



# Quarterly Report September 30, 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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## BOARD OF DIRECTORS



**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



**Mrs. Nina Afridi**  
Director



## 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 Chaudhury & 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  
1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400  
Ph.#+92 (21) 111-000-322  
Fax # +92 (21)34168271

### 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



## **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, 2020.

### **Operating Results**

Total income for the quarter ended September 30, 2020 increased by Rs.3.84 million to Rs.39.58 million as compared to Rs. 35.74 million for the quarter ended September 30, 2019. The Company reports increase in operating profit by 2% to Rs.7.85 million during the first quarter ended September 30, 2020 as compared to operating profit of Rs. 7.72 million for the corresponding period of last year. The increase in operating profit is attributable to the increase in total income. Further, after taking effect of reversals of already made provisions against non-performing investments, the Company was able to report profit before tax of Rs8.77 million during the first quarter of FY 2020-21. The profit before tax for the quarter ended September 30, 2019 was Rs.8.74 million. Similarly, the Company closed the current quarter registering the increase of 20% in net profit after tax to Rs.7.25 million as against profit after tax of Rs. 6.06 million for the corresponding quarter last year. Shareholders equity, net of deficit on re-measurement of investment, decreased to Rs.734.98 million as at September 30, 2020 from Rs. 738.79 million as at June 30, 2020. Total balance sheet footing as at September 30, 2020 was Rs.1,659.14 million compared to Rs. 1,667.19 million as at June 30, 2020.

### **Credit Rating**

JCR-VIS Credit Rating Company Limited vide its report dated December 31, 2019 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'.


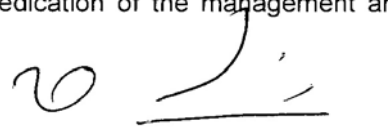
### **Future Outlook**

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 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.

  
\_\_\_\_\_  
President and CEO  
\_\_\_\_\_  
Director

Karachi:  
October 23, 2020



## 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 ۲۰۲۰ پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

### آپریٹنگ نتائج:

۳۰ ستمبر ۲۰۲۰ کو ختم ہونے والی پہلی سہ ماہی میں کمپنی کی کل آمدنی ۳.۸۴ ملین روپے اضافے کے بعد ۳۹.۵۸ ملین روپے رہی جو کہ پچھلے سال ۳۰ ستمبر ۲۰۱۹ کو ختم ہونے والی اسی مدت میں ۳۵.۷۲ ملین روپے تھی۔ کمپنی نے پہلی سہ ماہی کے اختتام پر فیصد اضافے کے ساتھ ۸۵ ملین روپے آپریٹنگ منافع حاصل کیا جو پچھلے سال اسی عرصہ میں ۷۲ ملین روپے تھا۔ مذکورہ آپریٹنگ منافع بڑھنے کا سبب کل آمدنی میں اضافہ ہے۔ 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 پہلی سہ ماہی میں قبل از ٹیکس منافع ۷۸.۷۲ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۸.۷۲ ملین روپے قبل از ٹیکس منافع ظاہر کیا گیا تھا اسی طرح پہلی سہ ماہی کے اختتام پر ۲۰% اضافے کے ساتھ بعد از ٹیکس منافع ۲۵.۷۲ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۶.۰۶ ملین روپے تھا۔ خمیر ہولڈرز ایکٹیوٹی بعد سرماہ کاری کی مالی پیکس کم ہو کر ۳۴.۹۸ ملین روپے ہو گئی جبکہ ۲۰۲۰ جون کو خمیر ہولڈرز ایکٹیوٹی ۳۸.۷۲ ملین روپے تھی۔ ۳۰ ستمبر ۲۰۲۰ کو کمپنی کے کل اثاثہ جات ۱,۶۵۹.۱۳ ملین روپے ہو گئے جو کہ ۲۰۲۰ جون کو ۱,۶۶۷.۱۹ ملین روپے تھے۔

### کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کی رپورٹ بتاریخ ۳۱ دسمبر ۲۰۱۹ کے مطابق کمپنی نے درمیانے سے طویل مدتی ایٹمیٹی 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 نئی آمدنی کے سلسلے کو بڑھانے کیلئے کاروبار متنوع کرنے پر مرکوز ہیں جو ملک کے اقتصادی و کاروباری حالات میں بہتری کے ساتھ آگے بڑھیں گی۔ آپ کی کمپنی اپنے اثاثوں کے معیار کو بحال 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 پروڈکٹ اور خدمات کی بحالی کی مناسب کوششیں 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 مغزات جو کاروباری عمل کو متاثر کر سکیں کمپنی نے ایسی تمام صورت حال 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، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی رہنمائی اور سپورٹ کے بھی شکر گزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کا اعتراف بھی کرتے ہیں۔



پریذیڈنٹ وی ای او



ڈائریکٹر

کراچی۔

۲۳ اکتوبر ۲۰۲۰





# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT SEPTEMBER 30, 2020

|   |      | September 30,<br>2020<br>(Un-audited) | June 30,<br>2020<br>(Audited) |
|---|------|---------------------------------------|-------------------------------|
|   | Note | Rupees                                |                               |
| <b>ASSETS</b>   |      |                                       |                               |
| <b>Non-current assets</b>   |      |                                       |                               |
| Property and equipment  | 6    | 21,312,239                            | 23,098,249                    |
| Long-term investments   | 7    | 728,479,196                           | 756,452,079                   |
| Long-term loans and finances  |      | 438,745,896                           | 483,368,698                   |
| Net investment in finance lease   | 8    | 418,158                               | 567,487                       |
| Long-term deposits  |      | 57,500                                | 57,500                        |
| Deferred tax asset  | 9    | 74,718,092                            | 69,969,650                    |
| <b>Total non-current assets</b>   |      | <b>1,263,731,081</b>                  | <b>1,333,513,663</b>          |
| <b>Current assets</b>   |      |                                       |                               |
| Current portion of non-current assets   | 10   | 124,228,705                           | 82,195,933                    |
| Short-term investments  | 11   | 119,704,995                           | 107,304,365                   |
| Short-term placements   | 12   | 40,000,000                            | 40,000,000                    |
| Markup/interest accrued   |      | 48,806,619                            | 68,500,445                    |
| Prepayments and other receivables   |      | 1,964,527                             | 1,651,591                     |
| Taxation-net  |      | 10,525,545                            | 6,413,550                     |
| Cash and bank balances  |      | 50,178,266                            | 27,606,009                    |
| <b>Total current assets</b>   |      | <b>395,408,658</b>                    | <b>333,671,893</b>            |
| <b>Total Assets</b>   |      | <b>1,659,139,739</b>                  | <b>1,667,185,556</b>          |
| <b>EQUITY &amp; LIABILITIES</b>   |      |                                       |                               |
| <b>Shareholders' equity</b>   |      |                                       |                               |
| Authorized share capital  |      |                                       |                               |
| 75,000,000 (June 30, 2020: 75,000,000) ordinary shares of Rs.10 each  |      | 750,000,000                           | 750,000,000                   |
| Issued, subscribed and paid-up share capital 65,000,000 (June 30, 2020: 65,000,000) ordinary shares of Rs.10 each |      | 650,000,000                           | 650,000,000                   |
| Accumulated profit  |      | 102,372,176                           | 95,027,077                    |
| Deficit on remeasurement of investments - net   | 13   | (17,391,879)                          | (6,236,650)                   |
| <b>Total shareholders' equity</b>   |      | <b>734,980,297</b>                    | <b>738,790,427</b>            |
| <b>Non-Current Liabilities</b>  |      |                                       |                               |
| Deferred liability - Staff gratuity   |      | 4,554,441                             | 4,213,027                     |
| Lease liability   |      | 7,875,948                             | 8,637,094                     |
| Long-term loan  |      | 46,875,000                            | 62,500,000                    |
| Security deposit against finance lease  |      | 418,600                               | 418,600                       |
| <b>Total non-current liabilities</b>  |      | <b>59,723,989</b>                     | <b>75,768,721</b>             |
| <b>Current Liabilities</b>  |      |                                       |                               |
| Current portion of long-term loan   |      | 46,875,000                            | 31,250,000                    |
| Current portion of lease liability  |      | 4,831,851                             | 3,826,380                     |
| Short-term running finance facility   | 14   | 84,514,154                            | 82,238,480                    |
| Short-term repo borrowing   |      | 700,000,000                           | 650,000,000                   |
| Up-paid dividend  |      | 7,350,852                             | 7,350,852                     |
| Markup / interest accrued   | 15   | 6,064,420                             | 9,299,007                     |
| Accrued expenses and other payables   |      | 14,799,177                            | 68,661,689                    |
| <b>Total current liabilities</b>  |      | <b>864,435,453</b>                    | <b>852,626,408</b>            |
| <b>Total liabilities</b>  |      | <b>924,159,442</b>                    | <b>928,395,129</b>            |
| <b>Contingencies and commitments</b>  | 16   | -                                     | -                             |
| <b>Total equity and liabilities</b>   |      | <b>1,659,139,739</b>                  | <b>1,667,185,556</b>          |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

