

Quarterly Report  
March 31,  
**2018**



**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.*



## CONTENTS

<u>BOARD OF DIRECTORS</u>	<u>01</u>
<u>COMPAY INFORMATION</u>	<u>02</u>
<u>DIRECTORS' REVIEW (ENGLISH)</u>	<u>03</u>
<u>DIRECTORS' REVIEW (URDU)</u>	<u>04</u>
<u>CONDENSED INTERIM BALANCE SHEET</u>	<u>05</u>
<u>CONDENSED INTERIM INCOME STATEMENT</u>	<u>06</u>
CONDENSED INTERIM STATEMENT OF	
<u>COMPREHENSIVE INCOME</u>	<u>07</u>
<u>CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY</u>	<u>08</u>
<u>CONDENSED INTERIM CASH FLOW STATEMENT</u>	<u>09</u>
NOTES TO THE CONDENSED INTERIM	
<u>FINANCIAL INFORMATION</u>	<u>10</u>

## BOARD OF DIRECTORS



Mr. RehmatAli Hasnie  
Chairman



Mr. Muhammad Mohsin Ali  
President & CEO



Mr. Asad Ullah Saleem  
Director



Mr. Naveed Asghar Chaudhry  
Director



Mr. Muhammad Naeemuddin  
Director



Mr. Muhammad Iqbal Hussain  
Director



Mr. Muhammad Ameen  
Director



## COMPANY INFORMATION

### AUDIT COMMITTEE:

Mr. Muhammad Ameen Chairman  
Mr. Muhammad Naeemuddin

### HR AND REMUNERATION COMMITTEE:

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

### RISK MANAGEMENT COMMITTEE:

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

### COMPANY SECRETARY:

Mr. Muhammad Kamran (Acting)

### 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



## DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present condensed interim financial statements (un-audited) of First Credit & Investment Bank Limited for the 3<sup>rd</sup> quarter ended March 31, 2018.

### Operating Results

Gross income of the Company for the first three quarters which closed on March 31, 2018 increased by Rs.25.07 million to 79.39 million compared with Rs.54.32 million recorded during the corresponding period last year. The operating profit obtained was Rs.14.36 Million on March 31, 2018 against Rs.7.37 Million reported for the same period last year depicting an increase of Rs.6.99 million. After taking effect of reversals against provisions made earlier for non-performing investments the Company was able to report profit before tax of Rs.15.74 Million during the period under review compared with Rs.13.09 million reported during the same period last year. The company posted after tax-profit of Rs.10.07 million during the period being reported against Rs.9.24 million for the same period last year. As a result, shareholders equity increased to Rs.734.02 million as of March 31, 2018 from Rs.723.95 million as of June 30, 2017. Total balance sheet footing as of March 31, 2018 increased to Rs.1,286.93 million as against Rs.1,155.31 million as of June 30, 2017.

### Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 29, 2017 maintained the medium to long-term entity 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 abreast of the need to diversify our business. Our focus is therefore on new avenues in order to increase revenue streams, which hopefully will be forthcoming with the improvement in economic and business conditions of the country at large. Your Company endeavors to improve its infrastructure, build capacity through training of existing personnel and engaging professionals that were needed to diversify products and services. We are updating policies and procedures to meet the requirements and compliance of the regulators.

### Acknowledgement

The directors wish to express their gratitude to our stakeholders, valued customers and financial institutions for their continued trust and patronage. We are grateful to the regulatory authorities especially the Securities & 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.

**President and CEO**

**By order of the Board**

**Director**

Karachi  
April 28, 2018

## ڈائریکٹرز جائزہ

ہم فرسٹ کریڈیٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے تیسری سہ ماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ بمطابق 31 مارچ 2018 پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

