

Quarterly Report
September 30,
2017



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

Major Joint Venture Partners:





Vision

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

Mission Statement

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



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FIRST CREDIT AND INVESTMENT BANK LIMITED

BOARD OF DIRECTORS



Mr. Rehmat Ali Hasnie
Chairman



Mr. Muhammad Mohsin Ali
President & CEO



Mr. Anwar-ul-Haq
Director



Mr. Asad Ullah Saleem
Director



Mr. Naveed Asghar Chaudhry
Director



Mr. Muhammad Naeemuddin
Director



Mr. Muhammad Iqbal Hussain
Director



Mr. Muhammad Ameen
Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

COMPANY INFORMATION

AUDIT COMMITTEE:

Mr. Muhammad Naeemuddin Chairman
Mr. Anwar-ul-Haq
Mr. Muhammad Ameen

HR AND REMUNERATION COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

COMPANY SECRETARY:

Mr. Muhammad Amin Khatri

AUDITORS:

Grant Thornton Anjum Rahman
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

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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 un-audited financial statements of **First Credit and Investment Bank Limited** for the first quarter ended September 30, 2017.

Operating Results

Total income for the quarter ended September 30, 2017 increased to Rs. 26.76 million as compared to Rs. 17.22 million for the quarter ended September 30, 2016. The Company reports operating profit of Rs. 6.24 million during the first quarter ended September 30, 2017 as compared to operating profit of Rs. 1.69 million for the corresponding period of last year showing an increase of Rs. 4.55 million. Further, after taking effect of reversals of already made provisions against non performing investments, the Company was able to report profit before tax of Rs. 6.55 million during the first quarter of FY 2017-18. The profit before tax for the quarter ended September 30, 2016 was Rs. 7.52 million. Similarly, the Company closed the current quarter registering the net profit after tax of Rs. 4.59 million as against profit after tax of Rs. 5.43 million for the corresponding quarter last year. As a result, shareholders equity increased by Rs. 4.59 million to Rs. 728.54 as at September 30, 2017 from Rs. 723.95 million as at June 30, 2017. Total balance sheet footing as at September 30, 2017 increased to Rs. 1,355.45 million from Rs. 1,155.31 million as at June 30, 2017.

Credit Rating

JCR-VIS Credit Rating Company Limited has maintained 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 vigilant for diversifying our business focusing on new avenues and increasing revenue streams, which hopefully will be forthcoming with improvement in economic and business conditions of the country. Your Company would endeavor to restore reasonable quality of its assets, improve its infrastructure, build capacity through training of existing personnel and engaging professionals, diversify products and services and 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 especially 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:
October 28, 2017



ڈائریکٹرز جائزہ

فرسٹ کریڈٹ 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 30 ستمبر 2017ء پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

30 ستمبر 2017 کو ختم ہونے والی پہلی سہ ماہی میں کمپنی کی کل آمدنی بڑھ کر 26.76 ملین روپے ہو گئی جو کہ پچھلے سال 30 ستمبر 2016 کو ختم ہونے والی اسی مدت میں 17.22 ملین روپے تھی۔ رواں سہ ماہی کے اختتام پر کمپنی نے 6.24 ملین روپے کا آپریٹنگ منافع حاصل کیا جو پچھلے سال اسی عرصہ میں 1.69 ملین روپے تھا اس طرح 4.55 ملین روپے اضافہ ریکارڈ کیا گیا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں بہتری کی وجہ سے نقصان کے خدشات جو پچھلے سالوں میں متعین کئے گئے تھے وہ اس سال واپس ہو گئے جس کی وجہ سے کمپنی نے سال 2017-18 کی پہلی سہ ماہی کے دوران 6.55 ملین روپے قبل از ٹیکس منافع ظاہر کیا جبکہ پچھلے سال اسی مدت میں 7.52 ملین روپے قبل از ٹیکس منافع ظاہر کیا گیا تھا اسی طرح رواں سہ ماہی کے اختتام پر بعد از ٹیکس منافع 4.59 ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال کی پہلی سہ ماہی میں بعد از ٹیکس منافع 5.43 ملین روپے تھا اسکے نتیجے میں شیرز ہولڈرز ایکویٹی 4.59 ملین روپے اضافہ کے بعد 30 ستمبر 2017 کو 728.54 ملین روپے ہو گئی جبکہ 30 جون 2017 کو شیرز ہولڈرز ایکویٹی 723.95 ملین روپے تھی۔ 30 ستمبر 2017 کے مالیاتی گوشوارہ کے مطابق کمپنی کے کل اثاثہ جات 1,355.45 ملین روپے ہیں جو کہ 30 جون 2017 کو 1,155.31 ملین روپے تھے۔

کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کمپنی نے درمیانے سے طویل مدتی اینٹیٹی 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:

ہم نئے پراڈکٹس اور آمدنی کے ذرائع بڑھانے پر توجہ مرکوز کرتے ہوئے کاروبار میں تنوع پیدا کرنے کے لئے مستعد ہیں جس کا انحصار ملکی اقتصادی اور کاروباری حالات کے بہتر ہونے پر ہے۔ آپ کی کمپنی اپنے اثاثوں کے معیار کو بحال کرنے، اور موجودہ عملدوار ہم پیشہ ورانہ عمل 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۔

اظہار تشکر:

ڈائریکٹرز اپنے اسٹیک ہولڈرز، قابل قدر صارفین اور مالیاتی اداروں کا ان کے مسلسل اعتماد اور سرپرستی کے لئے تشکر کا اظہار کرتے ہیں۔ ریگولیٹری اداروں خاص طور پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی مسلسل رہنمائی اور سپورٹ کے بھی شکریہ ادا ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کا اعتراف بھی کرتے ہیں۔

محمد محسن علی

پریذیڈنٹ وی ای او

محمد نعیم الدین

ڈائریکٹر

کراچی۔ 28 اکتوبر 2017ء




FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2017

	Note	September 30, 2017 Rupees (Un-audited)	June 30, 2017 (Audited)
ASSETS			
Non-Current Assets			
Property and equipment	6	5,151,626	2,696,763
Intangible assets		32,988	45,345
Long-term investments	7	68,409,846	70,946,154
Long-term loans and finances		121,144,663	122,508,535
Net investment in finance lease	8	1,048,316	1,150,017
Long-term deposits		57,500	57,500
Deferred tax asset	9	75,160,160	75,289,761
Total non-current assets		271,005,099	272,694,075
Current assets			
Current portion of non-current assets	10	72,304,587	70,648,188
Short-term Investments	11	63,496,282	60,210,585
Short-term placements	12	604,000,000	464,000,000
Mark-up/interest accrued		74,272,417	59,793,143
Prepayments and other receivables		1,775,121	1,194,377
Taxation - net		6,407,697	7,461,830
Cash and bank balances		262,186,818	219,306,001
Total current assets		1,084,442,921	882,614,124
Total Assets		1,355,448,020	1,155,308,199
EQUITY & LIABILITIES			
Shareholders' equity			
Authorized share capital			
75,000,000(June 30, 2017 :75,000,000) share of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up share capital			
65,000,000(June 30, 2017:65,000,000) share of Rs.10/- each		650,000,000	650,000,000
Statutory Reserve		133,663,660	132,744,837
Accumulated loss		(55,121,770)	(58,797,060)
Total Shareholders' equity		728,541,890	723,947,777
Deficit on remeasurement of investments -net	13	(9,319,058)	(8,020,695)
Non-Current Liabilities			
Deferred Liability - Staff gratuity		1,896,642	5,807,435
Long-term loan		171,875,000	187,500,000
Security deposit against finance lease		333,400	333,400
		174,105,042	193,640,835
Current Liabilities			
Short -term running finance facility	14	386,317,614	165,601,569
Current portion of long-term loan		62,500,000	62,500,000
Mark-up/ interest accrued	15	8,662,640	8,282,205
Accrued and other payables		4,639,892	9,356,508
Total current liabilities		462,120,146	245,740,282
Total liabilities		636,225,188	439,381,117
Contingencies and commitments	16	-	-
Total equity and liabilities		1,355,448,020	1,155,308,199

