487,199</u>	<u>213,537,199</u>

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	December 31, 2020 Un-audited Rupees	June 30, 2020 Audited
8 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		555,036	888,336
Residual value		418,600	418,600
Gross investment in finance lease		973,636	1,306,936
Less: Unearned finance lease income		(42,253)	(72,849)
		931,383	1,234,087
Less: Current maturity of net investment in finance lease		(666,600)	(666,600)
Net investment in finance lease		<u>264,783</u>	<u>567,487</u>
9 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments			
Current portion of term finance certificates-listed		19,957,638	19,957,638
Loans and finances			
Current portion of loans to employees		2,783,022	1,407,764
Current portion of loans to other - term finance facility (secured)		125,577,362	60,163,931
		128,360,384	61,571,695
Net investment in lease finance			
Current maturity of net investment in finance lease		666,600	666,600
		<u>148,984,622</u>	<u>82,195,933</u>
10 SHORT-TERM INVESTMENTS			
At fair value through other comprehensive income			
Dewan Cement Limited -Pre- IPO TFCs	10.1	50,000,000	50,000,000
(Provision)TFC-Dewan Cement Limited	10.1	(6,930,383)	(6,930,383)
		43,069,617	43,069,617
Investment in shares - listed		14,356,816	11,757,659
Mutual Funds		255,000	225,000
		57,681,433	55,052,276
At fair value through profit or loss			
Investment in government securities T-Bills		998,832,000	-
Investment in shares - listed		36,680,935	28,609,962
Mutual Funds		29,435,661	23,642,127
		1,064,948,596	52,252,089
		<u>1,122,630,029</u>	<u>107,304,365</u>
10.1 This investment has been classified under loss category and accordingly made 100% provision after considering FSV of the collateral held as per NBFC and NE regulations.			
	Note	December 31, 2020 Un-audited Rupees	June 30, 2020 Audited
11 SHORT TERM PLACEMENTS			
Term deposit receipts (TDR)	11.1	140,000,000	40,000,000
11.1 This represents placement with financial institutions under term deposits carrying markup rate of 8.4% per annum (June 30, 2020 : 13% per annum)			

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	December 31, 2020 Un-audited Rupees	June 30, 2020 Audited
12 DEFICIT ON REMEASUREMENT OF INVESTMENTS - net			
At fair value through other comprehensive income			
Government securities		(13,309,509)	13,134,000
Shares long-term		(2,490,746)	(2,594,830)
Shares short-term		(9,730,275)	(12,799,161)
Mutual Fund		(267,300)	(297,300)
Related deferred tax (assets)		3,614,652	(3,679,359)
		<u>(22,183,178)</u>	<u>(6,236,650)</u>
13 SHORT TERM RUNNING FINANCE FACILITY			
MCB Bank Limited	13.1	-	32,246,447
National Bank of Pakistan- an associated undertaking	14.2	49,992,033	49,992,033
Allied Bank Limited	14.3	125,999,600	-
		<u>175,991,633</u>	<u>82,238,480</u>
13.1	This represent short-term running finance obtained against TDR from MCB Bank Limited carrying markup rate of 3 months KIBOR plus 0.6% per annum (June 30, 2020: 3 months KIBOR plus 0.6% per annum).		
13.2	This represent short-term running finance obtained with a limit of Rs.100 million (June 30, 2020: Rs.100.0 million) carrying markup @ 3 months KIBOR plus 1.00% per annum (June 30, 2020: 3 months KIBOR plus 1%) per annum. The loan is secured by first pari passu hypothecation charge against all present and future assets of the Investment Bank with 25% margin.		
13.3	This represent short-term running finance obtained against TDR from Allied Bank Limited carrying markup rate of 3 months KIBOR plus 0.5% per annum (June 30, 2020: Nil).		
	Note	December 31, 2020 Un-audited Rupees	June 30, 2020 Audited
14 Markup / Interest accrued			
Secured			
Loans and borrowings including running finances		5,350,724	7,738,870
Unsecured			
Long-term certificate of deposit		1,560,137	1,560,137
		<u>6,910,861</u>	<u>9,299,007</u>
15 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no contingencies as at period end (December 31, 2020: Nil)			
Commitments			
-Standby letter of credit	15.1	38,091,750	40,001,082

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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. 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.

	Note	December 31, 2020 Un-audited Rupees	December 31, 2019 Un-audited Rupees
16 TAXATION			
Current		2,228,948	4,863,832
Deferred - net		2,816,640	708,644
		<u>5,045,588</u>	<u>5,572,476</u>

17 EARNINGS PER SHARE (EPS)

17.1 Basic EPS

Earnings for the period	14,117,388	14,517,415
Weighted average number of shares outstanding	65,000,000	65,000,000
Earnings per share - basic	0.22	0.22

17.2 Diluted EPS

There is no dilution effect on the basic earning per share as the Investment Bank has no convertible dilutive potential ordinary shares outstanding on December 31, 2020.

	Note	December 31, 2020 Un-audited Rupees	June 30, 2020 Audited Rupees
18 CASH AND CASH EQUIVALENTS			
Cash and bank balances		118,417,896	47,616,107
Short term placements		140,000,000	140,000,000
Short term running finance facility		(175,991,633)	(225,879,220)
Short term repo borrowing		(700,000,000)	(242,607,500)
		<u>(617,573,737)</u>	<u>(280,870,613)</u>

19 TRANSACTIONS WITH RELATED PARTIES

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



FIRST CREDIT AND INVESTMENT BANK LIMITED

Nature of relationship with related party	Nature of transactions	Half year ended	
		December 31, 2020 Un-audited	December 31, 2019 Un-audited
		-----Rupees-----	
Associate Undertakings	Transactions for the six month period:		
	National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)		
	Markup - paid on long term loan	3,781,231	8,620,168
	Markup - paid on short-term running finance	2,074,697	7,264,216
	Rent paid	2,478,178	2,258,958
	NBP Fund Management Limited (NBP hold 54% shares of NBP Fund Management Shares)		
	Fees & Commission Expense	197,971	133,000
	Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)		
	Brokerage Expenses	25,112	28,836
Key management personnel	Salaries, benefits and allowances	10,399,152	8,347,730
	Retirement benefits	775,772	601,139
	Return on long-term loans	2,756	5,964
Staff Retirement Plans	Contributions made to staff retirement fund	588,267	433,079
		December 31, 2020 Un-audited	June 30, 2020 Audited
		-----Rupees-----	
Associate Undertakings	Balances as at period-end/year - end		
	National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)		
	Investment in shares at cost	3,858,395	3,858,395
	Long term loan	93,750,000	93,750,000
	Running finance facility	49,992,033	49,992,033
	NAFA Stock Fund (NBP hold 54% shares of NBP Fund Management Management Company of the Fund)	24,568,196	19,059,518
Key management personnel	Balances as at period-end/year - end	4,818,662	435,418

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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 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.

	Decemeber 31, 2020 (Unaudited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	89,811,135	-	-
Unlisted securities	-	11,357,224	-
	89,811,135	11,357,224	-

	June 30, 2020 (Audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	80,842,544	-	-
Unlisted securities	-	11,357,224	-
	80,842,544	11,357,224	-

c) Other financial instruments

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

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on February 26, 2021 by the board of directors of the Investment Bank.

MUHAMMAD KAMRAN
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

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