### آپریٹنگ نتائج:

رواں مالی سال کے پہلے تین سہ ماہی کی مدت میں جو 31 مارچ 2018 کو اختتام پذیر ہوئی کمپنی کی کل آمدنی 79.39 ملین روپے رہی جبکہ اسی مدت کے پچھلے سال میں کل آمدنی 54.32 ملین روپے تھی اس طرح کل آمدنی میں 25.07 ملین روپے کا اضافہ رجسٹرڈ کیا گیا۔ سال کے پہلے نو ماہ کے اختتام پر کمپنی نے 14.36 ملین روپے کا آپریٹنگ منافع رپورٹ کیا جو پچھلے سال اسی عرصہ میں 7.37 ملین روپے تھا اس طرح 6.99 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 موجودہ تیسری سہ ماہی میں رپورٹ کی وجہ سے کمپنی نے سال 2017-18 کے موجودہ تیسری سہ ماہی کے دوران 15.74 ملین روپے قبل از ٹیکس منافع ظاہر کیا جبکہ پچھلے سال اسی مدت میں 13.09 ملین روپے قبل از ٹیکس منافع حاصل کیا گیا تھا اسی طرح رواں مالی سال کے پہلے نو ماہ کے اختتام پر بعد از ٹیکس منافع 10.07 ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی عرصہ میں بعد از ٹیکس منافع 9.24 ملین روپے تھا اسکے نتیجے میں شیئرز ہولڈرز ایکویٹی اضافہ کے بعد 31 مارچ 2018 کو 734.02 ملین روپے ہو گئی جبکہ 30 جون 2017 کو شیئرز ہولڈرز ایکویٹی 723.95 ملین روپے تھی۔ 31 مارچ 2018 کے مالیاتی گوشوارہ کے مطابق کمپنی کے کل اثاثہ جات 1,286.93 ملین روپے ہیں جو کہ 30 جون 2017 کو 1,155.31 ملین روپے تھے۔

### کریڈٹ ریٹنگ:


JCR-VIS کریڈٹ ریٹنگ کمپنی نے اپنی رپورٹ بتاریخ 29 دسمبر 2017 کو 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 لگ مستحکم ہے۔

### مستقبل کے امکانات:

ہم نئے پراڈکٹ اور آمدنی کے ذرائع بڑھانے پر توجہ مرکوز کرتے ہوئے کاروبار میں تنوع پیدا کرنے کے لیے مستعد ہیں جو کہ ہماری توقعات ملک کی مجموعی اقتصادی حالات کی بہتری کے ساتھ منسلک ہے۔ آپ کی کمپنی اپنے اثاثوں کے معیار کو قائم رکھتے ہوئے، اور، موجودہ عملہ اور اہم پیشہ ورانہ عملے کی خدمات حاصل کر کے ان کو ریٹنگ کے ذریعہ اپنے انفراسٹرکچر میں بہتری لانے کے لئے، مختلف النوع پروڈکٹ اور خدمات کی بحالی کی مناسب کوششیں کر رہی ہے، اور نئے مواقع اور نئے چیلنجز کا سامنا کرنے کے لئے اپنی پالیسیاں اور طریقہ کار کو اپ ڈیٹ کرتی رہتی ہے۔

### اظہار تشکر:

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



پریذیڈنٹ وی ای او



ڈائریکٹر

کراچی - 28 اپریل 2018

**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2018**

	March 31, 2018	June 30, 2017
	Un-audited	Audited
Note	Rupees	
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Fixed assets		
- Property and equipment	6 3,794,924	2,696,763
- Intangible assets	8,267	45,345
Long-term investments	7 31,699,226	70,946,154
Long-term loans and finances	208,181,738	122,508,535
Long term investment finance lease	8 822,208	1,150,017
Long-term security deposits	57,500	57,500
Deferred tax asset -net	9 73,611,138	75,289,761
	<b>318,175,001</b>	<b>272,694,075</b>
<b>Current Assets</b>		
Short-term investments	10 63,013,931	60,210,585
Short-term placements	11 352,000,000	464,000,000
Current portion of		
- Long-term investments	45,027,095	45,009,188
- Long-term loans and finances	32,878,395	25,217,059
- Net investment in finance lease	443,308	421,941
Accrued mark-up	65,781,455	59,793,143
Advances prepayments and other receivables	3,315,115	1,194,377
Advance taxation - net	9,362,843	7,461,830
Cash and bank balances	396,934,927	219,306,001
	<b>968,757,069</b>	<b>882,614,124</b>
	<b>1,286,932,070</b>	<b>1,155,308,199</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Authorized share capital		
75,000,000 (June 30, 2017: 75,000,000) shares of Rs. 10 each	<b>750,000,000</b>	750,000,000
Issued, subscribed and paid-up share capital		
65,000,000 (June 30, 2017: 65,000,000) shares of Rs. 10 each	<b>650,000,000</b>	650,000,000
Statutory reserves	<b>134,758,838</b>	132,744,837
Accumulated loss	<b>(50,741,055)</b>	(58,797,060)
	<b>734,017,783</b>	723,947,777
<b>Deficit on revaluation of investments - net</b>	12 <b>(10,239,528)</b>	(8,020,695)
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred liability - staff gratuity	<b>2,075,055</b>	5,807,435
Long term loan	<b>140,625,000</b>	187,500,000
Security deposit against finance lease	8 <b>333,400</b>	333,400
	<b>143,033,455</b>	193,640,835
<b>Current liabilities</b>		
Short -term running finance facility	13 <b>345,403,223</b>	165,601,569
Current portion of long-term loan	<b>62,500,000</b>	62,500,000
Accrued mark-up	14 <b>7,772,314</b>	8,282,205
Accrued expenses and other liabilities	<b>4,444,823</b>	9,356,508
	<b>420,120,360</b>	245,740,282
<b>CONTINGENCIES AND COMMITMENTS</b>	15 -	-
	<b>1,286,932,070</b>	<b>1,155,308,199</b>

