



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

**Quarterly Report
March 31,
2024**

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. Faisal Ahmed Topra
Chairman



Mr. Muhammad Mohsin Ali
President & CEO



Syed Irfan Husnain Rizvi
Director



Mr. Asad Ullah Saleem
Director



Mr. Masood Raza
Director



Mr. Jamal Nasim
Director



Mrs. Nina Afridi
Director



Mr. Amjad Iqbal
Director

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FIRST CREDIT AND INVESTMENT BANK LIMITED

COMPANY INFORMATION

AUDIT COMMITTEE:

Mr. Jamal Nasim	Chairman
Mr. Asad Ullah Saleem	Member
Syed Irfan Husnain Rizvi	Member

HR AND REMUNERATION COMMITTEE:

Mrs. Nina Afridi	Chairperson
Mr. Faisal Ahmed Topra	Member
Syed Irfan Husnain Rizvi	Member

RISK MANAGEMENT COMMITTEE:

Mr. Asad Ullah Saleem	Chairman
Mr. Masood Raza	Member
Mr. Amjad Iqbal	Member
Mr. Muhammad Mohsin Ali	President/CEO

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
HBL 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
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FIRST CREDIT AND INVESTMENT BANK LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors, we have the privilege of presenting condensed interim financial statements (un-audited) of **First Credit and Investment Bank Limited**, for the nine months period ended March 31, 2024.

Operating Results

Amidst the challenges of the prevailing business environment particularly for investment banking sector, the Company has delivered strong financial results for the nine months period ended March 31, 2024 by achieving unparalleled increase in operating profit. During the period, the Company re-profiled its investment portfolio, hired competent staff for its brokerage and investment banking operations and also took business expansion measures which resulted in tremendous growth in profit from its core business activities. The Profit before tax has witnessed 41% growth while 71% increase was registered in profit after tax. Total income for the nine months ended March 31, 2024 was increased by Rs.112.37 million to Rs.315.48 million as compared to Rs.203.11 million of the same period of 2023. The Company registered operating profit of Rs.22.09 million, as compared to operating profit of Rs.2.36 million for the corresponding period of last year. Further, after taking effect of reversals of provisions made against non performing investments, the Company earned a profit before tax of Rs.39.50 million during the third quarter of FY 2023-24 as against Rs.28.00 million reported for the corresponding period of last year. Similarly, the Company closed the third quarter by registering after tax profit of Rs.29.46 million as against profit after tax of Rs.17.26 million posted for the corresponding period of last year. As a result, shareholders equity net of deficit on re-measurement of available for sale investments is reported at Rs.772.90 million as of March 31, 2024. Total balance sheet footing as at March 31, 2024 increased to Rs.2,531.03 million from Rs.1,851.31 million as of June 30, 2023.

Keeping in view the current economic situation the management would continue to follow prudent approach towards deployment of funds focusing more on recoveries and advisory services.

Credit Rating

VIS Credit Rating Company Limited vide its report dated February 26, 2024 has reaffirmed the medium to long-term rating of the Company at 'A'(Single A) and Short-term rating at 'A-2 (A-Two). The outlook of the rating is 'Stable'.

Future Outlook

It may not be out of context to state that FCIBL is the only NBFC which is fully operative and expanding its activities, though it has been facing severe competition from large commercial banks. Apart from liquidity challenges, FCIBL has initiated many new avenues for making profit. FCIBL is expanding its Money Market & Forex Brokerage business by hiring new talent from the market which would contribute more to the profitability in years to come. Similarly, expansion in treasury and money market operations has also witnessed growth during the period under review. These development in business are achieved in-spite of cut-throat competition from commercial banks and human resource challenges being faced by the entire Investment Banking sector. The Board is focusing more on expansion of our existing core business as well as diversification into new businesses as permitted under the NBF regulatory framework. Our vertical as well horizontal expansion strategy will increase revenue streams, which hopefully 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

