



Fcibank

**HALF YEARLY
REPORT
DECEMBER 31,
2021**

Major Joint Venture Partners:



FIRST CREDIT AND INVESTMENT BANK LTD.



FIRST CREDIT AND INVESTMENT BANK LIMITED

Vision

*Be a preferred investment bank enhancing value
for the stakeholders and contributing to the
National goals.*

Mission Statement

*Contributing through innovative financing and
investment in quality portfolio, advisory services
delivered in an environment of trust and
customer confidence supported by a team of
professionals.*



FIRST CREDIT AND INVESTMENT BANK LIMITED

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FIRST CREDIT AND INVESTMENT BANK LIMITED

BOARD OF DIRECTORS



Mr. Faisal Ahmed Topra
Chairman



Mr. Muhammad Mohsin Ali
President & CEO



Mr. Naveed Asghar Chaudhry
Director



Mr. Asad Ullah Saleem
Director



Syed Irfan Husnain Rizvi
Director



Mr. Muhammad Naeemuddin
Director



Mrs. Nina Afridi
Director



Mr. Jamal Nasim
Director



FIRST CREDIT AND INVESTMENT BANK LIMITED

COMPANY INFORMATION

AUDIT COMMITTEE:

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

HR AND REMUNERATION COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

COMPANY SECRETARY:

Mr. Muhammad Amin Khatri

AUDITORS:

Crowe Hussain Chaudhry & Co.
Chartered Accountants

LEGAL ADVISOR:

Ahmed & Qazi

BANKERS:

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

SHARE REGISTRAR:

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

HEAD OFFICE / REGISTERED OFFICE:

2nd Floor, Sidco Avenue Centre,
Stratchen Road, Karachi - 74200, Pakistan.
Ph. # : 35658750-1, 35670452, 35688490
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, 2021.

Operating Results

Total income for the half year ended December 31, 2021 decreased to Rs.57.66 million as compared to Rs.82.49 million for the half year ended December 31, 2020. The Company recorded operating profit of Rs.2.55 million during the first half year ended December 31, 2021 as compared to operating profit of Rs. 16.53 million for the corresponding period last year. Further, after taking effect of reversals of already made provisions against non performing investments, the Company earned profit before tax to Rs.11.87 million during the first half of FY 2021-22 as against Rs.19.16 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.7.82 million as against profit after tax of Rs. 14.12 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.737.56 million as of December 31, 2021 against Rs.749.95 million reported as at June 30, 2021. Total balance sheet footing as of December 31, 2021 decreased to Rs.1203.03 million from Rs.2,272.04 million as at June 30, 2021. Decrease in the balance sheet footing was on account of reduced treasury operations.

Credit Rating

VIS Credit Rating Company Limited vide its report dated December 31, 2021 has upgraded the medium to long-term rating of the Company from 'A-' (Single A Minus) to 'A' (Single A) and Short-term rating is maintained at 'A-2 (A-Two). The outlook of the rating is 'Stable'.

Future Outlook

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

Acknowledgement

The directors wish to express their appreciation to 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 25, 2022