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


MUHAMMAD AMIN KHATRI
 Chief Financial Officer


MUHAMMAD MOHSIN ALI
 President & CEO


MUHAMMAD NAEEMUDDIN
 Director

QUARTERLY REPORT SEPTEMBER 2017

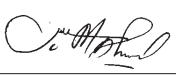


FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	September 30, 2017 (Un-audited)	September 30, 2016 (Un-audited)
Note	Rupees	Rupees
Income from term finances and fund placements	22,709,209	14,530,674
Income from investments	2,280,451	2,535,244
Fees and commission	50,195	106,267
Other income	1,717,014	46,707
	26,756,869	17,218,892
Finance cost		
Mark-up on bank loans	4,326,892	3,403,876
Mark-up on repo borrowings	-	1,530,722
Marku-up on short term running finance	6,969,609	-
Others	33,343	12,498
	11,329,844	4,947,096
Administrative and operating expenses	9,186,740	10,585,653
	20,516,584	15,532,749
Operating Profit before taxation and provisions	6,240,285	1,686,144
Reversal for non-performing investments	450,000	4,859,038
Unrealized gain on remeasurement of investment classified as held-for-trading	-	1,131,197
Profit before taxation and workers' welfare fund	6,690,285	7,676,379
Workers' welfare fund	(137,346)	(153,742)
Profit before taxation	6,552,939	7,522,637
Taxation	17 (1,958,826)	(2,089,457)
Profit for the period	4,594,113	5,433,180
Earnings per share -basic and diluted	18 0.07	0.08

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


MUHAMMAD AMIN KHATRI
 Chief Financial Officer


MUHAMMAD MOHSIN ALI
 President & CEO


MUHAMMAD NAEEMUDDIN
 Director

QUARTERLY REPORT SEPTEMBER 2017



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	September 30, 2017 (Un-audited) Rupees	September 30, 2016
Profit for the period	4,594,113	5,433,180
Other comprehensive income		
Components of comprehensive income not reflected in equity:		
Items that may be reclassified to profit and loss account subsequently - net of tax :		
Unrealized gain / (loss) on re-measurement of available-for-sale investment	(1,298,363)	5,941,472
Comprehensive income for the period transferred to equity		
Items that will not be subsequently reclassified to profit and loss account- net of tax:		
Remeasurement of net defined benefit liability	-	-
Total comprehensive income for the period	<u>3,295,750</u>	<u>11,374,652</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

MUHAMMAD AMIN KHATRI
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2017





FIRST CREDIT AND INVESTMENT BANK LIMITED


CONDENSED INTERIM CASH FLOW STATEMENT FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	September 30, 2017 (Un-audited)	September 30, 2016
Note Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,552,939	7,522,637
Adjustments for:		
Depreciation	367,934	450,753
Amortization	12,357	28,737
Gain on disposal of property and equipment	(230,396)	-
Gratuity expenses	(3,910,793)	283,315
Dividend Income	(182,808)	(118,308)
Finance Cost	11,329,844	4,947,096
Reversal for non-performing investments	(450,000)	(4,859,038)
Unrealised (gain)/loss on held-for-trading investments	-	(1,131,197)
	<u>6,936,138</u>	<u>(398,642)</u>
Operating cash flows before working capital changes	13,489,077	7,123,995
(Increase) / decrease in current assets		
Short-term investments	(3,285,697)	73,011,699
Prepayments and other receivables	(580,744)	(7,391,092)
Mark-up/interest accrued	(14,479,274)	(576,198)
	<u>(18,345,715)</u>	<u>65,044,409</u>
Increase / (decrease) in current liabilities		
Mark-up paid	(10,949,409)	(4,395,582)
Accrued expenses and other liabilities	(4,716,616)	(3,765,699)
Cash (used in)/generated from operations	(20,522,663)	64,007,123
Income tax paid	(775,092)	(1,043,886)
Dividend income received	182,808	118,308
	<u>(592,284)</u>	<u>(925,578)</u>
Net cash (used in)/generated from operating activities	(21,114,946)	63,081,546
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment - net	(2,592,404)	-
Long-term investments-net	1,687,948	(16,293,123)
Long-term finances -net	(190,826)	4,682,921
Net cash (used in) investing activities	(1,095,282)	(11,610,202)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / receipt of long term loans	(15,625,000)	20,000,000
Net cash (used in) / generated from financing activities	(15,625,000)	20,000,000
Net (decrease) / increase in cash and cash equivalents	(37,835,228)	71,471,344
Cash and cash equivalents at the beginning of the period	517,704,432	466,275,509
Cash and cash equivalents at the end of the period	479,869,204	537,746,853

