



fcibank

**QUARTERLY
REPORT
MARCH 31,
2023**

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.*



C O N T E N T S

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



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. Muhammad Naeemuddin
Director



Mrs. Nina Afridi
Director



Mr. Jamal Nasim
Director

QUARTERLY REPORT MARCH 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

COMPANY INFORMATION

AUDIT COMMITTEE:

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

HR AND REMUNERATION COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

Mr. Asad Ullah Saleem	Chairman
Syed Irfan Husnain Rizvi	Member
Mr. Muhammad Naeemuddin	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
Telenor 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
Fax. # : 35689331, 35686310
E-mail: info@fcibank.com.pk
Website: www.fcibank.com.pk

QUARTERLY REPORT MARCH 2023



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, 2023.

Operating Results

Total income for the nine months ended March 31, 2023 increased by Rs. 118.46 million to Rs.203.11 million as compared to Rs. 84.65 million for the nine months ended March 31, 2022. The Company registered operating profit of Rs.2.36 million, as compared to operating profit of Rs.4.03 million for the corresponding period of last year. Further, after taking effect of reversals of provisions made against non performing investments, the Company earned profit before tax to Rs.28.00 million during the third quarter of FY 2022-23 as against Rs.16.67 million reported for the corresponding period of last year. Similarly, the Company closed the third quarter by registering after tax profit to Rs.17.26 million as against profit after tax of Rs. 11.50 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.721.29 million as of March 31, 2023. Total balance sheet footing as at March 31, 2023 decrease to Rs.1,832.00 million from Rs.2,052.27 million as of June 30, 2022.

Keeping in view the current economic situation the management is re-profiling the investment portfolio and is following conservative approach towards deployment of funds focusing more on recoveries and fee based business.

VIS Credit Rating Company Limited vide its report dated December 30, 2022 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

FCIBL is in the process of reorganizing its operational structure to generate more quality revenues from conventional sources. FCIBL is expanding its Money Market & Forex Brokerage business by hiring experts with experience 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 permissible 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 29, 2023

QUARTERLY REPORT MARCH 2023



ڈائریکٹرز جائزہ

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

آپریٹنگ نتائج:

۳۱ مارچ ۲۰۲۳ کو ختم ہونے والے نو ماہ کے اختتام پر کمپنی کی کل آمدنی ۱۱۸.۴۶ ملین روپے اضافے کے بعد ۲۰۳.۱۱ ملین روپے رہی جو ۳۱ مارچ ۲۰۲۲ کے نو ماہ کے اختتام پر ۸۴.۶۵ ملین روپے تھی۔ کمپنی نے تیسری سہ ماہی میں ۲.۳۶ ملین روپے کا آپریٹنگ منافع ریکارڈ کیا جبکہ پچھلے سال اسی عرصے میں ۴.۰۳ ملین روپے آپریٹنگ منافع تھا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں نقصان کے خدشات کو ملحوظ خاطر رکھتے ہوئے رقم تخفیف 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 ۲۰۲۲-۲۳ کی موجودہ تیسری سہ ماہی کے اختتام پر قبل از ٹیکس منافع ۲۸.۰۰ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۶.۶۷ 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 ۱۷.۲۶ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۱۱.۵۰ ملین روپے تھا۔ اسکے نتیجے میں شمیر ہولڈرز ایکویٹی سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۱۳ مارچ ۲۰۲۳ کو ۲۱.۲۹ ملین روپے ہو گئی۔ ۳۱ مارچ ۲۰۲۳ کو کمپنی کے کل اثاثہ جات کم ہو کر ۱,۸۳۲.۰۰ ملین روپے ہو گئے جو کہ ۳۰ جون ۲۰۲۲ کو ۲,۰۵۲.۲۷ ملین روپے تھے۔

انتظامیہ موجودہ معاشی صورتحال کو مد نظر رکھتے ہوئے سرمایہ کاری کے پورٹ فولیو کی دوبارہ ری پروفائلنگ کر رہی ہے اور انتظامی امور کے لیے اعتدال پسندی اپنارہی ہے اور زیادہ توجہ قرضوں کی وصولیابی اور ایڈوائزری سروسز پر مرکوز ہے۔