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ڈائریکٹر جائزہ

ہم فرست کریٹریٹ ایڈ انویسٹمنٹ رینک لمیڈ کے بورڈ آف ڈائریکٹرز کی جانب سے پہلی شماہی کے غیر آڈٹ شدہ محض عبوری مالیاتی تفصیلات کا گوشوارہ بمعہ آڈیٹریز جائزہ پورٹ برتاقن ۳۱ دسمبر ۲۰۲۱ پیش کرتے ہوئے مطابق میت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والی پہلی شماہی میں کمپنی کی کل آمد نیکم ہو کر ۲۲.۷۵ ملین روپے رہی جو کہ پہلے سال ۳۱ دسمبر ۲۰۲۰ کو ختم ہونے والی اسی مدت میں ۸۲.۳۹ ملین روپے تھی۔ کمپنی نے سال کے پہلے چھ ماہ کے اختتام پر ۵.۵۵ ملین روپے آپریٹنگ منافع حاصل کیا جو پہلے سال اسی عرصہ میں ۱۲.۵۳ ملین روپے آپریٹنگ منافع تھا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں نقصان کے خدشات کو لحوظ خاطر لاتے ہوئے رقم مختص کی گئی تھی ان اکاؤنٹ میں بہتری کی وجہ سے وہ رقم واپس شامل کر لی گئی ہے جس کی وجہ سے کمپنی نے سال ۲۰۲۱-۲۲ کی موجودہ پہلی شماہی میں قبل از ٹکس منافع ۷.۸۱ ملین روپے ریکارڈ کیا جبکہ پہلے سال اسی مدت میں ۱۹.۱۶ ملین روپے قبل از ٹکس منافع ظاہر کیا تھا اسی طرح رواں مالی سال کی پہلی شماہی کے اختتام پر بعد از ٹکس منافع ۸۲.۷۶ ملین روپے ریکارڈ کیا گیا جبکہ پہلے سال اسی مدت میں بعد از ٹکس منافع ۱۷.۱۲ ملین روپے تھا۔ اسکے نتیجے میں شنیر ہولڈرز ایکوئی سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۲۷.۳۷ ملین روپے ہو گئی جبکہ ۳۰ جون ۲۰۲۱ کو شنیر ہولڈرز ایکوئی ۹۵.۹۵ ملین روپے تھی ۳۱ دسمبر ۲۰۲۱ کو کمپنی کے کل انشاء جات کم ہو کر ۰۳.۰۳ ملین روپے ہو گئے جو کہ ۳۰ جون ۲۰۲۱ کو ۲۷.۲۰ ملین روپے تھے۔ مذکورہ کل انشاء جات میں کسی کی بنیاد پر یہ ری آپریٹنگ میں کمی ہے۔

کریٹریٹ رینگ:

VIS کریٹریٹ رینگ کی رپورٹ بتارخ ۳۱ دسمبر ۲۰۲۱ کے مطابق کمپنی نے درمیانے سے طویل مدتی رینگ کو اپ گریٹر کر کے 'A-2' (سنگل A متفق) سے (سنگل A) کر دیا ہے اور مختصر مدتی رینگ کو 'A-2' پر برقرار کر کا ہے۔ رینگ کا آٹھ لکھ میٹکام ہے۔

مستقیل کے امکانات:

ہماری تمام کاروباری سرگرمیاں آمدی کے نئے ذرائع کو متعارف کرنے پر مرکوز ہیں جو ملک کے اقتصادی و کاروباری حالات میں بہتری کے ساتھ آگے بڑھیں گے۔ آپ کی کمپنی اپنے اٹاٹوں کے معیار کو بہتر کرنے، اور، موجودہ عملہ اور اہم پیشہ و رانہ عملہ کی خدمات حاصل کر کے ان کو رینگ کے ذریعہ اپنے انفراسٹرکچر میں بہتری لانے، مختلف انواع پر ڈکٹس کو بروئے کارلانے کی مناسب کوشش کر رہی ہے، اور نئے موقع اور نئے چیلنجز کا سامنے کرنے کے لئے اپنی پالیسیاں اور طریقہ کارکو اپ ڈیٹ کر رہیں۔



FIRST CREDIT AND INVESTMENT BANK LIMITED

اطہارِ تشكیر:

ڈائریکٹر زاپے اسٹیک ہوئے رز، قابل قدر صارفین اور مالیاتی اداروں کا ان کے مسلسل اعتماد اور سرپرستی کے لیے تشكیر کا اظہار کرتے ہیں۔
ریگولیٹری اداروں خاص طور پر سیکورٹیز ایڈ ایچیجن کیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایچیجن کی رہنمائی
اور حوصلہ افزائیکی بھی شکرگزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگان سے کام کرنے کے معرف ہیں۔

محمد علی^ج
پرینیٹنٹ وی ای او

محمد نسیم الدین
ڈائریکٹر

کراچی - ۲۵ فروری ۲۰۲۲

HALF YEARLY REPORT DECEMBER 2021



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, 2021 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 (hereinafter 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 & Co.

Karachi

Date: February 25, 2022

HALF YEARLY REPORT DECEMBER 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

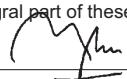
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