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


MUHAMMAD AMIN KHATRI
Chief Financial Officer


MUHAMMAD MOHSIN ALI
President & CEO


MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2017



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Issued, subscribed and paid-up share capital	Reserve		Total	Total shareholder's equity
		Capital	Revenue		
		Statutory Reserve	Accumulated loss		
(Un-audited)					
..... (Rupees)					
Balance as at July 01, 2016	650,000,000	131,318,417	(64,362,577)	66,955,840	716,955,840
Net profit for the quarter	-	-	5,433,180	5,433,180	5,433,180
Other comprehensive income	-	-	-	-	-
	-	-	5,433,180	5,433,180	5,433,180
Transfer to statutory reserve	-	1,086,636	(1,086,636)	-	-
Transaction with owners recognised directly in equity	-	-	-	-	-
Balance as at September 30, 2016	650,000,000	132,405,053	(60,016,033)	72,389,020	722,389,020
Balance as at July 01, 2017	650,000,000	132,744,837	(58,797,060)	73,947,777	723,947,777
Net profit for the quarter	-	-	4,594,113	4,594,113	4,594,113
Other comprehensive income	-	-	-	-	-
	-	-	4,594,113	4,594,113	4,594,113
Transfer to statutory reserve	-	918,823	(918,823)	-	-
Transaction with owners recognised directly in equity	-	-	-	-	-
Balance as at September 30, 2017	650,000,000	133,663,660	(55,121,770)	78,541,890	728,541,890

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

MUHAMMAD AMIN KHATRI
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

QUARTERLY REPORT SEPTEMBER 2017



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

1 STATUS AND NATURE OF BUSINESS

- 1.1 First Credit and Investment Bank Limited ("the Investment Bank") was incorporated in Pakistan on August 31, 1989 as a private company with its liability limited by shares under the name of 'First Credit and Discount Corporation (Private) Limited', converted in to a public company. Subsequently, the name of the Investment Bank was changed to First Credit and Investment Bank Limited. During the year ended June 30, 2009, the Investment Bank was listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) limited by way of issue of shares to general public. The registered office of the Investment Bank is situated at 2nd floor, Sidco Avenue Centre, Stratchen Road, R.A. Lines, Karachi, Pakistan. The Investment Bank is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP) which each holds 30.77% holding in the Investment Bank.
- 1.2 The Investment Bank is licensed to undertake business of investment finance services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") issued by the Securities and Exchange Commission of Pakistan (SECP).
- The JCR-VIS has assigned the investment bank a credit rating of 'A-' long & medium term and 'A-2' short term on December 30, 2016. The outlook of the rating is stable.
- 1.3 SECP vide SRO # 1160/(1)/2015 dated November 25, 2015 has made certain amendments in NBFCs & Notified Entities Regulations 2008 which inter alia also specify the minimum equity requirement for the companies undertaking business of deposit taking investment finance companies as Rs.750 million and the Investment Bank is in non compliance of the said equity requirement. The Investment Bank has opted to act as deposit taking investment bank. SECP has granted extension in meeting minimum equity requirement of Rs. 750 million till December 31, 2017. However FCIBL can only raise Institutional deposit from its Sponsor i.e. WAPDA and NBP till the time it meets the Minimum Equity Requirement

2 STATEMENT OF COMPLIANCE

The Companies Ordinance 1984 has been repealed with the promulgation of the Companies Act 2017. However as clarified by the Securities and Exchange Commission of Pakistan vide its Circular no. 23 / 2017 dated October 04, 2017 these condensed interim financial information of the Investment Bank for the three months period ended September 30, 2017 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 Ordinance, 1984, the NBFC Rules, 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 Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

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, 2017.

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, 2017.

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FIRST CREDIT AND INVESTMENT BANK LIMITED

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, 2017.