**Muhammad Kamran**  
Chief Financial Officer

**Muhammad Mohsin Ali**  
President & CEO

**Muhammad Naeem Uddin**  
Director



**CONDENSED INTERIM PROFIT OR LOSS**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020**

|   |      | September 30,<br>2020 | September 30<br>2019 |
|---|------|-----------------------|----------------------|
|   |      | (Un-audited)          |                      |
|   | Note | Rupees                |                      |
| Income from term finances and fund placements                                       |      | 17,749,816            | 34,601,524           |
| Income from investments   |      | 17,288,702            | 1,412,304            |
| Urealized gain/(Loss) on investment classified as fair value through porfit or loss |      | 4,001,726             | (500,719)            |
| Fees and commission income  |      | 102,266               | 72,537               |
| Other income  |      | 440,830               | 157,548              |
|   |      | 39,583,341            | 35,743,193           |
| <b>Finance costs</b>  |      | (17,075,094)          | (15,608,348)         |
| Administrative and operating expenses   |      | (14,661,041)          | (12,411,081)         |
| <b>Operating income before taxation and provisions</b>                              |      | 7,847,206             | 7,723,764            |
| <b>Reversals/(Provision)</b>  |      |                       |                      |
| Reversal of diminution in value of long-term investments                            | 7.1  | 1,100,000             | 1,200,000            |
| <b>Profit before taxation and workers' welfare fund</b>                             |      | 8,947,206             | 8,923,764            |
| Workers' welfare fund   |      | (181,642)             | (185,844)            |
| <b>Profit before taxation</b>   |      | 8,765,564             | 8,737,920            |
| Taxation  | 17   | (1,516,308)           | (2,673,762)          |
| <b>Profit after taxation for the period</b>   |      | 7,249,256             | 6,064,158            |
| <b>Earnings per share -basic and diluted</b>  | 18   | 0.11                  | 0.09                 |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

**Muhammad Kamran**  
Chief Financial Officer

**Muhammad Mohsin Ali**  
President & CEO

**Muhammad Naeem Uddin**  
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020**

|  | September 30,<br>2020 | September 30,<br>2019 |
|--|-----------------------|-----------------------|
|  | (Un-audited)          |                       |
|  | Rupees                |                       |
| <b>Profit after taxation for the period</b>  | <b>7,249,256</b>      | 6,064,158             |
| <b>Other comprehensive income / (loss):</b>  |                       |                       |
| <b>Items that will not be subsequent reclassified to<br/>statement of profit or loss - net of tax :</b>    |                       |                       |
| Unrealized gain / (loss) on re-measurement of fair value<br>through other comprehensive income investments | (11,155,229)          | (2,561,189.00)        |
| <b>Total comprehensive income / (loss) for the period</b>  | <b>(3,905,973)</b>    | 3,502,969             |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements

**Muhammad Kamran**  
Chief Financial Officer

**Muhammad Mohsin Ali**  
President & CEO

**Muhammad Naeem Uddin**  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020**

|   | Issued,<br>subscribed<br>and paid-up<br>share capital | Revenue<br>Accumulated<br>loss | Total              | Deficit on<br>measurement of<br>investment<br>classified as fair<br>value through other<br>comprehensive<br>income | Total<br>shareholder's<br>equity |
|---|---|--------------------------------|--------------------|--|----------------------------------|
| <b>(Un-audited)</b>                     |   |                                |                    |  |                                  |
| <b>Rupees</b>                           |   |                                |                    |  |                                  |
| Balance as at July 01, 2019             | 650,000,000   | 92,830,246                     | 92,830,246         | (24,237,749)   | 718,592,497                      |
| Profit after tax for the quarter        | -   | 6,064,158                      | 6,064,158          | -  | 6,064,158                        |
| Transfer from OCI on disposal           |   | (132,306)                      | (132,306)          |  | (132,306)                        |
| Other comprehensive loss                | -   | -                              | -                  | (2,561,189)  | (2,561,189)                      |
|   | -   | 6,064,158                      | 6,064,158          | (2,561,189)  | 3,370,663                        |
| Balance as at September 30, 2019        | 650,000,000   | 98,894,404                     | 98,894,404         | (26,798,938)   | 721,963,160                      |
| <b>Balance as at July 01, 2020</b>      | <b>650,000,000</b>                                    | <b>95,027,077</b>              | <b>95,027,077</b>  | <b>(6,236,650)</b>   | <b>738,790,427</b>               |
| <b>Profit after tax for the quarter</b> | <b>-</b>  | <b>7,249,256</b>               | <b>7,249,256</b>   | <b>-</b>   | <b>7,249,256</b>                 |
| <b>Transfer from OCI on disposal</b>    |   | <b>95,843</b>                  | <b>95,843</b>      | <b>-</b>   | <b>95,843</b>                    |
| <b>Other comprehensive loss</b>         | <b>-</b>  | <b>-</b>                       | <b>-</b>           | <b>(11,155,229)</b>  | <b>(11,155,229)</b>              |
|   | <b>-</b>  | <b>7,345,099</b>               | <b>7,345,099</b>   | <b>(11,155,229)</b>  | <b>(3,810,130)</b>               |
| <b>Balance as at September 30, 2020</b> | <b>650,000,000</b>                                    | <b>102,372,176</b>             | <b>102,372,176</b> | <b>(17,391,879)</b>  | <b>734,980,297</b>               |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



**Muhammad Kamran**  
Chief Financial Officer



**Muhammad Mohsin Ali**  
President & CEO



**Muhammad Naeem Uddin**  
Director



**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020**

|   | <b>September 30,<br/>2020</b> | <b>September 30,<br/>2019</b> |
|---|-------------------------------|-------------------------------|
|   | <b>(Un-audited)</b>           |                               |
| <b>Note</b>   | <b>Rupees</b>                 |                               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                               |                               |
| Profit before taxation  | 8,765,564                     | 8,737,920                     |
| <b>Adjustments for:</b>   |                               |                               |
| Depreciation  | 747,387                       | 442,687                       |
| Amortization  | 1,038,623                     | -                             |
| Interest expense right of use assets                            | 244,325                       | -                             |
| Gain on disposal of property and equipment                      | (197,455)                     | -                             |
| Gratuity expenses   | 341,414                       | 304,920                       |
| Dividend Income   | 183,039                       | 492,815                       |
| Finance Cost  | (17,075,094)                  | (15,608,348)                  |
| Reversal for non-performing investments                         | (1,100,000)                   | (1,200,000)                   |
|   | <b>(15,817,761)</b>           | <b>(15,567,926)</b>           |
| Operating cash flows before working capital changes             | <b>(7,052,198)</b>            | <b>(6,830,006)</b>            |
| <b>(Increase) / decrease in current assets</b>                  |                               |                               |
| Prepayments and other receivables                               | (312,936)                     | (1,021,391)                   |
| Mark-up/interest accrued  | 19,693,826                    | 8,017,745                     |
|   | <b>19,380,890</b>             | <b>6,996,354</b>              |
| <b>Increase / (decrease) in current liabilities</b>             |                               |                               |
| Accrued expenses and other payables                             | (53,862,512)                  | (22,986,638)                  |
| Cash generated from operations                                  | <b>(41,533,820)</b>           | <b>(22,820,290)</b>           |
| Income tax paid   | (10,376,745)                  | (2,297,125)                   |
| Dividend income received  | (183,039)                     | (492,815)                     |
| Markup on finance cost paid                                     | 13,840,507                    | 16,234,757                    |
|   | <b>3,280,723</b>              | <b>13,444,817</b>             |
| Net cash (used in)/generated from operating activities          | <b>(38,253,097)</b>           | <b>(9,375,473)</b>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                               |                               |
| Proceed from disposal of property and equipment                 | 197,455                       | -                             |
| Long-term investments-net                                       | 17,917,653                    | 681,662                       |
| Short-term investments  | (12,304,787)                  | 2,570,262                     |
| Long-term finances -net   | 2,739,360                     | 43,858,648                    |
| Net cash (used in) / generated in investing activities          | <b>8,549,681</b>              | <b>47,110,572</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                               |                               |
| 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          | <b>(29,703,417)</b>           | <b>22,110,099</b>             |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>(664,632,471)</b>          | <b>(19,715,090)</b>           |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>(694,335,888)</b>          | <b>2,395,009</b>              |

