



**fcibank**

HALF YEARLY  
**REPORT**  
DECEMBER 31,  
2021

Major Joint Venture Partners:



**FIRST CREDIT AND INVESTMENT BANK LTD.**



## *Vision*

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

## *Mission Statement*

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





## **C O N T E N T S**

Board Of Directors .....	01
Company Information.....	02
Directors' Review Report to the Members.....	03
Independent Auditor's Review Report to the Members .....	06
Condensed Interim Statement of Financial Position .....	07
Condensed Interim Statement of Profit or Loss Account.....	08
Condensed Interim Statement of Comprehensive Income .....	09
Condensed Interim Statement of Changes In Equity.....	10
Condensed Interim Statement of Cash Flows .....	11
Notes To The Condensed Interim Financial Statements .....	12



**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

**HALF YEARLY REPORT DECEMBER 2021**



## **FIRST CREDIT AND INVESTMENT BANK LIMITED**

### **COMPANY INFORMATION**

#### **AUDIT COMMITTEE:**

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

#### **HR AND REMUNERATION COMMITTEE:**

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

#### **RISK MANAGEMENT COMMITTEE:**

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

#### **COMPANY SECRETARY:**

Mr. Muhammad Amin Khatri

#### **AUDITORS:**

Crowe Hussain Chaudhry & Co.  
Chartered Accountants

#### **LEGAL ADVISOR:**

Ahmed & Qazi

#### **BANKERS:**

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

#### **SHARE REGISTRAR:**

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

#### **HEAD OFFICE / REGISTERED OFFICE:**

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

**HALF YEARLY REPORT DECEMBER 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**, 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

**HALF YEARLY REPORT DECEMBER 2021**



## ڈائریکٹرز جائزہ

ہم فرسٹ کریڈیٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے پہلی ششماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ بمعہ آڈیٹرز جائزہ رپورٹ برطابق ۳۱ دسمبر ۲۰۲۱ پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

۳۱ دسمبر ۲۰۲۱ کو ختم ہونے والی پہلی ششماہی میں کمپنی کی کل آمدنیکم ہو کر ۵۷.۶۶ ملین روپے رہی جو کہ پچھلے سال ۳۱ دسمبر ۲۰۲۰ کو ختم ہونے والی اسی مدت میں ۸۲.۴۹ ملین روپے تھی۔ کمپنی نے سال کے پہلے چھ ماہ کے اختتام پر ۲.۵۵ ملین روپے آپریٹنگ منافع حاصل کیا جو پچھلے سال اسی عرصہ میں ۱۶.۵۳ ملین روپے آپریٹنگ منافع تھا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں نقصان کے خدشات کو ملحوظ خاطر لاتے ہوئے رقم مختص کی گئی تھی ان اکاؤنٹ میں بہتری کی وجہ سے وہ رقم واپس شامل کر لی گئی ہے جس کی وجہ سے کمپنی نے سال ۲۰۲۱-۲۰۲۲ کی موجودہ پہلی ششماہی میں قبل از ٹیکس منافع ۱۱.۸۷ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۱۹.۱۶ ملین روپے قبل از ٹیکس منافع ظاہر کیا گیا تھا اسی طرح رواں مالی سال کی پہلی ششماہی کے اختتام پر بعد از ٹیکس منافع ۸.۸۲ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۱۲.۱۲ ملین روپے تھے۔ اسکے نتیجے میں شیر ہولڈرز ایکویٹی سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۳۷.۵۶ ملین روپے ہو گئی جبکہ ۳۰ جون ۲۰۲۱ کو شیر ہولڈرز ایکویٹی ۴۹.۹۵ ملین روپے تھی۔ ۳۱ دسمبر ۲۰۲۱ کو کمپنی کے کل اثاثہ جات کم ہو کر ۲۰۳.۰۳ ملین روپے ہو گئے جو کہ ۳۰ جون ۲۰۲۱ کو ۲۲۰.۰۴ ملین روپے تھے۔ مذکورہ کل اثاثہ جات میں کمی کی بنیاد ریٹری آپریشن میں کمی ہے۔

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کی رپورٹ بتاریخ ۳۱ دسمبر ۲۰۲۱ کے مطابق کمپنی نے درمیانے سے طویل مدتی ریٹنگ کو 'A' اپ گریڈ کر کے 'A' (سنگل A منفی) سے (سنگل A) کر دیا ہے 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 اپنے اثاثوں کے معیار کو بہتر کرنے، اور، موجودہ عملہ اور اہم پیشہ ورانہ عملہ کی خدمات حاصل کر کے ان کو ریٹنگ کے ذریعہ اپنے انفراسٹرکچر میں بہتری لانے، مختلف النوع پروڈکٹس کو بروئے کار لانے کی مناسب کوشش کر رہی ہے، اور نئے مواقع اور نئے چیلنجز کا سامنے کرنے کے لئے اپنی پالیسیاں اور طریقہ کار کو اپ ڈیٹ کر رہی ہیں۔





