



fcibank

Quarterly Report
March 31,
2021

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



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

QUARTERLY REPORT MARCH 2021



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**, for the nine months period ended March 31, 2021.

Operating Results

Total income for the nine months ended March 31, 2021 significantly increased to Rs.121.25 million as compared to Rs. 106.57 million for the nine months ended March 31, 2020, showing a net increase of Rs.14.68 million. The Company registered operating profit of Rs.23.22 million, as compared to operating profit of Rs.27.63 million for the corresponding period of last year. Further, after taking effect of reversals of provisions made against non performing investments, the Company's profit before tax increased by Rs.2.28 million, to Rs.32.60 million during the third quarter of FY 2020-21 as against Rs.30.32 million reported for the corresponding period of last year. Similarly, the Company closed the third quarter by registering increase of Rs.3.45 million in after tax profit to Rs. 23.71 million as against profit after tax of Rs. 20.26 million posted for the corresponding period of last year. Hence, the Company was able to register 17% growth in net profit. As a result, shareholders equity net of deficit on re-measurement of available for sale investments is reported at Rs.735.04 million, against Rs. 738.79 million, reported as at June 30, 2020. Total balance sheet footing as at March 31, 2021 increased to Rs. 2,618.30 million from Rs.1,667.19 million as at June 30, 2020 due to increase in 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 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.

In view of the COVID 19 pandemic it is pertinent to mention here that the company 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:
April 24, 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

ڈائریکٹرز جائزہ

ہم فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے نومبر کے اختتام پر غیر آڈٹ شدہ مختصر عیوری مالیاتی تفصیلات کا گوشوارہ بمطابق مارچ ۲۰۲۱ پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

۳۱ مارچ ۲۰۲۱ کو ختم ہونے والے نومبر کے اختتام پر بینک کی کل آمدنی نمایاں اضافہ کے بعد ۱۲۱.۲۵ ملین روپے رہی جو کہ پچھلے سال نومبر کے اختتام پر ۳۱ مارچ ۲۰۲۰ کو ختم ہونے والی اسی مدت میں ۱۰۶.۵ ملین روپے تھی۔ جس میں ۳۰.۶۸ ملین روپے کا خالص اضافہ دیکھا گیا۔ کمپنی نے ۲۳.۲۲ ملین روپے آپریٹنگ منافع حاصل کیا جو پچھلے سال اسی عرصہ میں ۲۳.۶۳ 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 ۲۰۲۰-۲۱ کی موجودہ تیسری سہ ماہی کے اختتام پر قبل از ٹیکس منافع ۲۰۲۸ ملین روپے اضافے کے بعد ۳۲.۶۰ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۳۰.۳۲ ملین روپے ظاہر کیا گیا تھا۔ اسی طرح رواں مالی سال کی تیسری سہ ماہی کے اختتام پر ۳۰.۳۵ ملین روپے اضافہ کے ساتھ بعد از ٹیکس منافع ۱۰.۷۱ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۲۰.۲۶ ملین روپے ریکارڈ کیا گیا تھا۔ لہذا بینک خالص منافع میں ۷۱ فیصد اضافہ کو رجسٹر کرنے میں کامیاب رہا۔ اسکے نتیجے میں شبیر ہولڈرز ایکٹیو سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۳۵.۰۰ ملین روپے ہو گئی جبکہ ۳۰ جون ۲۰۲۰ کو شبیر ہولڈرز ایکٹیو ۱۹.۷۹ ملین روپے تھی۔ ۳۱ مارچ ۲۰۲۱ کو بینک کے کل اثاثہ جات نمایاں اضافے کے بعد ۲۶۱.۳۰ ملین روپے ہو گئے جو کہ ۳۰ جون ۲۰۲۰ کو ۱۹.۶۶ ملین روپے تھے۔ مزکورہ کل اثاثہ جات میں اضافہ کی بنیاد ریٹری آپریشن میں بڑھوتی ہے۔

کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کی رپورٹ بتا رہی ہے کہ 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 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 رہے ہیں۔