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

**Muhammad Kamran**  
Chief Financial Officer

**Muhammad Mohsin Ali**  
President & CEO

**Muhammad Naeem Uddin**  
Director



**FIRST CREDIT AND INVESTMENT BANK LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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% shareholding 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 is holding the status of Non Deposit Taking with effect from July 01, 2018.

The JCR-VIS has assigned the Investment Bank a credit rating of 'A-' long & medium term and 'A-2' short term on December 31, 2019. The outlook of the rating is stable.

**2. STATEMENT OF COMPLIANCE**

These condensed interim financial statements of the Investment Bank for the three months period ended September 30, 2020 has been prepared in accordance with the requirements of the International Accounting Standard -34 "Interim Financial Reporting Standard", provisions of the directives issued under the Companies Act, 2017, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies Notified Entities Regulations, 2008 (the NBFC Regulations), and the other directives issued by the SECP. Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

This condensed interim financial information 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**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of 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.

**5. ACCOUNTING ESTIMATES AND JUDGMENTS**

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation are same as those applied by the Company in the annual financial statements for the year ended June 30, 2020.



|                                 | Note | 30-Sep-20<br>(Un-audited)<br>Rupees | 30-Jun-20<br>(Audited)<br>Rupees |
|---------------------------------|------|-------------------------------------|----------------------------------|
| <b>6 PROPERTY AND EQUIPMENT</b> |      |                                     |                                  |
| Operating fixed assets          | 6.1  | 9,887,388                           | 10,634,775                       |
| Right of use assets             |      | 11,424,851                          | 12,463,474                       |
|                                 |      | <b>21,312,239</b>                   | <b>23,098,249</b>                |

6.1 There have been no additions during the period. Additions/deletions during the year ended June 30, 2020 are as under:

|                   | For the three months periods<br>ended September 30, 2020<br>(Un-Audited ) | For the year ended<br>30, 2020<br>(Audited ) | June                         |
|-------------------|---|--|------------------------------|
|                   | Additions<br>(cost)<br>Rupees   | Additions<br>(cost)<br>Rupees                | Disposal<br>(cost)<br>Rupees |
| -Office Equipment | -   | 17,000                                       | 41,865                       |
| -Computers        | -   | 759,397                                      | 236,275                      |
| -Vehicles         | -   | 7,417,415                                    | -                            |
|                   | <b>1,851,137</b>  | <b>8,193,812</b>                             | <b>278,140</b>               |

|   | Note | 30-Sep-20<br>(Un-audited)<br>Rupees | 30-Jun-20<br>(Audited)<br>Rupees |
|---|------|-------------------------------------|----------------------------------|
| <b>7 LONG-TERM INVESTMENTS</b>                          |      |                                     |                                  |
| <b>At amortised cost</b>                                |      |                                     |                                  |
| -Term finance certificates/sukuk - listed               |      | 34,915,276                          | 37,415,276                       |
| -Term finance certificates/sukuk - unlisted             |      | 196,170,167                         | 197,270,167                      |
|   |      | <b>231,085,443</b>                  | <b>234,685,443</b>               |
| Less: Provision against investments                     | 7.1  | (194,770,581)                       | (195,870,581)                    |
|   |      | <b>36,314,862</b>                   | <b>38,814,862</b>                |
| <b>At fair value through other comprehensive income</b> |      |                                     |                                  |
| - Pakistan Investment Bonds PIBs                        |      | 608,802,000                         | 628,416,012                      |
| - Quoted Shares   |      | 1,198,172                           | 1,132,817                        |
| - Term finance certificates- listed                     |      | 17,666,618                          | 17,666,618                       |
|   |      | <b>627,666,790</b>                  | <b>647,215,447</b>               |
| Less: Provision against investments                     | 7.1  | (17,666,618)                        | (17,666,618)                     |
|   |      | <b>610,000,172</b>                  | <b>629,548,829</b>               |
| <b>At fair value through profit or loss</b>             |      |                                     |                                  |
| - Pakistan Investment Bonds PIBs                        |      | 102,121,800                         | 108,046,026                      |
| Less: Current Portion of TFCs                           |      | (19,957,638)                        | (19,957,638)                     |
|   |      | <b>728,479,196</b>                  | <b>756,452,079</b>               |