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

**Chief Financial Officer (Acting)**

**President & CEO**

**Director**





**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

	For the nine months period ended March 31,		For the three months period ended March 31,	
	2018	2017	2018	2017
	Un-audited			
Note	Rupees			
<b>INCOME</b>				
Income from finance and fund placements	70,066,884	44,210,718	21,731,209	14,380,026
Income from investments	5,875,686	8,355,529	1,499,309	2,495,171
Fees and commission	1,564,436	372,782	440,223	161,201
Other income	1,882,399	1,378,560	131,668	1,287,732
	<b>79,389,405</b>	54,317,589	<b>23,802,409</b>	18,324,130
<b>EXPENDITURES</b>				
Finance cost:				
- Mark-up on bank loans	12,113,503	11,882,877	3,721,987	4,227,945
- Mark-up on repo borrowings and other short-term borrowings	23,620,681	2,921,055	6,788,716	167,052
- Others	142,797	133,693	107,154	108,983
	<b>35,876,981</b>	14,937,625	<b>10,617,857</b>	4,503,980
Administrative and operating expenses	29,153,405	32,008,224	9,428,431	10,410,932
	<b>65,030,386</b>	46,945,849	<b>20,046,288</b>	14,914,912
<b>Operating income</b>	<b>14,359,019</b>	7,371,740	<b>3,756,121</b>	3,409,218
<b>(Provision) / Reversals</b>				
Provision for non performing investments	7.1	-	(1,700,962)	-
Reversal of provision for non-performing investments	7.1	1,700,000	6,560,000	750,000
Unrealized gain / (loss) on re-measurement of investments classified as held-for-trading		-	1,131,197	-
		<b>16,059,019</b>	13,361,975	<b>4,506,121</b>
Workers Welfare Fund		<b>(321,180)</b>	(267,000)	<b>(79,957)</b>
<b>PROFIT BEFORE TAXATION</b>		<b>15,737,839</b>	13,094,975	<b>4,426,164</b>
Taxation	16	<b>(5,667,833)</b>	(3,852,691)	<b>(1,131,777)</b>
		<b>10,070,006</b>	9,242,284	<b>3,294,387</b>
<b>PROFIT FOR THE PERIOD</b>		<b>10,070,006</b>	9,242,284	<b>3,294,387</b>
<b>Earnings per share - basic and diluted</b>	18	<b>0.15</b>	0.14	<b>0.05</b>

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

Chief Financial Officer (Acting)

President &amp; CEO

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

	<u>For the nine months period ended March 31,</u>		<u>For the three months period ended March 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<b>Un-audited</b>			
	<b>Rupees</b>			
<b>PROFIT FOR THE PERIOD</b>	<b>10,070,006</b>	9,242,284	<b>3,294,387</b>	2,376,616
<i>Other comprehensive income</i>				
<b><i>Items that may be reclassified to profit and loss account subsequently:</i></b>				
Gain / (Loss) on remeasurement of investment classified as 'available for sale'	<b>(2,218,833)</b>	5,539,724	<b>3,682,129</b>	(568,121)
<b><i>Items that will not be subsequently reclassified to profit and loss account:</i></b>				
Remeasurement of defined benefit obligations	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>7,851,173</u></b>	<u>14,782,008</u>	<b><u>6,976,516</u></b>	<u>1,808,495</u>