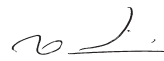
یہاں اس بات کا ذکر کرنا مناسب ہے کہ کوویڈ ۱۹ کے وبائی امراض کے پیش نظر ایسے معمرات جو کاروباری عمل کو متاثر کر سکیں کمپنی نے ایسی تمام صورتحال پر فعال طور پر نگرانی جاری رکھی ہوئی ہے جو ہمارے اسٹاک ہولڈرز کے بہترین مفاد میں ہے۔

اظہار تشکر:

ڈائریکٹرز اپنے اسٹیک ہولڈرز، قابل قدر صارفین اور مالیاتی اداروں کا ان کے مسلسل اعتماد اور سرپرستی کے لئے تشکر کا اظہار کرتے ہیں۔ ریگولیٹری اداروں خاص طور پر سیکورٹیز 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 حسن علی
پریذیڈنٹ ڈی ای او



محمد نعیم الدین
ڈائریکٹر

کراچی - ۲۴ اپریل ۲۰۲۱

QUARTERLY REPORT MARCH 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	Note	March 31, 2021 Rupees (Un-audited)	June 30, 2020 (Audited)
ASSETS			
Non-current Assets			
Property and equipment	6	17,920,783	23,098,249
Long-term investments	7	713,154,751	756,452,079
Long-term loans and finances		322,470,166	483,368,698
Net investment in finance lease	8	386,957	567,487
Long-term security deposits		57,500	57,500
Deferred tax asset		75,097,421	69,969,650
		<u>1,129,087,578</u>	<u>1,333,513,663</u>
Current Assets			
Current portion of non-current assets	9	163,364,119	82,195,933
Short-term investments	10	1,121,032,533	107,304,365
Short-term placements		-	40,000,000
Mark-up/interest accrued		36,829,963	68,500,445
Prepayments and other receivables		4,733,161	1,651,591
Advance taxation - net		14,711,730	6,413,550
Cash and bank balances		148,544,440	27,606,009
		<u>1,489,215,946</u>	<u>333,671,893</u>
		<u>2,618,303,524</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		116,868,530	95,027,077
Deficit on remeasurement of investment-net	11	(31,827,374)	(6,236,650)
Total shareholders' equity		<u>735,041,156</u>	<u>738,790,427</u>
LIABILITIES			
Non-current liabilities			
Deferred liability - staff gratuity		5,237,266	4,213,027
Lease liability		9,313,353	8,637,094
Long term loan		15,625,000	62,500,000
Security deposit against finance lease		418,600	418,600
		<u>30,594,219</u>	<u>75,768,721</u>
Current liabilities			
Current portion of long-term loan		78,125,000	31,250,000
Current portion of lease liability		3,826,380	3,826,380
Short term running finance facility	12	49,992,033	82,238,480
Short-term repo borrowing		694,518,950	650,000,000
Unpaid dividend		7,348,477	7,350,852
Markup / Interest accrued	13	9,205,385	9,299,007
Accrued expenses and other payables		1,009,651,924	68,661,689
		<u>1,852,668,149</u>	<u>852,626,408</u>
CONTINGENCIES AND COMMITMENTS			
	14	<u>2,618,303,524</u>	<u>1,667,185,556</u>

The annexed notes from 1 to 20 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 MARCH 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