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کی رپورٹ بتاریخ ۳۰ دسمبر ۲۰۲۲ 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 آڈٹ لگ مشحوم 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



FIRST CREDIT AND INVESTMENT BANK LIMITED

بنیاد پر مدد آمدنی کے ذرائع پیدا کیے جاسکیں۔ ایف سی آئی بی ایل مارکیٹ سے تجربہ کار عملے کی خدمات کے توسط سے منی مارکیٹ اور فارمیٹس 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 ذیر جائزہ مدت کے دوران ٹریڈی اور منی مارکیٹ آپریشنز 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 چیلنجوں اور مواقع کی ضروریات کو پورا کرنے کے لیے پالیسیوں اور طریقہ کار کو اپڈیٹ کرنا جاری رکھے گی۔

اظہار تشکر:

ڈائریکٹرز اپنے اسٹیٹ 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 محسن علی
پریذیڈنٹ وی ای او

کراچی - ۲۹ اپریل ۲۰۲۳



FIRST CREDIT AND INVESTMENT BANK LIMITED

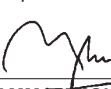
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	Note	March 31, 2023 Rupees	June 30, 2022 Rupees
		(Un-audited)	(Audited)
ASSETS			
Non-current Assets			
Property and equipment	6	5,611,597	11,049,586
Long-term investments	7	1,104,396,131	330,830,640
Long-term loans and finances		228,172,371	294,160,053
Net investment in finance lease	8	-	-
Term deposits receipts	9	3,000,000	-
Long-term security deposits		57,500	57,500
Deferred tax asset	10	74,826,751	78,297,354
		<u>1,416,064,350</u>	<u>714,395,133</u>
Current Assets			
Current portion of non-current assets	11	144,092,625	120,849,300
Short-term investments	12	55,160,744	1,075,776,169
Mark-up/interest accrued		82,648,467	41,383,330
Prepayments and other receivables		2,397,507	3,039,703
Advance taxation - net		29,778,998	21,174,010
Cash and bank balances		101,862,972	75,656,521
		<u>415,941,313</u>	<u>1,337,879,033</u>
		<u>1,832,005,663</u>	<u>2,052,274,166</u>
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized share capital			
75,000,000 (June 30, 2022: 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, 2022:65,000,000) shares of Rs. 10 each		650,000,000	650,000,000
Accumulated profit			
Deficit on remeasurements of investment-net	13	131,427,087	120,840,468
		(60,137,348)	(49,002,656)
Total shareholders' equity		721,289,739	721,837,812
LIABILITIES			
Non-current liabilities			
Deferred liability - staff gratuity		9,923,906	8,148,962
Security deposit against finance lease		418,600	418,600
		10,342,506	8,567,562
Current liabilities			
Current portion of long-term loan		-	15,625,000
Current portion of lease liability		6,924,718	6,724,035
Short-term repo borrowing		1,062,084,150	1,262,741,850
Unpaid dividend		7,344,542	7,348,477
Markup / Interest accrued	14	10,082,062	17,659,346
Accrued expenses and other payables		13,937,946	11,770,084
		1,100,373,418	1,321,868,792
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		<u>1,832,005,663</u>	<u>2,052,274,166</u>