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



**Chief Financial Officer (Acting)**



**President & CEO**



**Director**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

	Issued, subscribed and paid-up capital	Reserves		Total	Total shareholders ' equity
		Capital Statutory reserve	Revenue Accumulated loss		
<b>Un-audited Rupees</b>					
Balance as at July 01, 2016	650,000,000	131,318,417	(64,362,577)	66,955,840	716,955,840
Transactions with other than owners of equity:					
Net profit for the period	-	-	9,242,284	9,242,284	9,242,284
Other comprehensive income	-	-	-	-	-
- Total comprehensive income	-	-	9,242,284	9,242,284	9,242,284
- Transfer to statutory reserve	-	1,848,457	(1,848,457)	-	-
<b>Balance as at March 31, 2017</b>	<b>650,000,000</b>	<b>133,166,874</b>	<b>(56,968,750)</b>	<b>76,198,124</b>	<b>726,198,124</b>
<b>Balance as at July 01, 2017</b>	<b>650,000,000</b>	<b>132,744,837</b>	<b>(58,797,060)</b>	<b>73,947,777</b>	<b>723,947,777</b>
Transactions with other than owners of equity:					
Net profit for the period	-	-	10,070,006	10,070,006	10,070,006
Other comprehensive income	-	-	-	-	-
- Total comprehensive income	-	-	10,070,006	10,070,006	10,070,006
- Transfer to statutory reserve	-	2,014,001	(2,014,001)	-	-
<b>Balance as at March 31, 2017</b>	<b>650,000,000</b>	<b>134,758,838</b>	<b>(50,741,055)</b>	<b>84,017,783</b>	<b>734,017,783</b>

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

**Chief Financial Officer (Acting)**

**President & CEO**

**Director**



**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

	March 31, 2018	March 31, 2017
	Un-audited	
	Rupees	
<b>Cash flows from operating activities</b>		
Profit before taxation	15,737,839	13,094,975
<b>Adjustments for non-cash and other items:</b>		
Depreciation	1,160,088	1,341,299
Amortisation	37,078	86,210
Gratuity	(3,732,380)	849,945
Dividend income	(594,058)	(378,174)
Finance cost	35,876,981	14,937,625
Gain on disposal of property and equipment	(330,848)	(1,240,000)
Reversal of provision for non-performing investments-net	(1,700,000)	(4,859,038)
Unrealised (gain)/loss on held-for-trading investments	-	(1,131,197)
	<u>30,716,861</u>	<u>9,606,670</u>
Operating cash flows before working capital changes	46,454,700	22,701,645
<b>(Increase) / decrease in current assets</b>		
Short-term investments	(2,803,346)	75,448,238
Prepayments and other receivables	(2,120,738)	(484,207)
Accrued mark-up	(5,988,312)	(14,283,876)
	<u>(10,912,396)</u>	<u>60,680,155</u>
<b>Increase / (decrease) in current liabilities</b>		
Accrued expenses and other liabilities	(4,911,685)	(3,743,199)
	<u>(4,911,685)</u>	<u>(3,743,199)</u>
<b>Cash (used in)/ generated from operations</b>	<u>30,630,619</u>	<u>79,638,601</u>
Income tax paid	(5,890,223)	(3,329,716)
Dividend received	594,058	378,174
Disposal of property and equipment	895,399	1,240,000
Markup paid	(36,386,872)	(14,757,079)
	<u>(40,787,638)</u>	<u>(16,468,621)</u>
Cash generated from operating activities	<u>(10,157,019)</u>	<u>63,169,980</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(2,822,800)	(769,199)
Long term investments-net	38,710,188	(4,193,267)
Long-term loan and finances (payment/ acquisition - net)	(93,334,539)	(50,758,294)
Long-term finances lease	306,442	(1,670,318)
	<u>(57,140,709)</u>	<u>(57,391,078)</u>
Net cash (used in) / generated from investing activities		
<b>Cash flows from financing activities</b>		
Long term security deposit against finance lease	-	333,400
Long-term loan obtained /(repaid)	(46,875,000)	60,000,000
	<u>(46,875,000)</u>	<u>60,333,400</u>
<b>Net cash generated from / (used in) financing activities</b>	<u>(46,875,000)</u>	<u>60,333,400</u>
<b>Net increase in cash and cash equivalents</b>	<u>(114,172,728)</u>	<u>66,112,302</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>517,704,432</u>	<u>466,275,509</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>403,531,704</u>	<u>532,387,811</u>

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

Chief Financial Officer (Acting)

President &amp; CEO

Director

**NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

**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) 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 Credit Rating Company has assigned the Investment Bank a credit rating of 'A-' long & medium term and 'A-2' short term on December 29, 2017. 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 June 30, 2018. However FCIBL can only raise Institutional deposits from its Sponsors 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 Company for the nine months period ended March 31, 2018 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.