Note	For the nine months period ended		For the three months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees -----				
INCOME				
Income from finance and fund placements	47,761,198	92,568,080	15,826,412	28,417,164
Income from investments	62,647,399	21,882,279	19,703,559	18,035,825
Unrealized gain/(loss) on investment classified as fair value through profit or loss account	6,948,363	(8,565,030)	137,607	(9,517,427)
Fees and commission	3,239,199	262,767	3,066,889	104,670
Other income	647,774	424,017	15,085	110,062
	<u>121,243,933</u>	<u>106,572,113</u>	<u>38,749,552</u>	<u>37,150,294</u>
LESS: EXPENDITURES				
Finance cost:				
- Mark-up on bank loans	5,640,409	12,400,027	1,859,178	3,779,859
- Mark-up on short-term running finance	6,034,892	22,716,807	3,166,578	7,090,456
- Mark-up on Repo Borrowing	39,681,968	4,197,663	13,032,950	3,112,908
- Others	697,227	237,359	209,357	220,954
	<u>52,054,496</u>	<u>39,551,856</u>	<u>18,268,063</u>	<u>14,204,177</u>
Administrative and operating expenses	45,972,212	39,393,345	13,789,322	13,284,857
	<u>98,026,708</u>	<u>78,945,201</u>	<u>32,057,385</u>	<u>27,489,034</u>
Operating income	<u>23,217,225</u>	<u>27,626,912</u>	<u>6,692,167</u>	<u>9,661,260</u>
(Provision) / Reversals				
Reversal of provision for non-performing investments	7.1 10,049,876	3,400,000	6,999,876	900,000
	<u>33,267,101</u>	<u>31,026,912</u>	<u>13,692,043</u>	<u>10,561,260</u>
Workers welfare fund	(665,342)	(711,119)	(253,261)	(335,358)
PROFIT FOR THE PERIOD BEFORE TAXATION	<u>32,601,759</u>	<u>30,315,793</u>	<u>13,438,782</u>	<u>10,225,902</u>
Taxation	15 (8,890,842)	(10,053,914)	(3,845,254)	(4,481,438)
PROFIT FOR THE PERIOD AFTER TAXATION	<u>23,710,917</u>	<u>20,261,879</u>	<u>9,593,528</u>	<u>5,744,464</u>
Earnings per share - basic and diluted	16 0.36	0.31	0.15	0.09

The annexed notes from 1 to 20 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 MARCH 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	For the nine months period ended		For the three months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
PROFIT FOR THE PERIOD AFTER TAXATION	23,710,917	20,261,879	9,593,529	5,744,464
Other comprehensive income				
Items that may be reclassified to statement of profit or loss subsequently:				
(Loss)/Gain on remeasurement of investment classified as 'fair value through other comprehensive income'	(25,590,724)	(2,456,545)	(9,644,196)	(11,593,377)
Items that will not be reclassified to statement of profit or loss subsequently:				
Remeasurement of defined benefit obligations	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(1,879,807)</u>	<u>17,805,334</u>	<u>(50,667)</u>	<u>(5,848,913)</u>

The annexed notes from 1 to 20 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 MARCH 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	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	-	20,261,879	-	20,261,879
Transfer from OCI on disposal	-	(862,717)	-	(862,717)
Other comprehensive income	-	-	(2,456,545)	(2,456,545)
Total comprehensive income	-	19,399,162	(2,456,545)	16,942,617
Final dividend for the year 2019	-	(19,500,000)	-	(19,500,000)
Balance as at March 31, 2020	650,000,000	92,729,408	(26,694,294)	716,035,114
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	-	23,710,917	-	23,710,917
Transfer from OCI on disposal	-	(1,869,464)	-	(1,869,464)
Other comprehensive income	-	-	(25,590,724)	(25,590,724)
Total comprehensive income	-	21,841,453	(25,590,724)	(3,749,271)
Balance as at March 31, 2021	650,000,000	116,868,530	(31,827,374)	735,041,156

The annexed notes from 1 to 20 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 MARCH 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

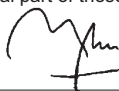
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
	 Rupees	
Cash flows from operating activities			
Profit for the period before taxation		32,601,759	30,315,793
Adjustments for non-cash and other items:			
Depreciation		2,263,841	1,444,755
Amortisation		3,796,768	-
Gain on disposal of property and equipment		(197,821)	-
Gratuity expense		1,024,239	914,760
Dividend income		(1,768,366)	(1,529,532)
Finance cost		52,054,496	39,551,856
Reversal of provision for non-performing investments		(10,049,876)	(3,400,000)
		<u>47,123,281</u>	<u>36,981,839</u>
Operating cash flows before working capital changes		79,725,040	67,297,632
(Increase) / decrease in current assets			
Prepayments and other receivables		(3,081,570)	(1,087,421)
Mark-up/interest accrued		31,670,482	1,579,700
		<u>28,588,912</u>	<u>492,279</u>
Increase / (decrease) in current liabilities			
Accrued expenses and other payables		940,990,235	(21,210,271)
		<u>940,990,235</u>	<u>(21,210,271)</u>
Cash generated from operations		1,049,304,187	46,579,640
Income tax paid		(22,316,793)	(1,236,267)
Dividend received		1,768,366	1,529,532
Markup on finance cost paid		(52,148,118)	(43,180,745)
		<u>(72,696,545)</u>	<u>(42,887,480)</u>
Cash (used in) / generated from operating activities		976,607,642	3,692,160
Cash flows from investing activities			
Acquisition of property and equipment		(289,790)	(3,522,647)
Sale proceeds on disposal of property and equipment		280,727	-
Long-term investments - net		27,756,480	8,462,821
Short-term investments		(1,015,597,632)	(196,651,429)
Long-term loan and finances (payment) / received		79,910,876	75,245,106
Net cash (used in) / generated from investing activities		(907,939,339)	(116,466,149)
Cash flows from financing activities			
Long-term loan repaid		-	(46,875,000)
Cash dividend paid		(2,375)	(12,128,603)
Net cash used in financing activities		(2,375)	(59,003,603)
Net decrease in cash and cash equivalents		68,665,928	(171,777,592)
Cash and cash equivalents at the beginning of the period		(664,632,471)	(19,715,090)
Cash and cash equivalents at the end of the period	17	(595,966,543)	(191,492,682)