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


MUHAMMAD KAMRAN
Chief Financial Officer


MUHAMMAD MOHSIN ALI
President & CEO


JAMAL NASIM
Director

QUARTERLY REPORT MARCH 2023



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, 2023

Note	For the nine months period ended		For the three months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees -----				
INCOME				
Income from finance and fund placements	61,171,137	38,833,018	23,685,000	14,074,274
Income from investments	140,095,548	46,725,243	44,379,149	12,691,090
Unrealized gain/(loss) on investment classified as fair value through profit or loss account	-	(2,549,547)	290	(1,262,952)
Fees and commission	1,825,015	1,603,440	631,147	1,471,218
Other income	15,095	36,658	4,662	11,716
	<u>203,106,795</u>	<u>84,648,812</u>	<u>68,700,248</u>	<u>26,985,346</u>
LESS: EXPENDITURES				
Finance cost:				
- Mark-up on bank loans	-	3,327,031	-	917,842
- Mark-up on short-term running finance	-	2,213,774	-	379,366
- Mark-up on repo borrowing	134,367,232	25,669,668	47,449,096	8,586,186
- Others	216,589	601,151	47,241	138,357
	<u>134,583,821</u>	<u>31,811,624</u>	<u>47,496,337</u>	<u>10,021,751</u>
Administrative and operating expenses	66,165,867	48,804,529	18,911,051	15,481,661
	<u>200,749,688</u>	<u>80,616,153</u>	<u>66,407,388</u>	<u>25,503,412</u>
Operating income	<u>2,357,107</u>	<u>4,032,659</u>	<u>2,292,860</u>	<u>1,481,934</u>
Reversals				
Reversal against accrued mark-up	3,000,000	540,621	-	379,775
Reversal of provision for non-performing investments	7.1 23,215,000	12,413,319	7,555,000	2,909,712
	<u>28,572,107</u>	<u>16,986,599</u>	<u>9,847,860</u>	<u>4,771,421</u>
Workers welfare fund	(571,442)	(315,312)	(570,157)	33,263
PROFIT FOR THE PERIOD BEFORE TAXATION	<u>28,000,665</u>	<u>16,671,287</u>	<u>9,277,703</u>	<u>4,804,684</u>
Taxation	16 (10,738,896)	(5,174,913)	(2,997,765)	(1,130,301)
PROFIT FOR THE PERIOD AFTER TAXATION	<u>17,261,769</u>	<u>11,496,374</u>	<u>6,279,938</u>	<u>3,674,383</u>
Earnings per share - basic and diluted	17 <u>0.27</u>	<u>0.18</u>	<u>0.10</u>	<u>0.06</u>

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


MUHAMMAD KAMRAN
Chief Financial Officer


MUHAMMAD MOHSIN ALI
President & CEO


JAMAL NASIM
Director

QUARTERLY REPORT MARCH 2023



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, 2023

	For the nine months period ended		For the three months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees-----			
PROFIT FOR THE PERIOD AFTER TAXATION	17,261,769	11,496,374	6,279,939	3,674,383
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'	(11,134,692)	(17,078,882)	1,231,527	(9,644,196)
<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>6,127,077</u>	<u>(5,582,508)</u>	<u>7,511,466</u>	<u>(5,969,813)</u>

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



MUHAMMAD KAMRAN
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



JAMAL NASIM
Director

QUARTERLY REPORT MARCH 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	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, 2021 as previously reported	650,000,000	114,707,652	(14,756,757)	749,950,895
Transactions with other than owners of equity:				
Net profit for the period	-	11,496,374	-	11,496,374
Transfer from OCI on disposal	-	(1,902,843)	-	(1,902,843)
Other comprehensive income	-	-	(17,078,882)	(17,078,882)
Total comprehensive income	-	9,593,531	(17,078,882)	(7,485,351)
Balance as at March 31, 2022	650,000,000	124,301,183	(31,835,639)	742,465,544
Balance as at July 01, 2022	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