## FIRST CREDIT AND INVESTMENT BANK LIMITED

اظہار تشکر:

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

محمد حسن علی  
پریذیڈنٹ ڈی ای او

محمد نعیم الدین  
ڈائریکٹر

کراچی۔ ۲۵ فروری ۲۰۲۲



## 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 (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

#### Scope of Review

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

#### Conclusion

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

*Crowe Hussain Chaudhury & Co.*

**Crowe Hussain Chaudhury & Co.**  
Karachi  
Date: February 25, 2022



## FIRST CREDIT AND INVESTMENT BANK LIMITED

### CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		December 31, 2021	June 30, 2021
	Note	..... Rupees (Un-audited)	..... (Audited)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
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
		<b>670,218,346</b>	<b>725,852,747</b>
<b>Current Assets</b>			
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
		<b>532,808,151</b>	<b>1,546,185,603</b>
		<b>1,203,026,497</b>	<b>2,272,038,350</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
<b>Authorized share capital</b>			
75,000,000 (June 30, 2021: 75,000,000)			
shares of Rs. 10 each		<b>750,000,000</b>	<b>750,000,000</b>
Issued, subscribed and paid-up share capital			
65,000,000 (June 30, 2021: 65,000,000)			
shares of Rs. 10 each		<b>650,000,000</b>	<b>650,000,000</b>
<b>Accumulated profit</b>			
Deficit on remeasurements of investment-net	12	120,626,799	114,707,652
Total shareholders' equity		<b>(33,067,166)</b>	<b>(14,756,757)</b>
		<b>737,559,633</b>	<b>749,950,895</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
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
		<b>11,356,979</b>	<b>15,319,902</b>
<b>Current liabilities</b>			
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
		<b>454,109,885</b>	<b>1,506,767,553</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15	-	-
		<b>1,203,026,497</b>	<b>2,272,038,350</b>

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		For the three months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- Rupees -----				
<b>INCOME</b>				
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
	<b>57,663,465</b>	<b>82,494,380</b>	<b>27,195,428</b>	<b>42,911,039</b>
<b>LESS: EXPENDITURES</b>				
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
	<b>21,789,873</b>	<b>33,786,433</b>	<b>9,316,200</b>	<b>16,711,339</b>
Administrative and operating expenses	33,322,868	32,182,890	17,681,472	17,521,849
	<b>55,112,741</b>	<b>65,969,323</b>	<b>26,997,672</b>	<b>34,233,188</b>
<b>Operating income</b>	<b>2,550,724</b>	<b>16,525,057</b>	<b>197,756</b>	<b>8,677,851</b>
<b>(Provision) / Reversals</b>				
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	1,950,000
	<b>12,215,177</b>	<b>19,575,057</b>	<b>7,355,518</b>	<b>10,627,851</b>
Workers welfare fund	(348,575)	(412,081)	(259,508)	(230,439)
<b>PROFIT FOR THE PERIOD BEFORE TAXATION</b>	<b>11,866,602</b>	<b>19,162,976</b>	<b>7,096,010</b>	<b>10,397,412</b>
Taxation	16 (4,044,612)	(5,045,588)	(2,375,755)	(3,529,280)
<b>PROFIT FOR THE PERIOD AFTER TAXATION</b>	<b>7,821,990</b>	<b>14,117,388</b>	<b>4,720,255</b>	<b>6,868,132</b>
Earnings per share - basic and diluted	<b>0.12</b>	<b>0.22</b>	<b>0.07</b>	<b>0.11</b>

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		For the three months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees			
<b>PROFIT FOR THE PERIOD AFTER TAXATION</b>	<b>7,821,990</b>	<b>14,117,388</b>	<b>4,720,257</b>	<b>6,868,132</b>
Other comprehensive income				
<i>Items that may be reclassified to statement of profit or loss subsequently:</i>				
(Loss)/Gain on remeasurement of investment classified as 'fair value through other comprehensive income'	(18,310,409)	(15,946,528)	(11,303,255)	(4,791,299)
<i>Items that will not be reclassified to statement of profit or loss subsequently:</i>				
Remeasurement of defined benefit obligations	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(10,488,419)</b>	<b>(1,829,140)</b>	<b>(6,582,998)</b>	<b>2,076,833</b>