JAMAL NASIM
Director

Karachi:
April 25, 2024

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ڈائریکٹرز جائزہ

فرسٹ کریڈیٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم نو ماہ کے اختتام پر غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ برطابق ۳۱ مارچ ۲۰۲۳ء پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

موجودہ کاروباری ماحول کے چیلنجز اور بالخصوص انویسٹمنٹ بینکنگ سیکٹر کو درپیش مشکلات کے باوجود کمپنی نے آپریٹنگ منافع میں بے مثال اضافہ حاصل کر کے ۳۱ مارچ ۲۰۲۳ء کے نو ماہ کے اختتام پر مستحکم نتائج فراہم کیے ہیں۔ کمپنی نے اس تمام عرصے کے دوران اپنے سرمایہ کاری کے پورٹ فولیو کو دوبارہ ری پروفائل کیا۔ انویسٹمنٹ بینکنگ اور بروکرینج آپریشنز کے لینے قابل عمل کی خدمات حاصل کیں اور کاروبار کو مستعد بنانے کے اقدامات اٹھائے جس کے نتیجے میں منافع میں غیر معمولی اضافہ کمپنی کی کلیدی کاروباری سرگرمیوں کی وجہ سے ہوا۔ قبل از ٹیکس منافع میں ۴۱% اضافہ دیکھا گیا ہے جبکہ بعد از ٹیکس منافع میں ۷۱% اضافہ ریکارڈ کیا گیا ہے۔ ۳۱ مارچ ۲۰۲۳ء کے نو ماہ کے اختتام پر کل آمدنی ۱۱۲.۳۷ ملین روپے اضافہ کے بعد ۳۱۵.۴۸ ملین روپے ہو گئی جبکہ پچھلے سال اسی مدت میں ۲۰۳.۱۱ ملین روپے ریکارڈ کیا۔ کمپنی نے تیسری سہ ماہی میں ۲۲.۰۹ ملین روپے آپریٹنگ منافع ریکارڈ کیا جبکہ پچھلے سال اسی عرصے میں ۲۰۳.۳۶ 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 ۲۰۲۳-۲۴ کی موجودہ تیسری سہ ماہی کے اختتام پر قبل از ٹیکس منافع ۳۹.۵۰ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۲۸.۰۰ ملین روپے قبل از ٹیکس منافع ظاہر کیا گیا تھا اسی طرح رواں مالی سال کی تیسری سہ ماہی کے اختتام پر بعد از ٹیکس منافع ۲۹.۴۶ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۱۷.۲۶ ملین روپے تھا۔ اسکے نتیجے میں شیئر ہولڈرز ایکٹیو سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۷۲.۹۰ ملین روپے ہو گئے۔ ۳۱ دسمبر ۲۰۲۳ء کو کمپنی کے کل اثاثہ جات اضافہ کے بعد ۲,۵۳۱.۰۳ ملین روپے ہو گئے جو کہ ۳۰ جون ۲۰۲۳ء کو ۱,۸۵۱.۳۱ ملین روپے تھے۔

موجودہ معاشی صورتحال کے مدنظر انتظامیہ فنڈز کی سرمایہ کاری کرتے ہوئے محتاط رہے گی اور بکوری اور ایڈوائزی سروسز پر بھرپور توجہ دے گی۔



کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کی رپورٹ بتاریخ ۲۶ فروری ۲۰۲۳ کے مطابق کمپنی نے درمیانے سے طویل مدتی ریٹنگ کو 'A' (سنگل A) اور مختصر مدتی ریٹنگ کو 'A-2' پر برقرار رکھا ہے۔ ریٹنگ کا آؤٹ لک مستحکم ہے۔

مستقبل کے امکانات:

