



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT -(UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

Note	For the		For the	
	nine months period ended March 31, 2014	March 31, 2013	third quarter ended March 31, 2014	March 31, 2013
	----- Rupees -----			
Income				
Income from finances and fund placements	11,627,876	2,770,545	4,711,796	1,617,152
Income from investments	29,319,698	62,021,245	9,807,580	16,744,928
Capital gains on disposal of securities	2,382,039	2,039,886	490,001	383,460
Dividend income	940,307	1,342,943	223,750	696,882
Fees and commission	413,006	391,100	99,619	101,547
Other income	344,662	316,784	79,371	96,940
	45,027,588	68,882,503	15,412,117	19,640,909
EXPENDITURE				
Finance costs				
Mark-up on bank loan	8,156,956	14,199,289	2,456,066	3,741,010
Mark-up on other short term borrowings	-	11,895,426	-	2,697,229
Mark-up on short term running finance	141,635	314,184	-	236,353
Mark-up on certificates of deposit	1,747,347	4,191,464	179,772	1,437,390
Others	31,505	41,941	17,716	22,064
	10,077,443	30,642,304	2,653,554	8,134,046
Administrative and operating expenses	30,684,757	37,281,265	10,656,243	13,067,795
	40,762,200	67,923,569	13,309,797	21,201,841
Operating profit/(loss)	4,265,388	958,934	2,102,320	(1,560,932)
(Provision)/reversal for markup/income accrued	-	568,129	-	-
(Provision)/reversal for non performing investments	(618,349)	(9,504,830)	583,330	(1,201,679)
(Provision)/reversal for non performing finances	1,666,670	3,768,334	-	750,000
Unrealized (loss)/profit on re-measurement of investments classified as held-for-trading	(82,915)	5,809	(82,915)	-
Profit/(loss) before taxation	5,230,794	(4,203,624)	2,602,735	(2,012,611)
Taxation	12 (1,211,001)	3,057,277	(703,001)	(24)
Profit/(loss) after taxation	4,019,793	(1,146,347)	1,899,734	(2,012,635)
Earnings/(loss) per share - basic and diluted	13 0.06	(0.02)	0.03	(0.03)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


MUHAMMAD MOHSIN ALI
Acting Chief Executive


WAJAHAT A. BAQAI
Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

	March 31, 2014	March 31, 2013
 Rupees Rupees
Profit /(Loss) after taxation	4,019,793	(1,146,347)
Other comprehensive income not transferred to equity		
(Losses) / gains on remeasuring of investment classified as " Available for Sale "	(1,055,234)	6,650,017
Total comprehensive Income for the period	<u>2,964,559</u>	<u>5,503,670</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

MUHAMMAD MOHSIN ALI
Acting Chief Executive

WAJAHAT A. BAQAI
Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Nine months ended	
Note	31-March 2014	31-March 2013
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	5,230,794	(4,203,624)
Less: dividend income	(940,307)	(1,342,943)
Adjustments for:		
Depreciation	2,109,681	2,179,929
Amortization	614,471	700,671
Provision for the gratuity	300,000	303,293
(Gain) on disposal of asset	(99,993)	(25,000)
Provision for interest/markup accrued	-	(568,129)
Provision for non performing finances	(1,666,670)	(3,768,334)
Provision for non performing investment	618,349	9,504,830
Unrealised loss on investments at fair value through profit & loss	82,915	(5,809)
	1,958,753	8,321,451
	6,249,240	2,774,884
(Increase) / decrease in current assets		
Short-term investment	4,593,244	152,434,723
Short-term placement	170,000,000	100,000,000
Markup accrued	(876,350)	27,524,695
Advances prepayments and other receivables	(772,327)	(497,990)
	172,944,567	279,461,428
Increase / (decrease) in current liabilities		
Short-term borrowings	-	(230,288,150)
Accrued markup	(1,772,223)	(6,890,086)
Accrued and other liabilities	(504,552)	(5,927,120)
	(2,276,775)	(243,105,356)
Cash (used in)generated from operations	176,917,032	39,130,956
Gratuity contribution paid	-	(679,811)
Income tax paid	(278,673)	(3,571,551)
	(278,673)	(4,251,362)
Net cash generated used in operating activities	176,638,360	34,879,594
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment	(165,379)	(165,379)
Sale proceeds from disposal of assets	112,000	25,000
Long-term investments net	(94,527,226)	45,701,002
Dividend income received	731,531	679,811
Long-term loans and finances	1,419,139	3,252,492
Net cash from investing activities	(92,429,935)	49,492,926
Cash Flows from Financing Activities		
Repayments of long term loan	(46,875,000)	(46,875,000)
Long term certificate of deposit	(12,500,000)	3,300,000
Short-term running finance	-	(37,415,695)
Short term Certificate of deposit	(28,040,000)	(475,000)
Net cash (used in)/from financing activities	(87,415,000)	(81,465,695)
Net (decrease)/ increase in cash and cash equivalents	(3,206,575)	2,906,824
Cash and cash equivalents at the beginning of the period	5,634,049	4,514,160
Cash and cash equivalents at the end of the period	2,427,474	7,420,984