5 ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing this condensed interim financial information, 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, 2017.

6 FIXED ASSETS

Additions and disposals during the period & year ended are as under:

	For the three months periods ended September 30, 2017		For the year ended June 30, 2017	
	Unaudited		Audited	
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
	----- Rupees-----			
-Computers	-	-	266,220	-
-Air Conditioners	-	-	114,940	-
-Vehicles	2,822,800	2,564,180	720,700	2,096,050
	<u>2,822,800</u>	<u>2,564,180</u>	<u>1,101,860</u>	<u>2,096,050</u>
Note			September 30, 2017 Un-audited	June 30, 2017 Audited
		 Rupees

7 LONG-TERM INVESTMENTS

Held-to-maturity

-Term finance certificates/sukuk - listed		64,924,464	67,424,464
-Term finance certificates/sukuk - unlisted		241,870,167	242,320,167
		306,794,631	309,744,631
Less: Provision against investments	7.1	(195,512,943)	(195,962,943)
		<u>111,281,688</u>	<u>113,781,688</u>

Available-for-sale

- Quoted Shares		2,137,346	2,173,654
- Term finance certificates- Listed		19,729,227	19,729,227
Less :Provision against investments	7.1	(19,729,227)	(19,729,227)
		-	-
Less: Current Portion of TFCs		(45,009,188)	(45,009,188)
		<u>68,409,846</u>	<u>70,946,154</u>

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	Note	September 30, 2017 Un-audited Rupees	June 30, 2017 Audited
7.1 Provision against Investments			
Opening balance		215,692,170	221,001,208
Charged during the period/year		-	1,700,962
(Reversal) during the period/year		(450,000)	(7,010,000)
		(450,000)	(5,309,038)
Balance at the end of period/year		<u>215,242,170</u>	<u>215,692,170</u>
8 Long Term finance lease -net			
Lease rental receivable		1,273,920	1,401,312
Add: residual value of lease assets		333,400	333,400
Gross investment in finance lease		<u>1,607,320</u>	<u>1,734,712</u>
Less: Unearned finance lease Income		(135,309)	(162,754)
Net investment in finance lease		<u>1,472,011</u>	<u>1,571,958</u>
Less: Current maturity of investment in finance lease		(423,695)	(421,941)
		<u>1,048,316</u>	<u>1,150,017</u>
9 DEFERRED TAX ASSET			
<p>The management of the company 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 and recoveries are most sensitive to certain key assumption. A significant change in the key assumption and estimate may have an effect on the recovery of deferred tax asset. The management believes that the company will be able to achieve the recovery and profit projected in the financial projection and consequently the deferred tax asset accounted for in the financial statement will be fully realized in the future.</p>			
10 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments		45,009,188	45,009,188
Loans and finances		26,871,704	25,217,059
Net investment in lease finance		423,695	421,941
		<u>72,304,587</u>	<u>70,648,188</u>
11 SHORT-TERM INVESTMENTS			
Available for sale			
-Dewan Cement Ltd.- Pre IPO term finance certificates	11.1	50,000,000	50,000,000
Less: Provision	11.1	(6,930,383)	(6,930,383)
		43,069,617	43,069,617
-Quoted Shares		20,426,665	17,140,968
		<u>63,496,282</u>	<u>60,210,585</u>
<p>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.</p>			