#### 7.1 Provision for diminuation in value of long-term investments

|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| Opening balance                   | 213,537,199        | 216,937,199        |
| Charged during the period/year    | -                  | -                  |
| (Reversal) during the period/year | (1,100,000)        | (3,400,000)        |
|                                   | <b>(1,100,000)</b> | <b>(3,400,000)</b> |
| Balance at the end of period/year | <b>212,437,199</b> | <b>213,537,199</b> |

|   |  |                  |                  |
|---|--|------------------|------------------|
| <b>8 NET INVESTMENT IN FINANCE LEASE</b>                  |  |                  |                  |
| Lease rental receivable                                   |  | 777,236          | 888,336          |
| Residual value of lease assets                            |  | 363,050          | 418,600          |
| <b>Gross investment in finance lease</b>                  |  | <b>1,140,286</b> | <b>1,306,936</b> |
| Less: Unearned finance lease Income                       |  | (55,528)         | (72,849)         |
|   |  | <b>1,084,758</b> | <b>1,234,087</b> |
| Less: Current maturity of net investment in finance lease |  | (666,600)        | (666,600)        |
| <b>Net investment in finance lease</b>                    |  | <b>418,158</b>   | <b>567,487</b>   |

#### 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 determination of future taxable profit is most sensitive to certain key assumptions. A significant change in the key assumptions and estimates may have an effect on the recovery of the deferred tax asset. 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.