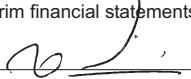
AS AT DECEMBER 31, 2021

	Note	December 31, 2021	June 30, 2021
	 Rupees (Un-audited) Rupees (Audited)
ASSETS			
Non-current Assets			
Property and equipment	6	13,897,648	17,429,948
Long-term investments	7	343,391,259	365,964,739
Long-term loans and finances		240,793,821	273,150,714
Net investment in finance lease	8	-	-
Long-term security deposits		57,500	57,500
Deferred tax asset	9	72,078,118	69,249,846
		670,218,346	725,852,747
Current Assets			
Current portion of non-current assets	10	163,593,155	194,215,555
Short-term investments	11	149,818,537	1,149,472,390
Mark-up/interest accrued		44,712,258	42,647,462
Prepayments and other receivables		5,913,027	4,981,560
Advance taxation - net		17,894,738	15,917,244
Cash and bank balances		150,876,436	138,951,392
		532,808,151	1,546,185,603
		1,203,026,497	2,272,038,350
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized share capital			
75,000,000 (June 30, 2021: 75,000,000)		750,000,000	750,000,000
shares of Rs. 10 each			
Issued, subscribed and paid-up share capital			
65,000,000 (June 30, 2021: 65,000,000)		650,000,000	650,000,000
shares of Rs. 10 each			
Accumulated profit			
Deficit on remeasurements of investment-net	12	120,626,799	114,707,652
Total shareholders' equity		(33,067,166)	(14,756,757)
		737,559,633	749,950,895
LIABILITIES			
Non-current liabilities			
Deferred liability - staff gratuity		7,054,360	6,134,957
Lease liability		3,884,019	8,766,345
Long term loan		-	-
Security deposit against finance lease		418,600	418,600
		11,356,979	15,319,902
Current liabilities			
Current portion of long-term loan		46,875,000	78,125,000
Current portion of lease liability		5,157,732	4,941,627
Short term running finance facility	13	49,999,933	49,992,033
Short-term repo borrowing		326,503,500	350,000,000
Unpaid dividend		7,348,477	7,348,477
Markup / Interest accrued	14	5,023,611	5,458,268
Accrued expenses and other payables		13,201,632	1,010,902,148
		454,109,885	1,506,767,553
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		1,203,026,497	2,272,038,350

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 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

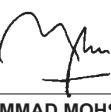
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021

Note	For the six months period ended December 31, 2021		For the three months ended December 31, 2021	
	December 31, 2020	December 31, 2021	December 31, 2021	December 31, 2020
	Rupees-----			
INCOME				
Income from finance and fund placements	24,758,744	31,934,786	12,030,394	14,184,970
Income from investments	34,034,152	42,943,839	14,263,937	25,655,136
Unrealized gain/(loss) on investment classified as fair value through profit or loss account	(1,286,595)	6,810,756	820,674	2,809,030
Fees and commission	132,222	172,310	68,342	70,044
Other income	24,942	632,689	12,081	191,859
	57,663,465	82,494,380	27,195,428	42,911,039
LESS: EXPENDITURES				
Finance cost:				
- Mark-up on bank loans	2,409,189	3,781,231	1,068,499	1,890,821
- Mark-up on short-term running finance	1,834,408	2,868,314	769,646	1,250,324
- Mark-up on repo borrowing	17,083,482	26,649,018	7,285,009	13,326,649
- Others	462,794	487,870	193,046	243,545
	21,789,873	33,786,433	9,316,200	16,711,339
Administrative and operating expenses	33,322,868	32,182,890	17,681,472	17,521,849
	55,112,741	65,969,323	26,997,672	34,233,188
Operating income	2,550,724	16,525,057	197,756	8,677,851
(Provision) / Reversals				
Reversal against accrued mark-up	160,846	-	-	-
Reversal of provision for non-performing investments	7.1	9,503,607	3,050,000	7,157,762
		12,215,177	19,575,057	7,355,518
Workers welfare fund		(348,575)	(412,081)	(259,508)
				(230,439)
PROFIT FOR THE PERIOD BEFORE TAXATION	11,866,602	19,162,976	7,096,010	10,397,412
Taxation	16	(4,044,612)	(5,045,588)	(2,375,755)
				(3,529,280)
PROFIT FOR THE PERIOD AFTER TAXATION	7,821,990	14,117,388	4,720,255	6,868,132
Earnings per share - basic and diluted		0.12	0.22	0.07
				0.11

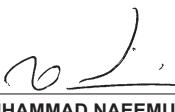
The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


MUHAMMAD KAMRAN

Chief Financial Officer


MUHAMMAD MOHSIN ALI

President & CEO


MUHAMMAD NAEEMUDDIN

Director

HALF YEARLY REPORT DECEMBER 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2021

	For the six months period ended December 31, 2021	For the three months ended December 31, 2021	
	2021	2020	2020
	----- Rupees-----		