ایف سی آئی بی ایل اپنے آپریٹنگ ڈھانچے کو از سر نو ترتیب دے رہا ہے تاکہ روایتی اور غیر روایتی طریقوں سے اپنے ماضی کے تجربے کی بنیاد پر نئی آمدنی کے ذرائع پیدا کیے جاسکیں۔ ایف سی آئی بی ایل مارکیٹ سے نئے تجربہ کار عملے کی خدمات کے توسط سے منی مارکیٹ اور فاریکس بروکرینج کے کاروبار کو فروغ دینے کی کوشش کر رہا ہے جو آنے والے سالوں میں ہونے والے منافع میں اپنا کردار ادا کرے گا۔ اسی طرح ذریعہ درآمدت کے دوران ٹریڈری اور منی مارکیٹ آپریٹنگز میں اضافہ دیکھنے میں آیا ہے۔ کاروبار میں یہ ترقی کمرشل بینکوں کے ساتھ سخت مقابلے کے باوجود حاصل کی گئی۔ یہاں یہ بات مد نظر رکھنی ضروری ہوگی کہ پورے انویسٹمنٹ بینکنگ سیکٹر کو انسانی وسائل کے چیلنجز درپیش ہیں۔ بورڈ آف ڈائریکٹرز ہمارے موجودہ بنیادی کاروبار کی توسیع پر این بی ایف سی ریگولیٹری فریم ورک کے تحت نئے کاروباری ذرائع پر زیادہ توجہ دے رہے ہیں۔ ہماری عمودی اور افقی توسیع کی حکمت عملی سے آمدنی میں اضافہ متوقع ہے۔ آپ کی کمپنی اپنے اثاثوں کے معیار، بنیادی ڈھانچے کو بہتر بنانے، موجودہ پیشہ ورانہ عملے کی تربیت کے ذریعے صلاحیت میں اضافے، مصنوعات اور خدمات کو متنوع بنانے کے لیے مزید پیشہ ورانہ عملے کو شامل کرنے، نئے چیلنجز اور مواقع کی ضروریات کو پورا کرنے کے لیے پالیسیوں اور طریقہ کار کو اپڈیٹ کرنا جاری رکھے گی۔

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 رہنمائی اور حوصلہ افزائی کے بھی شکر گزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کے معترف ہیں۔

جمال نسیم
ڈائریکٹر

محمد حسن علی
پریذیڈنٹ وی ای او

کراچی - ۱۲۵ اپریل ۲۰۲۳



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

	Note	March 31, 2024 Rupees	June 30, 2023 Rupees
		(Un-audited)	(Audited)
ASSETS			
Non-current Assets			
Property and equipment	6	26,751,972	21,556,500
Long-term investments	7	1,588,188,120	1,121,306,632
Long-term loans and finances		163,540,437	211,471,850
Net investment in finance lease	8	-	-
Term deposits receipts	9	3,000,000	-
Long-term security deposits		-	57,500
Deferred tax asset	10	60,263,565	74,099,078
		1,841,744,094	1,428,491,560
Current Assets			
Current portion of non-current assets	11	351,365,286	140,154,828
Short-term investments	12	50,878,637	46,633,018
Mark-up/interest accrued		161,000,954	74,303,284
Prepayments and other receivables		7,271,207	3,183,119
Advance taxation - net		38,865,225	36,420,563
Cash and bank balances		79,905,030	122,123,799
		689,286,339	422,818,611
		2,531,030,433	1,851,310,171
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized share capital			
75,000,000 (June 30, 2023: 75,000,000) shares of Rs. 10 each		750,000,000	750,000,000
Issued, subscribed and paid-up share capital			
65,000,000 (June 30, 2023: 65,000,000) shares of Rs. 10 each		650,000,000	650,000,000
Accumulated profit		149,484,008	127,705,852
Deficit on remeasurements of investment-net	13	(26,582,637)	(53,793,131)
Total shareholders' equity		772,901,371	723,912,721
LIABILITIES			
Non-current liabilities			
Deferred liability - staff gratuity		11,919,982	9,746,087
Lease liability		11,084,345	11,798,071
Security deposit against finance lease		-	418,600
		23,004,327	21,962,758
Current liabilities			
Current portion of lease liability		7,104,849	4,704,133
Short-term repo borrowing		1,692,714,564	1,075,560,841
Unpaid dividend		7,344,542	7,344,542
Markup / Interest accrued	14	13,021,175	4,557,940
Accrued expenses and other payables		14,939,605	13,267,236
		1,735,124,735	1,105,434,692
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		2,531,030,433	1,851,310,171