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


MUHAMMAD MOHSIN ALI
 Acting Chief Executive


WAJAHAT A. BAQAI
 Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

1 Status and Nature of Business

First Credit and Investment Bank Limited ("the Company") was incorporated in Pakistan on August 31, 1989 as a private limited company under the name of First Credit and Discount Corporation (Private) Limited. Subsequently, the name of the Company was changed to First Credit and Investment Bank Limited. During the year 2008-09, the Company was listed on the Karachi Stock Exchange by way of issue of shares to general public. The Company is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP).

The Company is licensed to undertake business of investment finance services as a Non-Banking Finance Company ("NBFC") under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") issued by the Securities and Exchange Commission of Pakistan (SECP) [previously described under SRO 585(1)/87 dated July 13, 1987 issued by the Ministry of Finance, Government of Pakistan. JCR-VIS Credit Rating Company Limited vide its report dated December 31, 2013 has reaffirmed the entity ratings of the Bank at 'A-/A-2 (Single A Minus/A-Two) with a negative outlook.

- 1.1 Minimum equity requirement as per NBFCs & NEs Regulations 2008 for the companies undertaking business of investment finance services as at March 31, 2014 is Rs.1.0 billion (2013: Rs.1.0 billion). Further, the regulation 4 of the said NBFCs Regulations prescribed the procedure for applying to the Commission for obtaining relaxation in case minimum equity requirement is not met. The Non-Banking Financial Sector Reform Committee of SECP in its report issued for public comments in March 2013 has suggested that the minimum equity for companies undertaking business of investment finance services be fixed at Rs.300 million for the time being, to be enhanced to Rs.600 million till June 30, 2016 and further enhanced to Rs.1.0 billion by June 30, 2018. In view of the above the company awaits for the finalization of minimum equity requirement to be complied by NBFC thereupon.

2 Statement of compliance

This condensed interim financial information of the company for the nine months period ended March 31, 2014 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 directives issued by 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 have been followed.

The SECP has deferred the applicability of International Accounting Standards, IAS-39, 'Financial Instruments: Recognition and measurement' and IAS-40, 'Investment Property' through Circular No.19 dated August 13, 2003 to NBFCs providing investment finance services, discounting services and housing finance services. The SECP has also deferred the applicability of International Financial Reporting Standard, IFRS-7, 'Financial Instruments: Disclosures' through Circular No. 411(1)/2008 dated April 28, 2008 to NBFCs providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in preparation of these condensed interim financial statements.

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 Company's annual financial statements as at June 30, 2013.

3 Accounting Policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended as on June 30, 2013 except as follows:

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3.1 Adoption of new accounting standards

The company has adopted the following amended IFRS and related interpretations which became effective during the period:

- IFRS 7 - Financial Instruments: Disclosures
- IAS 24 - Related Party Disclosures Revised)
- IFRIC 14 - Prepayments of a Minimum funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 7 - Financial Instruments Disclosures
- Clarification of disclosures
- IAS 1 - Presentation of Financial Statements
- Clarification of Statement of changes in equity
- IFRIC 13 - Presentation of Financial Statements
- Fair Value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements.

4 Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2013

5 Accounting estimates and judgments

The preparation of this condensed interim financial information is in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation were the same as those that applied to the preceding published financial statements as at and for the year ended June 30, 2013.

	Note	31-Mar-14	30-Jun-13
	 Rupees	
6 Property plant and equipment		6,273,853	8,272,110

6.1 Major additions and deletions are as:

	31-Mar-14		30-June-13	
	Additions	Disposals	Additions	Disposals
	Rupees		Rupees	
- Furniture and fixtures	-	218,920	-	79,200
- Office Equipments	-	39,000	16,820	195,799
- Computers	123,428	93,108	196,583	445,395
- Air conditioner	-	121,277	-	-
- Leasehold property	-	665,218	-	-
- Vehicles	-	-	-	1,112,560
	123,428	1,137,523	213,403	1,832,954