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


MUHAMMAD KAMRAN
Chief Financial Officer


MUHAMMAD MOHSIN ALI
President & CEO


JAMAL NASIM
Director

QUARTERLY REPORT MARCH 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
Note Rupees	
Cash flows from operating activities		
Profit for the period before taxation	28,000,665	16,671,287
Adjustments for non-cash and other items:		
Depreciation	2,010,996	2,415,849
Amortization	3,426,993	3,415,394
Gratuity expense	1,774,944	1,379,105
Dividend income	(2,838,754)	(3,953,063)
Finance cost	134,583,821	31,811,624
Reversal against accrued mark-up	(3,000,000)	(540,621)
Reversal of provision for non-performing investments	(23,215,000)	(12,413,319)
	<u>112,743,000</u>	<u>22,114,969</u>
Operating cash flows before working capital changes	140,743,665	38,786,256
(Increase) / decrease in current assets		
Prepayments and other receivables	642,196	2,208,734
Mark-up/interest accrued	(38,265,137)	(8,951,492)
	<u>(37,622,941)</u>	<u>(6,742,758)</u>
Increase / (decrease) in current liabilities		
Accrued expenses and other payables	2,167,862	(998,787,143)
	<u>2,167,862</u>	<u>(998,787,143)</u>
Cash generated from operations	105,288,586	(966,743,645)
Income tax paid	(15,873,281)	(13,730,753)
Dividend received	2,838,754	3,953,063
Markup on finance cost paid	(141,960,422)	(29,716,218)
	<u>(154,994,949)</u>	<u>(39,493,908)</u>
Cash generated/ (used in) from operating activities	<u>(49,706,363)</u>	<u>(1,006,237,553)</u>
Cash flows from investing activities		
Acquisition of property and equipment	-	(691,386)
Term deposit receipts	(3,000,000)	-
Long-term investments - net	(748,985,184)	21,165,957
Short-term investments - net	1,013,940,276	995,716,857
Long-term loan and finances (payment) / received	30,244,357	72,858,686
Net cash (used in) / generated from investing activities	292,199,449	1,089,050,114
Cash flows from financing activities		
Long-term loan repaid	(15,625,000)	(46,875,000)
Cash dividend paid	(3,935)	-
Net cash used in financing activities	<u>(15,628,935)</u>	<u>(46,875,000)</u>
Net decrease in cash and cash equivalents	226,864,151	35,937,561
Cash and cash equivalents at the beginning of the period	(1,187,085,329)	(261,040,641)
Cash and cash equivalents at the end of the period	18 <u>(960,221,178)</u>	<u>(225,103,080)</u>

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


MUHAMMAD KAMRAN
Chief Financial Officer


MUHAMMAD MOHSIN ALI
President & CEO


JAMAL NASIM
Director

QUARTERLY REPORT MARCH 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

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 credit rating to 'A' for long & medium term and 'A-2' (A Two) for short term on December 30, 2022. 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, 2023 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, 2022.

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, 2022

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, 2022.



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, 2022.

	Note	March 31, 2023 Un-audited Rupees	June 30, 2022 Audited
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	<u>4,469,266</u>	6,480,262
Right of use assets		<u>1,142,331</u>	4,569,324
		<u>5,611,597</u>	<u>11,049,586</u>

6.1 Additions during the period ended March 31, 2023 are as under:

	For the nine-months period ended March 31, 2023		For the year ended June 30, 2022	
	Unaudited	Disposal	Audited	Disposal
	Additions (cost)	(cost)	Additions (cost)	Disposal (cost)
	----- Rupees -----			
Furniture & fixture	-	-	476,276	-
Office Equipment	-	-	224,978	-
Computer	-	-	516,083	-
Air Conditioners	-	-	477,116	-
Vehicles	-	-	-	-
Leasehold Improvements	-	-	358,770	(1,335,400)
	<u>-</u>	<u>-</u>	<u>2,053,223</u>	<u>(1,335,400)</u>

	Note	March 31, 2023 Un-audited Rupees	June 30, 2022 Audited
7 LONG-TERM INVESTMENTS			
At amortised cost			
Term Finance Certificates/Sukuk - listed		<u>32,415,276</u>	32,415,276
Term Finance Certificates/Sukuk - unlisted		<u>173,870,167</u>	181,170,167
Less: Provision against investments	7.1	<u>(146,597,943)</u>	(169,812,943)
		<u>59,687,500</u>	43,772,500
At fair value through other comprehensive income			
Pakistan Investment Bonds PIBs		<u>1,063,569,019</u>	318,030,000
Investment in shares - quoted		<u>1,054,887</u>	1,443,416
Term finance certificate -listed	7.1	<u>16,486,590</u>	16,486,590
		<u>1,081,110,496</u>	335,960,006
Less: Provision against investments		<u>(16,486,590)</u>	(16,486,590)
		<u>1,064,623,906</u>	319,473,416
Total long-term investments		<u>1,124,311,406</u>	363,245,916
Less: Current portion of long-term investments		<u>(19,915,275)</u>	(32,415,276)
		<u>1,104,396,131</u>	<u>330,830,640</u>