**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 Company's accounting policies and key sources of estimation are same as those applied by the Company in the annual financial statements for the year ended June 30, 2017.

**6 PROPERTY AND EQUIPMENT**

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

	For the nine month period ended March 31, 2018		For the year ended June 30, 2017	
	Unaudited		Audited	
	Additions (cost)	Disposal (book value)	Additions (cost)	Disposal (book value)
	Rupees			
Computers	-	-	266,200	-
Air conditioner	-	-	114,940	-
Vehicles	2,822,800	564,548	720,700	-
	<u>2,822,800</u>	<u>564,548</u>	<u>1,101,840</u>	<u>-</u>

	Note	2018	2017
		Un-audited	Audited
		Rupees	
<b>7 LONG-TERM INVESTMENTS</b>			
<b>Held-to-maturity</b>			
Term Finance Certificates (TFCs) and Sukkuk - unquoted		<b>209,370,167</b>	242,320,167
TFCs - quoted		<b>59,919,870</b>	67,424,464
		<b>269,290,037</b>	309,744,631
Less: Provision against investments	7.1	<b>(194,262,943)</b>	(195,962,943)
		<b>75,027,094</b>	113,781,688
<b>Available-for-sale</b>			
TFCs - quoted		<b>19,729,227</b>	19,729,227
Less: Provision against investments	7.1	<b>(19,729,227)</b>	(19,729,227)
		-	-
Investment in shares - quoted		<b>1,699,227</b>	2,173,654
Total long-term investments		<b>76,726,321</b>	115,955,342
Less: Current portion of long-term investments		<b>(45,027,095)</b>	(45,009,188)
		<b>31,699,226</b>	70,946,154
<b>7.1 Provision against investments</b>			
Opening balance		<b>215,692,170</b>	221,001,208
Provision/(Reversed) during the period/year		<b>(1,700,000)</b>	(5,309,038)
Closing balance		<b>213,992,170</b>	215,692,170
<b>8 Long-term investment finance lease -net</b>			
Lease rental receivable		<b>1,019,136</b>	1,401,312
Residual value		<b>333,400</b>	333,400
<b>Gross investment in finance lease</b>		<b>1,352,536</b>	1,734,712
Less: Unearned finance lease Income		<b>(87,020)</b>	(162,754)
		<b>1,265,516</b>	1,571,958
Less: Current maturity of investment in finance lease		<b>(443,308)</b>	(421,941)
		<b>822,208</b>	1,150,017
<b>9 DEFERRED TAX ASSET</b>			

The management of the company has prepared financial projections the said projections are based on certain key assumptions made for the estimation of the recovery against provision. 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.



		As at March 31, 2018	As at June 30, 2017
	Note	Un-audited	Audited
<b>Rupees</b>			
<b>10 SHORT TERM INVESTMENTS</b>			
<b>Available for sale</b>			
Dewan Cement Limited -Pre- IPO TFCs	10.1	50,000,000	50,000,000
(Provision )TFC-Dewan Cement Limited	10.1	(6,930,383)	(6,930,383)
		<b>43,069,617</b>	43,069,617
Investment in shares - listed		<b>19,944,314</b>	17,140,968
		<b>63,013,931</b>	<b>60,210,585</b>
10.1	This investment has been calssified under loss category and accordingly made 100% provision after considering FSV of the collateral held as per NBFC and NE Regulations.		
<b>11 SHORT TERM PLACEMENTS</b>		<b>352,000,000</b>	464,000,000
<b>12 DEFICIT ON REVALUATION OF INVESTMENTS - net</b>			
<b>Available-for-sale investments</b>			
<i>Listed Securities</i>			
Shares		<b>10,239,528</b>	8,020,695
<b>13 SHORT TERM RUNNING FINANCE FACILITY</b>			
MCB Bank Limited	13.1	295,403,223	97,899,065
National Bank of Pakistan	13.2	50,000,000	-
Allied Bank Limited		-	67,702,504
		<b>345,403,223</b>	<b>165,601,569</b>
13.1	The Investment Bank has obtained a one year Running Finance Facility of Rs.400 million in FY-2017 from MCB. The loan is repayable on maturity and carried markup @ 3 months KIBOR plus 0.75% per annum (2017: KIBOR plus 0.85% per annum). maturing in December 2018		
13.2	The Investment Bank has obtained a one year Running Finance Facility of Rs.50 million in FY-2017 from NBP, an associated company. The loan is repayable on maturity and carried markup @ 3 months KIBOR plus 1.00% per annum (2017: nil). The loan is secured by first hypothecation charge over all present and future assets of the Investment Bank.		
<b>14 ACCRUED MARK-UP</b>			
<b>Secured</b>			
Loans and borrowings including running finances and short-term borrowings	14.1	<b>6,212,177</b>	6,704,533
<b>Unsecured</b>			
Long-term certificate of deposit		<b>1,560,137</b>	1,560,137
Others		-	17,535
		<b>7,772,314</b>	<b>8,282,205</b>
14	This includes amount of Rs.1,043,236/- ( Jun 2017: Rs 141,370) due to National Bank of Pakistan, an associated undertaking.		