The annexed notes from 1 to 20 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 NINE MONTHS PERIOD ENDED MARCH 31, 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 nine months period ended March 31, 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, 2020.

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, 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.



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	March 31, 2021 Un-audited Rupees	June 30, 2020 Audited
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	8,577,818	10,634,775
Right of use assets		9,342,965	12,463,474
		17,920,783	23,098,249

6.1 Additions/deletions during the period ended March 31, 2021 are as under:

	For the nine-months period ended		For the year ended	
	March 31, 2021		June 30, 2020	
	Unaudited	Audited	Unaudited	Audited
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
----- Rupees -----				
Office Equipment	31,590	-	17,000	41,865.00
Computer	258,200	106,590	759,397	236,275
Vehicles	-	1,851,137	7,417,415	-
	289,790	1,957,727	8,193,812	278,140

	Note	March 31, 2021 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		192,270,167	197,270,167
		224,685,443	234,685,443
Less: Provision against investments	7.1	(185,820,705)	(195,870,581)
		38,864,738	38,814,862
At fair value through other comprehensive income			
Pakistan Investment Bonds		695,594,259	628,416,012
Investment in shares - quoted		1,111,032	1,132,817
Term finance certificate -listed		17,666,618	17,666,618
		714,371,909	647,215,447
Less: Provision against investments	7.1	(17,666,618)	(17,666,618)
		696,705,291	629,548,829
At fair value through profit or loss			
Pakistan Investment Bonds PIBs		-	108,046,026
Total long-term investments		735,570,029	776,409,717
Less: Current portion of long-term investments		(22,415,278)	(19,957,638)
		713,154,751	756,452,079
7.1 Provision against investments			
Opening balance		213,537,199	216,937,199
Provision/(Reversed) during the period/year		(10,049,876)	(3,400,000)
Closing balance		203,487,323	213,537,199

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	March 31, 2021 Un-audited Rupees	June 30, 2020 Audited
8 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		388,386	888,336
Residual value		418,600	418,600
Gross investment in finance lease		806,986	1,306,936
Less: Unearned finance lease income		(31,179)	(72,849)
		775,807	1,234,087
Less: Current maturity of net investment in finance lease		(388,850)	(666,600)
Net investment in finance lease		386,957	567,487
9 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments			
Current portion of term finance certificates-listed		22,415,278	19,957,638
Loans and finances			
Current portion of loans to employees		2,839,558	1,407,764
Current portion of loans to other - term finance facility (secured)		137,720,433	60,163,931
		140,559,991	61,571,695
Net investment in lease finance			
Current maturity of net investment in finance lease		388,850	666,600
		163,364,119	82,195,933
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		13,203,673	11,757,659
Mutual Funds		29,797,543	225,000
		86,070,833	55,052,276
At fair value through profit or loss			
Investment in government securities T-Bills		997,364,235	-
Investment in shares - listed		37,597,465	28,609,962
Mutual Funds		-	23,642,127
		1,034,961,700	52,252,089
		1,121,032,533	107,304,365

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.