PROFIT FOR THE PERIOD AFTER TAXATION	7,821,990	14,117,388	4,720,257	6,868,132
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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'	(18,310,409)	(15,946,528)	(11,303,255)	(4,791,299)
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*Items that will not be reclassified to statement
of profit or loss subsequently:*

Remeasurement of defined benefit obligations

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(10,488,419)	(1,829,140)	(6,582,998)	2,076,833
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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 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Issued, subscribed and paid-up share capital	Revenue Reserves	Total	Deficit on remeasurement of investment classified as fair value through other comprehensive income	Total share- holders' equity
	Rupees				
Balance as at July 01, 2020 as previously reported	650,000,000	95,027,077	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	-	14,117,388
Transfer from OCI on disposal		55,706	55,706		55,706
Other comprehensive income	-	-	-	(15,946,528)	(15,946,528)
Total comprehensive income	-	14,173,094	14,173,094	(15,946,528)	(1,773,434)
Balance as at December 31, 2020	650,000,000	109,200,171	109,200,171	(22,183,178)	737,016,993
Balance as at July 01, 2021	650,000,000	114,707,652	114,707,652	(14,756,757)	749,950,895
Transactions with other than owners of equity:					
Net profit for the period	-	7,821,990	7,821,990	-	7,821,990
Transfer from OCI on disposal		(1,902,843)	55,706	-	(1,902,843)
Other comprehensive income	-	-	-	(18,310,409)	(18,310,409)
Total comprehensive income	-	5,919,147	5,919,147	(18,310,409)	(12,391,262)
Balance as at December 31, 2021	650,000,000	120,626,799	120,626,799	(33,067,166)	737,559,633

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 2021

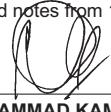


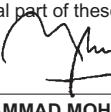
FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Note	December 31, 2021	December 31, 2020
		Rupees	
Cash flows from operating activities			
Profit for the period before taxation		11,866,602	19,162,976
Adjustments for non-cash and other items:			
Depreciation		1,582,037	1,507,333
Amortization		2,273,063	2,547,118
Gain on disposal of property and equipment		-	(197,821)
Gratuity expense		919,403	682,827
Realized gain on sale of investments		-	-
Dividend income		(2,218,796)	(948,160)
Finance cost		21,789,873	33,786,433
Reversal of provision for non-performing investments		(9,664,453)	(3,050,000)
Unrealized loss on remeasurement of financial assets through profit or loss		-	-
Operating cash flows before working capital changes		14,681,127	34,327,730
		<u>26,547,729</u>	<u>53,490,706</u>
(Increase) / decrease in current assets			
Prepayments and other receivables		931,467	47,067
Mark-up/interest accrued		2,064,796	14,122,918
		<u>2,996,263</u>	<u>14,169,985</u>
Increase / (decrease) in current liabilities			
Accrued expenses and other payables		(997,700,516)	942,353,032
Security deposit against finance lease		-	-
		<u>(997,700,516)</u>	<u>942,353,032</u>
Cash generated from operations			
Income tax paid		(8,850,378)	(12,961,090)
Dividend received		2,218,796	948,160
Markup on finance cost paid		(21,355,216)	(36,174,579)
		<u>(27,986,798)</u>	<u>(48,187,509)</u>
Cash generated/ (used in) from operating activities			
		<u>(996,143,322)</u>	<u>961,826,214</u>
Cash flows from investing activities			
Acquisition of property and equipment		(322,800)	(147,000)
Sale proceeds on disposal of property and equipment		-	280,727
Long-term investments - net		13,927,524	20,213,621
Short term repo borrowing		23,496,500	-
Short-term investments - net		962,726,449	(1,015,269,958)
Long-term loan and finances (payment) / received		62,979,293	80,157,505
Net cash (used in) / generated from investing activities			
		<u>1,062,806,966</u>	<u>(914,765,105)</u>
Cash flows from financing activities			
Long-term loan repaid		(31,250,000)	-
Cash dividend paid		-	(2,375)
Net cash used in financing activities			
		<u>(31,250,000)</u>	<u>(2,375)</u>
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	18	35,413,644	47,058,734
Cash and cash equivalents at the end of the period		<u>(261,040,641)</u>	<u>(664,632,471)</u>
		<u>(225,626,997)</u>	<u>(617,573,737)</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 2021



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 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 into 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, Strachan 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 VIS has up-graded the Investment Bank credit rating from 'A-' (A minus) to 'A' (A) for long & medium term and maintained short term at 'A-2' (A Two) on December 31, 2021. 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, 2021 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, 2021.