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

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

QUARTERLY REPORT MARCH 2024



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024

Note	For the nine months period ended		For the three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Rupees -----				
INCOME				
Income from finance and fund placements	69,714,594	61,171,137	18,292,982	23,685,000
Income from investments	232,728,295	140,095,548	99,419,084	44,379,149
Unrealized gain/(loss) on investment classified as fair value through profit or loss account	6,006,735	-	3,403,152	290
Fees and commission	6,805,408	1,825,015	2,462,959	631,147
Other income	224,664	15,095	17,883	4,662
	315,479,696	203,106,795	123,596,060	68,700,248
LESS: EXPENDITURES				
Finance cost:				
- Mark-up on repo borrowing	216,000,265	134,367,232	92,482,301	47,449,096
- Others	1,726,199	216,589	524,891	47,241
	217,726,464	134,583,821	93,007,192	47,496,337
Administrative and operating expenses	75,660,427	66,165,867	20,888,528	18,911,051
	293,386,891	200,749,688	113,895,720	66,407,388
Operating income	22,092,805	2,357,107	9,700,340	2,292,860
Provision/Reversals				
Provision/Reversal against accrued mark-up	(8,391,021)	3,000,000	(8,589,038)	-
Provision/Reversal of provision for non-performing investments	7.1 26,119,588	23,215,000	13,598,490	7,555,000
	39,821,372	28,572,107	14,709,792	9,847,860
Workers welfare fund	(321,721)	(571,442)	(125,943)	(570,157)
PROFIT FOR THE PERIOD BEFORE TAXATION	39,499,651	28,000,665	14,583,849	9,277,703
Taxation	16 (10,035,354)	(10,738,896)	(4,280,711)	(2,997,765)
PROFIT FOR THE PERIOD AFTER TAXATION	29,464,297	17,261,769	10,303,138	6,279,938
Earnings per share - basic and diluted	17 0.45	0.27	0.16	0.10

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

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

QUARTERLY REPORT MARCH 2024



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2024

	For the nine months period ended		For the three months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees -----			
PROFIT FOR THE PERIOD AFTER TAXATION	29,464,297	17,261,769	10,303,139	6,279,939
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'	27,210,494	(11,134,692)	1,231,527	1,231,527
<i>Items that will not be reclassified to statement of profit or loss subsequently:</i>				
Remeasurement of defined benefit obligations	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>56,674,791</u>	<u>6,127,077</u>	<u>11,534,666</u>	<u>7,511,466</u>

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

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

QUARTERLY REPORT MARCH 2024



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Issued, subscribed and paid-up share capital	Revenue Reserves Accumulated (loss)/profit	Deficit on remeasurement of investment classified as fair value through other comprehensive income	Total share- holders' equity
	Rupees			
Balance as at July 01, 2022 as previously reported	650,000,000	120,840,468	(49,002,656)	721,837,812
Transactions with other than owners of equity:				
Net profit for the period	-	17,261,769	-	17,261,769
Transfer from OCI on disposal	-	(6,675,150)	-	(6,675,150)
Other comprehensive income	-	-	(11,134,692)	(11,134,692)
Total comprehensive income	-	10,586,619	(11,134,692)	(548,073)
Balance as at March 31, 2023	650,000,000	131,427,087	(60,137,348)	721,289,739
Balance as at July 01, 2023	650,000,000	127,705,852	(53,793,131)	723,912,721
Transactions with other than owners of equity:				
Net profit for the period	-	29,464,297	-	29,464,297
Transfer from OCI on disposal	-	(7,686,141)	-	(7,686,141)
Other comprehensive income	-	-	27,210,494	27,210,494
Total comprehensive income	-	21,778,156	27,210,494	48,988,650
Balance as at March 31, 2024	650,000,000	149,484,008	(26,582,637)	772,901,371