|           |  | 30-Sep-20<br>(Un-audited)<br>Rupees | 30-Jun-20<br>(Audited)<br>Rupees |
|-----------|--|-------------------------------------|----------------------------------|
| <b>10</b> | <b>CURRENT PORTION OF NON-CURRENT ASSETS</b>   |                                     |                                  |
|           | <b>Investments</b>   |                                     |                                  |
|           | Current portion of term finance certificates-listed  | 19,957,638                          | 19,957,638                       |
|           | <b>Loans and finances</b>  |                                     |                                  |
|           | Current portion of loans to employees  | 1,410,386                           | 1,407,764                        |
|           | Current portion of loans to other - term finance facility (secured)  | 102,194,081                         | 60,163,931                       |
|           |  | 103,604,467                         | 61,571,695                       |
|           | <b>Net investment in lease finance</b>   |                                     |                                  |
|           | Current maturity of net investment in finance lease  | 666,600                             | 666,600                          |
|           |  | 124,228,705                         | 82,195,933                       |
| <b>11</b> | <b>SHORT-TERM INVESTMENTS</b>  |                                     |                                  |
|           | <b>Fair value through other comprehensive income</b>   |                                     |                                  |
|           | -Dewan Cement Limited- Pre IPO term finance certificates   | 50,000,000                          | 50,000,000                       |
|           | Less: Provision TFC - Dewan Cement Limited   | (6,930,383)                         | (6,930,383)                      |
|           |  | 43,069,617                          | 43,069,617                       |
|           | -Quoted Shares   | 13,658,801                          | 11,757,659                       |
|           | -Mutual Funds  | 295,500                             | 225,000                          |
|           |  | 57,023,918                          | 55,052,276                       |
|           | <b>Fair value through profit or loss</b>   |                                     |                                  |
|           | -Quoted Shares   | 34,729,584                          | 28,609,962                       |
|           | -Mutual Funds  | 27,951,493                          | 23,642,127                       |
|           |  | 62,681,077                          | 52,252,089                       |
|           | Investments at market value  | 119,704,995                         | 107,304,365                      |
| 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.   |                                     |                                  |
| <b>12</b> | <b>SHORT-TERM PLACEMENTS</b>   |                                     |                                  |
|           | Term deposit receipts (TDR)  | 40,000,000                          | 40,000,000                       |
|           |  | 40,000,000                          | 40,000,000                       |
| 12.1      | This represent placements with financial Institutions under term deposits receipts carrying markup rate of 13% per annum (June 30, 2020: 13% per annum)  |                                     |                                  |
| <b>13</b> | <b>DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET</b>   |                                     |                                  |
|           | <b>Fair value through other comprehensive income</b>   |                                     |                                  |
|           | Government securities  | (5,619,402.00)                      | 13,134,000                       |
|           | Quoted Shares long-term  | (2,529,475)                         | (2,594,830)                      |
|           | Quoted Shares short-term   | (10,537,798)                        | (12,799,161)                     |
|           | Mutual Fund  | (226,800)                           | (297,300)                        |
|           | Related deferred tax (asset)   | 1,521,596                           | (3,679,359)                      |
|           |  | (17,391,879)                        | (6,236,650)                      |
| <b>14</b> | <b>SHORT-TERM RUNNING FINANCE FACILITY</b>   |                                     |                                  |
|           | <b>MCB Bank Ltd</b>  | 34,522,121                          | 32,246,447                       |
|           | <b>National Bank of Pakistan- as associated undertaking</b>  | 49,992,033                          | 49,992,033                       |
|           |  | 84,514,154                          | 82,238,480                       |
| 14.1      | This represents short term running finance obtained against TDR from MCB Bank Limited carrying markup rate of 3 month KIBOR plus 0.5% (June 30, 2020: 3 month KIBOR plus 0.5%) per annum.  |                                     |                                  |
| 14.2      | This represents short term running finance obtained with a limit of Rs.100 million (June 30, 2020: Rs.100 million) carrying markup at a rate based on 3 month KIBOR plus 1% (June 30, 2020: 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. |                                     |                                  |
|           |  | 30-Sep-20<br>(Un-audited)<br>Rupees | 30-Jun-20<br>(Audited)<br>Rupees |
| <b>15</b> | <b>MARK-UP/INTEREST ACCRUED</b>  |                                     |                                  |
|           | <b>Mark-up accrued on:</b>   |                                     |                                  |
|           | <b>Secured</b>   |                                     |                                  |
|           | - Loans and borrowings including running finance facility  | 4,504,283                           | 7,738,870                        |
|           | <b>Unsecured</b>   |                                     |                                  |
|           | - Certificates of deposits   | 1,560,137                           | 1,560,137                        |
|           |  | 6,064,420                           | 9,299,007                        |
| 15.1      | This amount includes mark-up due to National Bank of Pakistan, an associated undertaking.  |                                     |                                  |

|  |      | 30-Sep-20<br>(Un-audited)<br>Rupees | 30-Jun-20<br>(Audited)<br>Rupees |
|--|------|-------------------------------------|----------------------------------|
| <b>16 CONTINGENCIES AND COMMITMENTS</b>  |      |                                     |                                  |
| <b>Contingencies</b>   |      |                                     |                                  |
| There are no material contingencies as at the reporting date ( June 30, 2020: Nil) |      |                                     |                                  |
| <b>Commitments</b>   |      |                                     |                                  |
| -Standby letter of credit  | 16.1 | <b>39,419,981</b>                   | <b>40,001,082</b>                |