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, 2021.

4 FINANCIAL RISK MANAGEMENT

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

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FIRST CREDIT AND INVESTMENT BANK LIMITED

5 ACCOUNTING ESTIMATES AND JUDGMENTS

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

Note	December 31, 2021	June 30, 2021
	Un-audited	Audited

..... Rupees

6 PROPERTY AND EQUIPMENT

Operating fixed assets	6.1	7,043,662	8,302,899
Right of use assets		6,853,986	9,127,049
		13,897,648	17,429,948

6.1 Additions during the period ended December 31, 2021 are as under:

	For the six-months period ended December 31, 2021		For the year ended June 30, 2021	
	Unaudited		Audited	
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
----- Rupees -----				
Office Equipment	-	-	157,746	-
Computers	322,800	-	577,840	106,590
Air Conditioners			54,000	-
Vehicles	-	-	-	1,851,137
	322,800	-	789,586	1,957,727

Note	December 31, 2021	June 30, 2021
	Un-audited	Audited

..... Rupees

7 LONG-TERM INVESTMENTS

At amortised cost

Term Finance Certificates/Sukuk - listed	32,415,276	32,415,276
Term Finance Certificates/Sukuk - unlisted	185,840,167	190,185,167
	218,255,443	222,600,443
Less: Provision against investments	(174,482,943)	(183,735,705)
	43,772,500	38,864,738

At fair value through other comprehensive income

Pakistan Investment Bonds PIBs	331,211,400	353,127,200
Investment in shares - quoted	822,637	1,480,315
Term finance certificate - listed	17,126,302	17,377,147
	349,160,339	371,984,662
Less: Provision against investments	(17,126,302)	(17,377,147)
	332,034,037	354,607,515
Total long-term investments	375,806,537	393,472,253
Less: Current portion of long-term investments	(32,415,278)	(27,507,514)
	343,391,259	365,964,739

7.1 Provision against investments

Opening balance	201,112,852	213,537,199
Provision/(Reversed) during the period/year	(9,503,607)	(12,424,347)
Closing balance	191,609,245	201,112,852

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	December 31, 2021 Un-audited	June 30, 2021 Audited
	 Rupees	
8 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		-	221,736
Residual value		418,600	418,600
Gross investment in finance lease		418,600	640,336
Less: Unearned finance lease income		(11,670)	(16,107)
		406,930	624,229
Less: Current maturity of net investment in finance lease		(406,930)	(624,229)
Net Investment in finance lease		<u><u>-</u></u>	<u><u>-</u></u>
9 DEFERRED TAX ASSETS			
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.			
	Note	December 31, 2021 Un-audited	June 30, 2021 Audited
	 Rupees	
10 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments			
Current portion of term finance certificates - listed		32,415,278	27,507,514
Loans and finances			
Current portion of loans to employees		2,738,233	2,670,223
Current portion of loans to other - term finance facility (secured)		128,032,714	163,413,589
		130,770,947	166,083,812
Net investment in lease finance			
Current maturity of net investment in finance lease		406,930	624,229
		<u><u>163,593,155</u></u>	<u><u>194,215,555</u></u>
11 SHORT-TERM INVESTMENTS			
At fair value through other comprehensive income			
Dewan Cement Limited - Pre IPO TFCs		50,000,000	50,000,000
Provision - TFC - Dewan Cement Limited	11.1	(6,930,383)	(6,930,383)
		43,069,617	43,069,617
Investment in shares - listed		11,271,927	14,262,041
Mutual Funds		30,261,221	31,012,583
		84,602,765	88,344,241
At fair value through profit or loss			
Investment in government securities - T- Bills		-	998,804,718
Investment in shares - listed		44,219,247	42,222,989
Mutual Funds		20,996,525	20,100,442
		65,215,772	1,061,128,149
		<u><u>149,818,537</u></u>	<u><u>1,149,472,390</u></u>

11.1 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

	Note	December 31, 2021 Un-audited Rupees	June 30, 2021 Audited
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12 DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET

At fair value through other comprehensive income		
Government securities		(24,141,767) (3,086,150)
Shares long - term		(2,520,010) (1,862,332)
Shares short - term		(12,701,470) (9,711,337)
Mutual Fund		(136,511) (1,129,070)
Related deferred tax (assets)		6,432,592 1,032,132
		<u>(33,067,166)</u> <u>(14,756,757)</u>