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

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

QUARTERLY REPORT MARCH 2024



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
Note Rupees	
Cash flows from operating activities		
Profit for the period before taxation	39,499,651	28,000,665
Adjustments for non-cash and other items:		
Depreciation	2,931,253	2,010,996
Amortization	4,125,510	3,426,993
Long term security deposit	57,500	-
Gratuity expense	2,173,895	1,774,944
Dividend income	(1,350,876)	(2,838,754)
Gain on disposal of property and equipment	(214,008)	-
Finance cost	217,726,464	134,583,821
Reversal against accrued mark-up	8,391,021	(3,000,000)
Reversal of provision for non-performing investments	(26,119,588)	(23,215,000)
	<u>207,721,171</u>	<u>112,743,000</u>
Operating cash flows before working capital changes	247,220,822	140,743,665
(Increase) / decrease in current assets		
Prepayments and other receivables	(4,088,088)	642,196
Mark-up/interest accrued	(95,088,691)	(38,265,137)
	(99,176,779)	(37,622,941)
Increase / (decrease) in current liabilities		
Accrued expenses and other payables	1,672,369	2,167,862
	1,672,369	2,167,862
Cash generated from operations	149,716,412	105,288,586
Income tax paid	1,355,497	(15,873,281)
Dividend received	1,350,876	2,838,754
Markup on finance cost paid	(209,263,229)	(141,960,422)
	(206,556,856)	(154,994,949)
Cash generated/ (used in) from operating activities	(56,840,444)	(49,706,363)
Cash flows from investing activities		
Acquisition of property and equipment	(12,252,235)	-
Sale proceeds on disposal of property and equipment	214,008	-
Term deposit receipts	(3,000,000)	(3,000,000)
Long-term investments - net	(643,499,543)	(748,985,184)
Short-term investments - net	(11,931,760)	1,013,940,276
Long-term loan and finances (payment) / received	66,250,492	30,244,357
Net cash (used in) / generated from investing activities	(604,219,038)	292,199,449
Cash flows from financing activities		
Long-term loan repaid	-	(15,625,000)
Cash dividend paid	-	(3,935)
Lease liabilities - net	1,686,990	-
Net cash used in financing activities	1,686,990	(15,628,935)
Net decrease in cash and cash equivalents	(659,372,492)	226,864,151
Cash and cash equivalents at the beginning of the period	(953,437,042)	(1,187,085,329)
Cash and cash equivalents at the end of the period	18 <u>(1,612,809,534)</u>	<u>(960,221,178)</u>

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

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

QUARTERLY REPORT MARCH 2024



FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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 JCR-VIS has re-affirmed the Investment Bank's credit rating to 'A' for long & medium term and 'A-2' (A Two) for short term on February 26, 2024. The outlook of the rating is stable.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statement of the Investment Bank for the nine months period ended March 31, 2024 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, 2023.

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, 2023.

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, 2023.



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, 2023.

			March 31, 2024	June 30, 2023
	Note		Un-audited	Audited
		 Rupees	
6 PROPERTY AND EQUIPMENT				
Operating fixed assets	6.1	14,375,432	5,054,450	
Right of use assets		12,376,540	16,502,050	
		26,751,972	21,556,500	

6.1 Additions/deletions during the period ended March 31, 2024 are as under:

	For the nine-months period ended		For the year ended	
	March 31, 2024		June 30, 2023	
	Unaudited	Audited	Unaudited	Audited
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
	----- Rupees -----			
Furniture & Fittings	-	-	76,500	-
Computer	263,235	147,000	1,071,570	570,546
Vehicles	11,989,000	3,598,000	-	-
	12,252,235	3,745,000	1,148,070	570,546