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 Accumulated (loss)/profit	Total	Deficit on remeasurement of investment classified as fair value through other comprehensive income	Total share- holders' equity
	Rupees				
Balance as at July 01, 2020 as previously reported	650,000,000	95,027,077	95,027,077	(6,236,650)	738,790,427
<b>Transactions with other than owners of equity:</b>					
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
<b>Balance as at July 01, 2021</b>	<b>650,000,000</b>	<b>114,707,652</b>	<b>114,707,652</b>	<b>(14,756,757)</b>	<b>749,950,895</b>
<b>Transactions with other than owners of equity:</b>					
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)
<b>Balance as at December 31, 2021</b>	<b>650,000,000</b>	<b>120,626,799</b>	<b>120,626,799</b>	<b>(33,067,166)</b>	<b>737,559,633</b>

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**



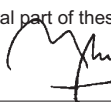
## FIRST CREDIT AND INVESTMENT BANK LIMITED

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

	December 31, 2021	December 31, 2020
Note	..... Rupees .....	
<b>Cash flows from operating activities</b>		
Profit for the period before taxation	11,866,602	19,162,976
<b>Adjustments for non-cash and other items:</b>		
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	-	-
	<b>14,681,127</b>	<b>34,327,730</b>
Operating cash flows before working capital changes	<b>26,547,729</b>	<b>53,490,706</b>
<b>(Increase) / decrease in current assets</b>		
Prepayments and other receivables	931,467	47,067
Mark-up/interest accrued	2,064,796	14,122,918
	<b>2,996,263</b>	<b>14,169,985</b>
<b>Increase / (decrease) in current liabilities</b>		
Accrued expenses and other payables	(997,700,516)	942,353,032
Security deposit against finance lease	-	-
	<b>(997,700,516)</b>	<b>942,353,032</b>
<b>Cash generated from operations</b>	<b>(968,156,524)</b>	<b>1,010,013,723</b>
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)
	<b>(27,986,798)</b>	<b>(48,187,509)</b>
<b>Cash generated/ (used in) from operating activities</b>	<b>(996,143,322)</b>	<b>961,826,214</b>
<b>Cash flows from investing activities</b>		
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
<b>Net cash (used in) / generated from investing activities</b>	<b>1,062,806,966</b>	<b>(914,765,105)</b>
Cash flows from financing activities		
Long-term loan repaid	(31,250,000)	-
Cash dividend paid	-	(2,375)
<b>Net cash used in financing activities</b>	<b>(31,250,000)</b>	<b>(2,375)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>35,413,644</b>	<b>47,058,734</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(261,040,641)</b>	<b>(664,632,471)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(225,626,997)</b>	<b>(617,573,737)</b>

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 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, 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.

**HALF YEARLY REPORT DECEMBER 2021**





## 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 Un-audited ..... Rupees .....	June 30, 2021 Audited
<b>6 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	6.1	7,043,662	8,302,899
Right of use assets		6,853,986	9,127,049
		<u>13,897,648</u>	<u>17,429,948</u>

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
	<u>322,800</u>	<u>-</u>	<u>789,586</u>	<u>1,957,727</u>

	Note	December 31, 2021 Un-audited ..... Rupees .....	June 30, 2021 Audited
<b>7 LONG-TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
Term Finance Certificates/Sukuk - listed		32,415,276	32,415,276
Term Finance Certificates/Sukuk - unlisted		185,840,167	190,185,167
		<u>218,255,443</u>	<u>222,600,443</u>
Less: Provision against investments	7.1	(174,482,943)	(183,735,705)
		<u>43,772,500</u>	<u>38,864,738</u>
<b>At fair value through other comprehensive income</b>			
Pakistan Investment Bonds PIBs		331,211,400	353,127,200
Investment in shares - quoted		822,637	1,480,315
Term finance certificate -listed	7.1	17,126,302	17,377,147
		<u>349,160,339</u>	<u>371,984,662</u>
Less: Provision against investments		(17,126,302)	(17,377,147)
		<u>332,034,037</u>	<u>354,607,515</u>
Total long-term investments		<u>375,806,537</u>	<u>393,472,253</u>
Less: Current portion of long-term investments		(32,415,278)	(27,507,514)
		<u>343,391,259</u>	<u>365,964,739</u>
<b>7.1 Provision against investments</b>			
Opening balance		201,112,852	213,537,199
Provision/(Reversed) during the period/year		(9,503,607)	(12,424,347)
Closing balance		<u>191,609,245</u>	<u>201,112,852</u>