16.1 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 Larabi 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<br>period ended<br>30-Sep-20<br>(Un-audited)<br>Rupees | Three months<br>period ended<br>30-Sep-19<br>(Un-audited)<br>Rupees |
|---|--|---|---|
| <b>17 TAXATION</b>  |  |   |   |
| -Current  |  | <b>1,063,795</b>  | 2,338,623   |
| -Deferred   |  | <b>452,513</b>  | 335,139   |
|   |  | <b>1,516,308</b>  | <b>2,673,762</b>  |
| <b>18 EARNING PER SHARE- BASIC AND DILUTED</b>                  |  |   |   |
| Profit after taxation for the period                            |  | <b>7,249,256</b>  | 6,064,158   |
| Weighted average number of shares outstanding during the period |  | <b>65,000,000</b>   | 65,000,000  |
| Earnings per share - basic and diluted                          |  | <b>0.11</b>   | 0.09  |
| <b>19 CASH AND CASH EQUIVALENT</b>                              |  |   |   |
| Cash and bank balances  |  | <b>50,178,266</b>   | 77,901,218  |
| Short-term placements   |  | <b>40,000,000</b>   | 140,000,000   |
| Short-term running finance facility                             |  | <b>(84,514,154)</b>   | -   |
| Short-term repo borrowing                                       |  | <b>(700,000,000)</b>  | (215,506,208)   |
|   |  | <b>(694,335,888)</b>  | <b>2,395,009</b>  |
| <b>20 TRANSACTIONS WITH RELATED PARTIES</b>                     |  |   |   |

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:

| Nature of relationship with related party | Nature of transactions and balances  | For the three months<br>period ended<br>and as at<br>September 30, 2020 | For the three months<br>period ended<br>September 30, 2019<br>and as at<br>Jun 30,2020 |
|---|--|---|--|
|   |  | <b>Rupees</b>   |  |
| <b>Associated undertakings</b>            | <b>Transactions for the three-months period:</b>   |   |  |
|   | <b>National Bank of Pakistan<br/>(NBP holds 30.7% of FCIBL Shares)</b>                       |   |  |
|   | Mark-up on long-term loan  | <b>1,890,410</b>  | 4,448,708  |
|   | Mark-up on short-term running finance  | <b>1,037,977</b>  | 3,521,205  |
|   | Rent Paid  | <b>1,233,342</b>  | 1,125,069  |
|   | <b>Taurus Securities Limited<br/>(NBP holds 58.32% of Taurus Securities Ltd. Shares)</b>     |   |  |
|   | Brokerage expenses   | <b>14,594</b>   | 1,126  |
|   | <b>NBP Fund Management Limited<br/>(NBP holds 54% shares of NBP Fund Management Limited)</b> |   |  |
|   | Commission   | <b>99,448</b>   | 80,000   |
|   | <b>Balances at period-end/year-end</b>   |   |  |



**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               | 93,750,000 | 125,000,000 |
| Short-term running finance   | 49,992,033 | 99,999,951  |

**NAFA Stock Fund**

(NBP holds 54% shares of NBP Fund Management Limited  
- Management Company of the Fund)

|  |            |            |
|--|------------|------------|
|  | 19,059,518 | 25,000,000 |
|--|------------|------------|

**Key management personnel**

**Transactions for the three months period:**

|   |           |           |
|---|-----------|-----------|
| Salaries, benefits and other allowances | 4,409,452 | 3,526,453 |
| Retirement benefits                     | 314,671   | 247,106   |
| Return on long-term loans               | -         | 3,182     |
| Balances at period-end/year-end         | 395,836   | 1,262,350 |

**Staff Retirement Plans**

**Transactions for the three months period:**

|   |         |         |
|---|---------|---------|
| Contributions to staff retirement plans | 257,544 | 212,417 |
|---|---------|---------|

**21 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, 2020 (Unaudited) |         |
|---------------------|------------|--------------------------------|---------|
|                     |            | Level 1                        | Level 2 |
|                     |            | Rupees                         |         |
| Listed securities   | 88,836,887 | -                              |         |
| Unlisted securities | -          | 11,357,224                     |         |
|                     | 88,836,887 | 11,357,224                     |         |
|                     |            | June 30, 2020 (Audited)        |         |
|                     |            | Level 1                        | Level 2 |
|                     |            | Rupees                         |         |
| Listed securities   | 88,842,554 | -                              |         |
| Unlisted securities | -          | 11,357,224                     |         |
|                     | 88,842,554 | 11,357,224                     |         |

**c) Other financial instruments**

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

**22 GENERAL**

Figures have been rounded off to the nearest rupees

**23 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information are authorized for issue on October 23, 2020 by the Board of Directors of the Company

**Muhammad Kamran**  
Chief Financial Officer

**Muhammad Mohsin Ali**  
President & CEO

**Muhammad Naeem Uddin**  
Director