			March 31, 2024	June 30, 2023
	Note		Un-audited	Audited
		 Rupees	
7 LONG-TERM INVESTMENTS				
At amortised cost				
Term Finance Certificates/Sukuk - listed		32,415,276	32,415,276	
Term Finance Certificates/Sukuk - unlisted		163,670,167	171,320,167	
		196,085,443	203,735,443	
Less: Provision against investments	7.1	(105,583,238)	(135,995,570)	
		90,502,205	67,739,873	
At fair value through other comprehensive income				
Pakistan Investment Bonds PIBs		1,744,780,740	1,069,771,431	
Investment in shares - quoted		-	942,018	
Term finance certificate -listed	7.1	15,762,090	16,486,590	
		1,760,542,830	1,087,200,039	
Less: Provision against investments		(15,762,090)	(16,486,590)	
		1,744,780,740	1,070,713,449	
Total long-term investments		1,835,282,945	1,138,453,322	
Less: Current portion of long-term investments		(247,094,825)	(17,146,690)	
		1,588,188,120	1,121,306,632	



FIRST CREDIT AND INVESTMENT BANK LIMITED

	March 31, 2024	June 30, 2023
Note	Un-audited	Audited
 Rupees	
7.1 Provision against investments		
Opening balance	152,482,160	186,299,533
Charged during the period/year	2,500,000	15,268,586
(Reversal) during the period/year	(33,636,832)	(49,085,959)
	(31,136,832)	(33,817,373)
Balance at the end of period/year	<u>121,345,328</u>	<u>152,482,160</u>
8 NET INVESTMENT IN FINANCE LEASE		
Lease rental receivable	-	-
Residual value	-	418,600
Gross investment in finance lease	-	418,600
Less: Unearned finance lease income	-	(11,670)
	-	406,930
Less: Current maturity of net investment in finance lease	-	(406,930)
Net Investment in finance lease	<u>-</u>	<u>-</u>
9 Term Deposits Receipts	9.1	3,000,000
9.1 This represent investment in term deposit receipts with National Bank of Pakistan, an associated undertaking		<u>3,000,000</u>
10 DEFFERED TAX ASSETS		
<p>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.</p>		
11 CURRENT PORTION OF NON-CURRENT ASSETS		
Investments		
Current portion of term finance certificates - listed	9,957,435	17,146,690
Current portion investment in PIBs	237,137,390	-
Loans and finances		
Current portion of loans to employees	5,274,917	2,486,184
Current portion of loans to other - term finance facility (secured)	98,995,544	120,115,024
	104,270,461	122,601,208
Net investment in lease finance		
Current maturity of net investment in finance lease	-	406,930
	<u>351,365,286</u>	<u>140,154,828</u>



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	March 31, 2024 Un-audited Rupees	June 30, 2023 Audited
12 SHORT-TERM INVESTMENTS			
At fair value through other comprehensive income			
Dewan Cement Limited - Pre IPO TFCs		50,000,000	50,000,000
Provision - TFC - Dewan Cement Limited	12.1	(20,000,000)	(14,982,756)
		30,000,000	35,017,244
Investment in shares - listed		11,964,780	11,615,774
		41,964,780	46,633,018
At fair value through profit or loss			
Investment in shares - listed		8,913,857	-
		50,878,637	46,633,018
12.1 This investment has been classified under loss category and accordingly made provision of entire amount considering FSV of the collateral held as per NBFC and NE regulations.			
13 DEFICIT ON REMEASUREMENT OF INVESTMENTS - Net			
At fair value through other comprehensive income			
Government securities		(35,176,789)	(56,393,945)
Shares long - term		(2,630,477)	(2,400,629)
Shares short - term		968,799	(14,574,004)
Related deferred tax (assets)		10,255,830	19,575,447
		(26,582,637)	(53,793,131)
14 Markup / Interest accrued			
Secured			
Loans and borrowings		11,461,038	2,997,803
Unsecured			
Long-term certificate of deposit		1,560,137	1,560,137
		13,021,175	4,557,940
15 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no contingencies as at period end (June 30, 2023: Nil)		-	-
Commitments			
There are no commitments as at period end (June 30, 2023: Nil)		-	-