HALF YEARLY REPORT DECEMBER 2021



## FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	December 31, 2021 Un-audited ..... Rupees .....	June 30, 2021 Audited
<b>8 NET INVESTMENT IN FINANCE LEASE</b>			
Lease rental receivable		-	221,736
Residual value		418,600	418,600
<b>Gross investment in finance lease</b>		<b>418,600</b>	<b>640,336</b>
Less: Unearned finance lease income		(11,670)	(16,107)
		<b>406,930</b>	<b>624,229</b>
Less: Current maturity of net investment in finance lease		(406,930)	(624,229)
Net Investment in finance lease		-	-
<b>9 DEFERRED TAX ASSETS</b>			
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 ..... Rupees .....	June 30, 2021 Audited
<b>10 CURRENT PORTION OF NON-CURRENT ASSETS</b>			
<b>Investments</b>			
Current portion of term finance certificates - listed		32,415,278	27,507,514
<b>Loans and finances</b>			
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
<b>Net investment in lease finance</b>			
Current maturity of net investment in finance lease		406,930	624,229
		<b>163,593,155</b>	<b>194,215,555</b>
<b>11 SHORT-TERM INVESTMENTS</b>			
<b>At fair value through other comprehensive income</b>			
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
<b>At fair value through profit or loss</b>			
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
		<b>149,818,537</b>	<b>1,149,472,390</b>

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
<b>12 DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET</b>			
<b>At fair value through other comprehensive income</b>			
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)		<u>6,432,592</u>	<u>1,032,132</u>
		<u>(33,067,166)</u>	<u>(14,756,757)</u>
<b>13 SHORT TERM RUNNING FINANCE FACILITY</b>			
MCB Bank Limited			
National Bank of Pakistan - an associated undertaking	13.1	<u>49,999,933</u>	<u>49,992,033</u>
<b>13.1</b> 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
<b>14 Markup / Interest accrued</b>			
<b>Secured</b>			
Loans and borrowings including running finances		3,463,474	3,035,051
Lease liability		-	863,100
<b>Unsecured</b>			
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>
<b>15 CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
There are no contingencies as at period end (June 30, 2021: Nil)			
<b>Commitments</b>			
Standby letter of credit	15.1	<u>NIL</u>	<u>37,593,732</u>



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

### 16 TAXATION

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

### 17 EARNINGS PER SHARE (EPS)

#### 17.1 Basic EPS

Earnings for the period	7,821,990	14,117,388
Weighted average number of shares outstanding	65,000,000	65,000,000
Earnings per share - basic	<u>0.12</u>	<u>0.22</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,                  June 30,  
2021                                  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>(225,626,997)</u>	<u>(261,040,641)</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.

HALF YEARLY REPORT DECEMBER 2021



## 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-----	
<b>Associated undertakings</b>	<b>Transactions for the six month period:</b>		
	<b>National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)</b>		
	Markup - paid on long term loan	<u>2,409,189</u>	<u>3,781,231</u>
	Markup - paid on short-term running finance	<u>1,834,408</u>	<u>2,074,697</u>
	Rent paid	<u>2,703,998</u>	<u>2,478,178</u>
	<b>NBP Fund Management Limited (NBP hold 54% shares of NBP Fund Management Shares)</b>		
	Fees & Commission Expense	<u>240,266</u>	<u>204,330</u>
	<b>Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)</b>		
	Brokerage Expenses	<u>20,145</u>	<u>25,112</u>
<b>Key management personnel</b>	Salaries, benefits and allowances	<u>10,347,611</u>	<u>10,399,152</u>
	Retirement benefits	<u>717,784</u>	<u>775,772</u>
<b>Staff Retirement Plans</b>	Contributions made to staff retirement fund	<u>656,092</u>	<u>588,267</u>
<b>Associate Undertakings</b>	<b>National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)</b>		
	Investment in shares at cost	<u>3,858,395</u>	<u>3,858,395</u>
	Long term loan	<u>46,875,000</u>	<u>93,750,000</u>
	Running finance facility	<u>49,999,933</u>	<u>49,992,033</u>
	<b>NAFA Stock Fund</b>	<u>24,827,296</u>	<u>24,568,196</u>
	NBP Income Opportunity Fund (NBP hold 54% shares of NBP Fund Management Management Company of the Fund)	<u>20,000,000</u>	<u>20,000,000</u>
<b>Key management personnel</b>	Balances as at period-end/year - end	<u>4,219,551</u>	<u>4,818,662</u>

HALF YEARLY REPORT DECEMBER 2021



## 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

**HALF YEARLY REPORT DECEMBER 2021**