FIRST CREDIT AND INVESTMENT BANK LIMITED

			March 31, 2021	June 30, 2020
	Note		Un-audited	Audited
		 Rupees Rupees
11 DEFICIT ON REMEASUREMENT OF INVESTMENTS - net				
At fair value through other comprehensive income				
Government securities		(24,901,790)	13,134,000	
Shares long-term		(2,616,615)	(2,594,830)	
Shares short-term		(10,883,418)	(12,799,161)	
Mutual Fund		(258,899)	(297,300)	
Related deferred tax (assets)		6,833,348	(3,679,359)	
		<u>(31,827,374)</u>	<u>(6,236,650)</u>	
12 SHORT TERM RUNNING FINANCE FACILITY				
MCB Bank Limited	12.1	-	32,246,447	
National Bank of Pakistan- an associated undertaking	12.2	<u>49,992,033</u>	<u>49,992,033</u>	
		<u>49,992,033</u>	<u>82,238,480</u>	
12.1	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).			
12.2	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.			
			March 31, 2021	June 30, 2020
	Note		Un-audited	Audited
		 Rupees Rupees
13 Markup / Interest accrued				
Secured				
Loans and borrowings including running finances		7,645,247	7,738,870	
Unsecured				
Long-term certificate of deposit		1,560,137	1,560,137	
		<u>9,205,384</u>	<u>9,299,007</u>	
14 CONTINGENCIES AND COMMITMENTS				
Contingencies				
There are no contingencies as at period end (March 31, 2021: Nil)				
Commitments				
-Standby letter of credit	14.1	<u>36,289,152</u>	<u>40,001,082</u>	



FIRST CREDIT AND INVESTMENT BANK LIMITED

14.1 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.

	March 31, 2021 Un-audited Rupees	March 31, 2020 Un-audited Rupees
15 TAXATION		
Current	3,505,906	10,324,550
Deferred - net	5,384,936	(270,636)
	<u>8,890,842</u>	<u>10,053,914</u>

16 EARNINGS PER SHARE (EPS)

16.1 Basic EPS

Earnings for the period	<u>23,710,917</u>	<u>20,261,879</u>
Weighted average number of shares outstanding	<u>65,000,000</u>	<u>65,000,000</u>
Earnings per share - basic	<u>0.36</u>	<u>0.31</u>

16.2 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 March 31, 2021.

	March 31, 2021 Un-audited Rupees	March 31, 2020 Un-audited Rupees
17 CASH AND CASH EQUIVALENTS		
Cash and bank balances	148,544,440	37,847,942
Short term placements	-	140,000,000
Short term running finance facility	(49,992,033)	(173,661,624)
Short term repo borrowing	(694,518,950)	(195,679,000)
	<u>(595,966,543)</u>	<u>(191,492,682)</u>

18 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	March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
-----Rupees-----			
Associate Undertakings	Transactions for the nine months period:		
	National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)		
	Markup - paid on long term loan	5,640,409	12,400,027
	Markup - paid on short-term running finance	3,093,797	10,162,256
	Rent paid	3,722,750	3,390,387
	NBP Fund Management Limited (NBP hold 54% shares of NBP Fund Management Shares)		
	Fees & Commission Expense	297,971	199,784
	Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)		
	Brokerage Expenses	43,324	46,495
Key management personnel	Salaries, benefits and allowances	15,435,734	12,758,262
	Retirement benefits	1,163,659	933,550
	Return on long-term loans	3,532	8,344
Staff Retirement Plans	Contributions made to staff retirement fund	882,408	677,519
		March 31, 2021 (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	3,858,400
	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)	24,617,002	19,059,518
Key management personnel	Balances as at period-end/year - end	4,736,500	435,418

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FIRST CREDIT AND INVESTMENT BANK LIMITED

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of all financial instruments 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.

	March 31, 2021 (Un-audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	95,750,153	-	-
Unlisted securities	-	11,357,224	-
	<u>95,750,153</u>	<u>11,357,224</u>	<u>-</u>
	June 30, 2020 (Audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	80,842,544	-	-
Unlisted securities	-	11,357,224	-
	<u>80,842,544</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.

20 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on April 24, 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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