13 SHORT TERM RUNNING FINANCE FACILITY

MCB Bank Limited		
National Bank of Pakistan - an associated undertaking	13.1	<u>49,999,933</u> <u>49,992,033</u>

13.1 This represent short-term running finance obtained with a limit of Rs.50 million (June 30, 2021: Rs.50 million) carrying markup at a rate based on 3 months KIBOR plus 1.00% (June 30, 2021: 3 months KIBOR plus 1%) per annum. The running finance is secured by first pari passu hypothecation charge against all present and future assets of the Investment Bank with 25% margin.

	Note	December 31, 2021 Un-audited Rupees	June 30, 2021 Audited
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14 Markup / Interest accrued

Secured		
Loans and borrowings including running finances		3,463,474 3,035,051
Lease liability		- 863,100
Unsecured		
Long-term certificate of deposit		<u>1,560,137</u> <u>1,560,137</u>
		<u>5,023,611</u> <u>5,458,288</u>

15 CONTINGENCIES AND COMMITMENTS

Contingencies

There are no contingencies as at
period end (June 30, 2021: Nil)

Commitments

Standby letter of credit	15.1	<u>NIL</u> <u>37,593,732</u>
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FIRST CREDIT AND INVESTMENT BANK LIMITED

15.1 This represents the Investment Bank's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited. 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.

	December 31, 2021	December 31, 2020
	Un-audited	Un-audited
 Rupees	

16 TAXATION

Current	1,472,424	2,228,948
Deferred - net	2,572,188	2,816,640
	<u><u>4,044,612</u></u>	<u><u>5,045,588</u></u>

17 EARNINGS PER SHARE (EPS)

17.1 Basic EPS

Earnings for the period	<u><u>7,821,990</u></u>	<u><u>14,117,388</u></u>
Weighted average number of shares outstanding	<u><u>65,000,000</u></u>	<u><u>65,000,000</u></u>
Earnings per share - basic	<u><u>0.12</u></u>	<u><u>0.22</u></u>

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, 2021.

	December 31, 2021	June 30, 2021
	Un-audited	Audited
 Rupees	

18 CASH AND CASH EQUIVALENTS

Cash and bank balances	150,876,436	138,951,392
Short term placements	-	-
Short term running finance facility	(49,999,933)	(49,992,033)
Short term repo borrowing	(326,503,500)	(350,000,000)
	<u><u>(225,626,997)</u></u>	<u><u>(261,040,641)</u></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 and balances	Half year ended	
		December 31, 2021	December 31, 2020
		-----Rupees-----	
Associated undertakings	Transactions for the six month period:		
National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)			
	Markup - paid on long term loan	2,409,189	3,781,231
	Markup - paid on short-term running finance	1,834,408	2,074,697
	Rent paid	2,703,998	2,478,178
NBP Fund Management Limited (NBP hold 54% shares of NBP Fund Management Shares)			
	Fees & Commission Expense	240,266	204,330
Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)			
	Brokerage Expenses	20,145	25,112
Key management personnel	Salaries, benefits and allowances	10,347,611	10,399,152
	Retirement benefits	717,784	775,772
Staff Retirement Plans	Contributions made to staff retirement fund	656,092	588,267
Associate Undertakings			
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	46,875,000	93,750,000
	Running finance facility	49,999,933	49,992,033
NAFA Stock Fund			
	NBP Income Opportunity Fund	24,827,296	24,568,196
(NBP hold 54% shares of NBP Fund Management Management Company of the Fund)			
Key management personnel	Balances as at period-end/year - end	4,219,551	4,818,662

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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, 2021 (Unaudited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	77,310,336	-	-
Unlisted securities	-	11,357,224	-
	<u>77,310,336</u>	<u>11,357,224</u>	<u>-</u>
	June 30, 2021 (Audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	122,074,843	-	-
Unlisted securities	-	11,357,224	-
	<u>122,074,843</u>	<u>11,357,224</u>	<u>-</u>

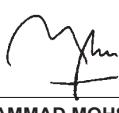
c) Other financial instruments

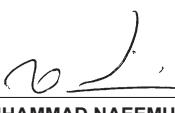
The fair values of all other financial instruments are considered to approximate their carrying amounts.

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on February 25, 2022 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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