7 LONG-TERM INVESTMENTS

At amortised cost

Term Finance Certificates/Sukuk - listed		<u>32,415,276</u>	32,415,276
Term Finance Certificates/Sukuk - unlisted		<u>173,870,167</u>	181,170,167
Less: Provision against investments	7.1	<u>(146,597,943)</u>	(169,812,943)
		<u>59,687,500</u>	43,772,500

At fair value through other comprehensive income

Pakistan Investment Bonds PIBs		<u>1,063,569,019</u>	318,030,000
Investment in shares - quoted		<u>1,054,887</u>	1,443,416
Term finance certificate -listed	7.1	<u>16,486,590</u>	16,486,590
		<u>1,081,110,496</u>	335,960,006
Less: Provision against investments		<u>(16,486,590)</u>	(16,486,590)
		<u>1,064,623,906</u>	319,473,416
Total long-term investments		<u>1,124,311,406</u>	363,245,916
Less: Current portion of long-term investments		<u>(19,915,275)</u>	(32,415,276)
		<u>1,104,396,131</u>	<u>330,830,640</u>

7.1 Provision against investments

Opening balance		<u>186,299,533</u>	201,105,412
Provision/(Reversed) during the period/year		<u>(23,215,000)</u>	(14,805,879)
Closing balance		<u>163,084,533</u>	<u>186,299,533</u>

QUARTERLY REPORT MARCH 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	March 31, 2023 Un-audited Rupees	June 30, 2022 Audited
8 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		-	-
Residual value		418,600	418,600
Gross investment in finance lease		418,600	418,600
Less: Unearned finance lease income		(11,670)	(11,670)
		<u>406,930</u>	<u>406,930</u>
Less: Current maturity of net investment in finance lease		(406,930)	(406,930)
Net Investment in finance lease		<u>-</u>	<u>-</u>
9 Term Deposits Receipts	9.1	<u>3,000,000</u>	<u>-</u>

9.1 This represent investment in term deposit receipts with National Bank of Pakistan, an associated undertaking

10 DEFERRED TAX ASSETS

The management of the Investment Bank has prepared financial projections. The said projections are based on certain key assumptions made for the estimation of future profitability. The determination of future taxable profit is most sensitive to certain key assumptions. A significant change in the key assumptions and estimates may have an effect on the recovery of the deferred tax asset. The management believes that the Investment Bank will be able to achieve the profit projected in the financial projections and consequently the deferred tax asset accounted for in the financial statements will be fully realized in the future.

	Note	March 31, 2023 Un-audited Rupees	June 30, 2022 Audited
11 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments			
Current portion of term finance certificates - listed		19,915,275	32,415,276
Loans and finances			
Current portion of loans to employees		2,265,753	1,404,487
Current portion of loans to other - term finance facility (secured)		121,504,667	86,622,607
		<u>123,770,420</u>	<u>88,027,094</u>
Net investment in lease finance			
Current maturity of net investment in finance lease		406,930	406,930
		<u>144,092,625</u>	<u>120,849,300</u>

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	(6,930,383)	(6,930,383)
		<u>43,069,617</u>	<u>43,069,617</u>
Investment in government securities - T-Bills		-	955,199,000
Investment in shares - listed		12,091,127	24,190,231
Mutual Funds		-	26,520,199
		<u>12,091,127</u>	<u>1,005,909,430</u>

At fair value through profit or loss

Investment in shares - listed		-	26,797,122
		<u>55,160,744</u>	<u>1,075,776,169</u>

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.