FIRST CREDIT AND INVESTMENT BANK LIMITED

March 31, March 31,
2024 2023
Un-audited Un-audited
..... Rupees

16 TAXATION

Current	<u>5,519,458</u>	<u>2,935,221</u>
Deferred - net	<u>4,515,896</u>	<u>7,803,675</u>
	<u>10,035,354</u>	<u>10,738,896</u>

17 EARNINGS PER SHARE (EPS)

17.1 Basic EPS

Earnings for the period	<u>29,464,297</u>	<u>17,261,769</u>
Weighted average number of shares outstanding	<u>65,000,000</u>	<u>65,000,000</u>
Earnings per share - basic	<u>0.45</u>	<u>0.27</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 March 31, 2024.

March 31, March 31,
2024 2023
Un-audited Un-audited
..... Rupees

18 CASH AND CASH EQUIVALENTS

Cash and bank balances	<u>79,905,030</u>	<u>101,862,972</u>
Short term repo borrowing	<u>(1,692,714,564)</u>	<u>(1,062,084,150)</u>
	<u>(1,612,809,534)</u>	<u>(960,221,178)</u>

19 TRANSACTIONS WITH RELATED PARTIES

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



FIRST CREDIT AND INVESTMENT BANK LIMITED

Nature of relationship with related party	Nature of transactions	March 31, 2024 Un-audited	March 31, 2023 Un-audited
		-----Rupees-----	
Associated undertakings	Transactions for the six month period:		
	National Bank of Pakistan		
	(NBP holds 30.77% of FCIBL Shares)		
	Brokerage income	<u>2,292,518</u>	-
	Rent paid	<u>5,028,932</u>	<u>3,831,993</u>
	NBP Fund Management Limited		
	(NBP hold 54% shares of		
	NBP Fund Management Shares)		
	Fees & Commission Expense	<u>-</u>	<u>260,000</u>
	Taurus Securities Limited		
(NBP holds 58.32% of Taurus			
Securities Ltd. Shares)			
Brokerage Expenses	<u>163,785</u>	<u>75,761</u>	
Key management personnel	Salaries, benefits and allowances	<u>20,249,036</u>	<u>17,467,067</u>
	Retirement benefits	<u>1,188,480</u>	<u>1,051,580</u>
Staff Retirement Plans	Contributions made to staff retirement fund	<u>1,092,315</u>	<u>928,377</u>
Nature of relationship with related party	Nature of balances	March 31, 2024 Un-audited	June 30, 2023 Audited
		-----Rupees-----	
Associate Undertakings	Balances as at period-end/year - end		
	National Bank of Pakistan		
	(NBP holds 30.77% of FCIBL Shares)		
Investment in shares at cost	<u>3,858,395</u>	<u>3,858,395</u>	
Investment in term deposit receipts	<u>3,000,000</u>	<u>-</u>	
Key management personnel	Balances as at period-end/year - end	<u>6,461,000</u>	<u>4,182,914</u>



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.

	March 31, 2024 (Un-audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	35,836,073	-	-
Unlisted securities	-	68,044,769	-
	<u>35,836,073</u>	<u>68,044,769</u>	<u>-</u>

	June 30, 2023 (Audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	29,704,482	-	-
Unlisted securities	-	50,593,183	-
	<u>29,704,482</u>	<u>50,593,183</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 April 25, 2024 by the board of directors of the Investment Bank.

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

QUARTERLY REPORT MARCH 2024