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	Note	31-Mar-13	30-Jun-13
	 Rupees	
7 LONG-TERM INVESTMENTS			
Held-to-maturity			
Term finance certificates - Unlisted		437,461,417	462,886,644
Term finance certificates - Listed		49,822,768	49,839,330
Government Securities - PIB's	7.1	124,420,000	-
		611,704,185	512,725,974
Less : Provision against investment	7.2	(192,612,943)	(193,196,273)
Available-for-sale			
Government Securities - PIB's	7.1	49,900,331	49,619,700
Term finance certificates - Listed		21,313,375	22,261,014
Investment in listed shares		2,769,113	2,802,994
Less: Provision against investments		(2,403,358)	-
Less: Current Portion of investments		(109,745,877)	(128,669,302)
		<u>380,924,826</u>	<u>265,544,107</u>
7.1	These includes investments in government securities to comply with the requirement of Regulation 14(4) (i) of NBFC Regulations.		
7.2	Provision for non-performing TFCs /Sukuk		
		193,196,273	182,993,496
		(583,330)	10,202,777
		<u>192,612,943</u>	<u>193,196,273</u>
8 SHORT-TERM INVESTMENTS			
Available for sale			
Pre-IPO Term Finance Certificates	8.1	50,000,000	50,000,000
Investment in shares - Listed		18,484,151	21,488,475
Investment in mutual funds		14,923,731	18,373,334
Investment in preference shares-Listed		15,000,000	15,000,000
		98,407,882	104,861,809
Provision for non-performing investments	8.1	(25,000,000)	(25,000,000)
		<u>73,407,882</u>	<u>79,861,809</u>
Held-for-trading			
Investment in shares - Listed		805,449	-
		<u>74,213,331</u>	<u>79,861,809</u>
8.1	This Pre-IPO investment was made for a period of five years at the rate of 6 months KIBOR+2% and secured by way of first pari passu charge over assets of the investee company. The company has made provision in respect thereof in accordance with the NBFC Regulations.		
9 DEFICIT ON REVALUATION OF INVESTMENT -NET OF TAX			
Shares		(10,165,377)	(10,197,587)
Term finance certificate		58,987	51,375
Mutual funds		(920,985)	528,618
Available-for-sale - Listed Securities			
Government Securities PIBs		(370,465)	(915,921)
Deferred tax on surplus on PIBs		129,663	320,572
		(240,802)	(595,349)
		<u>(11,268,177)</u>	<u>(10,212,943)</u>



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	31-Mar-13	30-Jun-13
	 Rupees	
10 MARK-UP ACCRUED			
Secured			
Loans and borrowings including running finance	10.1	2,451,858	3,528,644
Unsecured			
Certificates of Deposit		627,662	1,323,099
		<u>3,079,520</u>	<u>4,851,743</u>

10.1 This amount includes Rs.2,451,858/- (June 30, 2013: Rs.3,528,644/-) due to National Bank of Pakistan an associated undertaking

11 CONTINGENCIES AND COMMITMENTS

Contingencies

There are no material contingencies as at reporting date (June 30, 2013: Nil)

Commitments

Bank guarantee	5,000,000	5,000,000
Stand-by letter of credit facility	57,643,750	56,375,712
	<u>31-Mar-13</u>	<u>31-Mar-13</u>
 Rupees	

12 TAXATION

Current	1,211,001	462,000
Deferred taxation	-	(3,519,277)
	<u>1,211,001</u>	<u>(3,057,277)</u>

13 EARNING/(LOSS) PER SHARE - BASIC AND DILUTED

Profit / (Loss) for the period	4,019,793	(1,146,347)
Weighted average number of shares	65,000,000	65,000,000
Earning / (Loss) per share - basic and diluted	0.06	(0.02)

14 Transactions with Related Parties

The related parties comprise associated undertaking, key management personnel and post employment benefit scheme. The company in the normal course of business carries out transactions with various related parties.



FIRST CREDIT AND INVESTMENT BANK LIMITED

Nature of relationship of the related party with the company	Nature of Transaction	31-Mar-14 Rupees	31-Mar-13 Rupees
Associate	Mark-up on long-term loan	8,156,956	14,199,289
	Mark-up on short-term running finance	141,635	314,184
	Mark-up on Repo Borrowing	-	11,250,783
	Rent of the office premises	1,583,508	1,583,508
	Balance at period ended- NBP	93,750,000	205,124,650
Key management personnel	Salaries, benefits and other allowances	6,079,013	10,431,300
	Retirement benefits	628,454	1,230,931
	Return on long-term loans	174,077	288,891
	Balance at period ended	8,831,474	16,537,216
FCIBL Provident and Gratuity Fund	Contributions made to staff retirement plans	998,818	1,444,128

15. DATE OF AUTHORIZATION FOR ISSUE

This interim financial information were authorised for issue on April 17, 2014 by the Board of Directors of the Company

16. GENERAL

16.1 Figures have been rounded off to the nearest Rupee.



MUHAMMAD MOHSIN ALI
Acting Chief Executive



WAJAHAT A. BAQAI
Director

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