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	Note	September 30, 2017 Un-audited Rupees	June 30, 2017 Audited
12 SHORT-TERM PLACEMENTS- CONSIDERED GOOD			
Term deposit receipts (TDR)	12.1	<u>604,000,000</u> <u>604,000,000</u>	<u>464,000,000</u> <u>464,000,000</u>
12.1 This represent placement with financial Institutions under term deposits carrying markup rate of 8.5% to 10.5% per annum (June 30, 2017: 7.2% to 10.75% per annum)			
13 DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET			
Available-for-sale			
Quoted Shares short-term		(5,599,302)	(4,337,247)
Quoted Shares long-term		<u>(3,719,756)</u> <u>(9,319,058)</u>	<u>(3,683,448)</u> <u>(8,020,695)</u>
14 SHORT-TERM RUNNING FINANCE FACILITY			
MCB Bank Ltd		288,004,301	97,899,065
Allied Bank Ltd		<u>98,313,313</u>	<u>67,702,504</u>
	14.1	<u>386,317,614</u>	<u>165,601,569</u>
14.1 This represents short term running finance obtained against TDR carrying markup rate of 3 months KIBOR plus from 0.75% to 0.85% (June 30, 2017: 3 months KIBOR plus 0.85%) per annum.			
15 MARK-UP/INTEREST ACCRUED			
Mark-up accrued on:			
Secured			
- Loans and borrowings including running finance facility	15.1	7,102,503	6,704,533
Unsecured			
- Certificates of deposits		1,560,137	1,560,137
others		<u>-</u>	<u>17,535</u>
		<u>8,662,640</u>	<u>8,282,205</u>
15.1 This amount includes mark-up due to National Bank of Pakistan, an associated undertaking.			
16 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no material contingencies as at the reporting date (June 30, 2017: Nil)			
Commitments			
-Standby letter of credit	16.1	<u>29,090,600</u>	<u>29,009,603</u>
16.1 This represents the company's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited. Under the said agreement, the company irrevocably agrees and undertakes with Allied Bank Limited to take undivided share of 2.5% in standby letter of credit up to November 17, 2017.			
		Three months ended September 30, 2017 Un-audited Rupees	Three months ended September 30, 2016 Un-audited
17 TAXATION			
-Current		1,829,226	539,000
-Deferred		<u>129,600</u>	<u>1,550,457</u>
		<u>1,958,826</u>	<u>2,089,457</u>

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	Three months ended September 30, 2017 Un-audited Rupees	Three months ended September 30, 2016 Un-audited Rupees
18 EARNING PER SHARE- BASIC AND DILUTED		
Profit after taxation for the period	<u>4,594,113</u>	<u>5,433,180</u>
Weighted average number of shares outstanding during the period	<u>65,000,000</u>	<u>65,000,000</u>
Earnings per share - basic and diluted	<u>0.07</u>	<u>0.08</u>
19 CASH AND CASH EQUIVALENT		
Cash and bank balances	262,186,818	57,746,853
Short-term placements	604,000,000	580,000,000
Short-term borrowings	-	(100,000,000)
Short-term running finance facility	(386,317,614)	-
	<u>479,869,204</u>	<u>537,746,853</u>

20 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, key management personnel and retirement benefit schemes. The Investment Bank in the normal course of business carries out transactions with various related parties. Transactions with related parties are as follows:

Nature of relationship with related party	Nature of transactions and balances	For the three months period ended and as at September 30, 2017 Rupees	For the three months period September 30, 2016 and as at June 30, 2017 Rupees
Associated undertakings	Transactions for the three-months period:		
	National Bank of Pakistan		
	Mark-up paid on long-term loan	4,326,892	3,403,876
	Mark-up paid on short-term running finance	391,233	-
	Mark-up paid on Repo Borrowing	-	608,219
	Rent Paid	929,994	798,322
	Capital gain on listed shares	-	10,778
	Balances at period-end/year-end		
	National Bank of Pakistan:		
	Investment in shares at cost	3,858,395	2,636,846
	Long term loan	234,375,000	250,000,000



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Nature of relationship with related party	Nature of transactions and balances	For the three months period ended and as at September 30, 2017 Rupees	For the three months period September 30, 2016 and as at June 30, 2017 Rupees
Key management personnel	Transactions for the three-months period:		
	Salaries, benefits and other allowances	2,258,169	3,489,597
	Retirement benefits	169,455	308,461
	Return on long-term loans	11,908	18,826
	Balances at period-end/year-end	2,902,140	3,569,654
Staff Retirement Plans	Transactions for the three months period:		
	Contributions to staff retirement plans	89,847	138,495

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on October 28, 2017 by the Board of Directors of the Investment Bank.

22 CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balance of annual audited financial statements of preceding financial year. Whereas, the condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of statement of changes in equity and condensed interim cash flow statement has been compared with the balances of comparable period of immediately preceeding financial year.

MUHAMMAD AMIN KHATRI
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

MUHAMMAD NAEEMUDDIN
Director

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