	As at March 31, 2018	As at June 30, 2017
	Un-audited	Audited
	Rupees	
<b>15 CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies</b>		
There are no contingencies as at period end (June 30, 2017: Nil)		
<b>Commitments</b>		
-Letter of credit exposure	15.1	73,260,053
-Standby letter of credit facility	15.2	30,178,125
		29,009,063
15.1 This represents the Investment Bank's participated in syndicated Term Finance L/C facility to the extend of Rs.100.0 milion for import of plant and machinery. Initially the facility will be non-funded and FCIBL has booked it as contingencies liability, subsequently upon requirement of L/C documents the payment will be made through the facility and the facility will become funded.		-
15.2 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 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, 2019.		
	<b>For the nine-month period ended March 31, 2018</b>	<b>For the nine-month period ended March 31, 2017</b>
	Un-audited	Un-audited
<b>16 TAXATION</b>	Rupees	
Current	3,989,211	2,302,234
Deferred - net	1,678,622	1,550,457
	5,667,833	3,852,691
<b>17 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	396,934,927	128,387,811
Short-term placements	352,000,000	504,000,000
Short-term running finance	(345,403,223)	(100,000,000)
	403,531,704	532,387,811
<b>18 EARNINGS PER SHARE (EPS)</b>		
<b>18.1 Basic EPS</b>		
Earnings for the period	10,070,006	9,242,284
Weighted average number of shares outstanding	65,000,000	65,000,000
Earnings per share - basic	0.15	0.14
<b>18.2 Diluted EPS</b>		
There is no dilution effect on the basic earning per share as the Company has no convertible dilutive potential ordinary shares outstanding on March 31, 2018.		



**19 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

Nature of relationship with related party	Nature of transactions and balances	For the nine month period ended and as at March 31, 2018	For the nine-month period ended March 31, 2017 and as at June 30, 2017
		Rupees	
<b>Transactions for the nine month period:</b>			
<u>National Bank of Pakistan</u>			
<b>Associate Undertakings</b>	Markup - paid on long term loan	<b>12,113,503</b>	11,882,877
	Markup - paid on running short-term finance	<b>2,155,479</b>	-
	Markup - paid on repo borrowing	-	1,831,500
	Rent paid	<b>2,789,982</b>	2,468,062
	Capital Gain on listed Shares	-	305,680
<b>Key management personnel</b>	Salaries, benefits and allowances	<b>8,200,573</b>	9,975,828
	Retirement benefits	<b>589,247</b>	921,484
	Return on long-term loans	<b>29,251</b>	54,012
<b>Staff Retirement Plans</b>	Contributions made to staff retirement fund	<b>357,178</b>	410,449
<b>Balances as at period-end/year - end</b>			
<u>National Bank of Pakistan</u>			
<b>Associate Undertakings</b>	Investment in shares at cost	<b>3,858,395</b>	2,636,846
	Long term Loan	<b>203,125,000</b>	250,000,000
	Short-term running finance	<b>50,000,000</b>	-
<b>Key management personnel</b>	Balances as at period-end/year - end	<b>4,415,928</b>	3,105,959

**20 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair values of all financial instruments as at year end are based on the valuation methodology

**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.

<b>March 31, 2018 (Un-audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Rupees</b>		
Listed securities	21,643,541	59,919,870	-
Unlisted securities	-	-	-
	<b>21,643,541</b>	<b>59,919,870</b>	<b>-</b>
<b>June 30, 2017 (Audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>Rupees</b>		
Listed securities	19,314,622	67,424,464	-
Unlisted securities	-	-	-
	<b>19,314,622</b>	<b>67,424,464</b>	<b>-</b>

**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 April 28, 2018 by the Board of Directors of the Company.

**Chief Financial Officer (Acting)**

**President & CEO**

**Director**