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	March 31, 2023 Un-audited Rupees	June 30, 2022 Audited
13 DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET			
At fair value through other comprehensive income			
Government securities		(60,883,236)	(42,545,667)
Shares long - term		(2,287,760)	(1,899,231)
Shares short - term		(14,098,653)	(13,479,454)
Mutual Fund		-	(3,877,533)
Related deferred tax (assets)		17,132,301	12,799,229
		<u>(60,137,348)</u>	<u>(49,002,656)</u>
14 Markup / Interest accrued			
Secured			
Loans and borrowings including running finances	14.1	8,521,902	16,099,209
Unsecured			
Long-term certificate of deposit		1,560,137	1,560,137
		<u>10,082,039</u>	<u>17,659,346</u>
14.1 This amount includes mark-up due to National Bank of Pakistan, an associated undertaking			
15 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no contingencies as at period end (June 30, 2022: Nil)		-	-
Commitments			
There are no commitments as at period end (June 30, 2022: Nil)		-	-
		March 31, 2023 Un-audited Rupees	March 31, 2022 Un-audited
16 TAXATION			
Current		2,935,221	2,308,767
Deferred - net		7,803,675	2,866,146
		<u>10,738,896</u>	<u>5,174,913</u>
17 EARNINGS PER SHARE (EPS)			
17.1 Basic EPS			
Earnings for the period		17,261,769	11,496,374
Weighted average number of shares outstanding		65,000,000	65,000,000
Earnings per share - basic		0.27	0.18
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, 2023.



FIRST CREDIT AND INVESTMENT BANK LIMITED

	March 31, 2023 Un-audited Rupees	June 30, 2022 Audited
18 CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>101,862,972</u>	75,656,521
Short term repo borrowing	<u>(1,062,084,150)</u>	(1,262,741,850)
	<u>(960,221,178)</u>	(1,187,085,329)

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.

Nature of relationship with related party	Nature of transactions and balances	March 31, 2023 Un-audited	March 31, 2022 Un-audited
-----Rupees-----			
Associated undertakings	Transactions for the six month period:		
	National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)		
	Markup - paid on long term loan	-	3,337,031
	Markup - paid on short-term running finance	-	2,213,774
	Rent paid	<u>3,831,993</u>	<u>4,095,117</u>
	NBP Fund Management Limited (NBP hold 54% shares of NBP Fund Management Shares)		
	Fees & Commission Expense	<u>260,000</u>	<u>310,266</u>
	Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)		
	Brokerage Expenses	<u>75,761</u>	<u>25,942</u>
Key management personnel	Salaries, benefits and allowances	<u>17,467,067</u>	<u>15,521,418</u>
	Retirement benefits	<u>1,051,580</u>	<u>1,076,680</u>
Staff Retirement Plans	Contributions made to staff retirement fund	<u>928,377</u>	<u>987,830</u>



FIRST CREDIT AND INVESTMENT BANK LIMITED

Nature of relationship with related party	Nature of balances	March 31,	June 30,
		2022 Un-audited	2022 Audited
		-----Rupees-----	
Associated 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>
	Long-term loan	<u>-</u>	<u>15,625,000</u>
	NAFA Stock Fund	<u>-</u>	<u>24,827,296</u>
	NBP Income Opportunity Fund (NBP hold 54% shares of NBP Fund Management Management Company of the Fund)	<u>-</u>	<u>21,101,729</u>
Key management personnel	Balances as at period-end/year - end	<u>2,629,819</u>	<u>4,709,279</u>

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.



FIRST CREDIT AND INVESTMENT BANK LIMITED

	March 31, 2023 (Unaudited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	60,333,513	-	-
Unlisted securities	-	27,272,224	-
	<u>60,333,513</u>	<u>27,272,224</u>	<u>-</u>

	June 30, 2022 (Audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	60,655,814	-	-
Unlisted securities	-	11,357,224	-
	<u>60,655,814</u>	<u>11,357,224</u>	<u>-</u>

c) Other financial instruments

The fair values of all other financial instruments are considered to approximate their carrying amounts.

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on April 29, 2023 by the board of directors of the Investment Bank.



MUHAMMAD KAMRAN
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



JAMAL NASIM
Director

QUARTERLY REPORT MARCH 2023