



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

**Quarterly Report
September 30
2023**

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	03
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	06
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)	07
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED).....	08
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED).....	09
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED).....	10
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED).....	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. Jamal Nasim
Director



Mrs. Nina Afridi
Director



Mr. Amjad Iqbal
Director

QUARTERLY REPORT SEPTEMBER 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

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
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HEAD OFFICE | REGISTERED OFFICE:

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Stratchen Road, Karachi - 74200 Pakistan.
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QUARTERLY REPORT SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors, we have the privilege of presenting un-audited financial statements of **First Credit and Investment Bank Limited** for the first quarter ended September 30, 2023.

Operating Results

Amidst the challenges of the prevailing business environment particularly for investment banking sector, the Company has delivered strong financial results for the three-month period ended September 30, 2023 by achieving 153% growth in operating profit and 137% increase in profit after tax. Total income for the quarter ended September 30, 2023 increased by Rs.24.28 million to Rs.88.72 million as compared to Rs. 64.44 million for the quarter ended September 30, 2022. The increase in revenue is mainly attributable to the enhancement in treasury operations. The Company reports operating profit of Rs.2.30 million during the first quarter ended September 30, 2023 as compared to operating loss of Rs.4.30 million for the corresponding period of last year. Further, after taking effect of reversals of already made provisions against non-performing investments, the Company was able to report profit before taxation of Rs.8.90 million during the first quarter of FY 2023-24. The profit before taxation for the quarter ended September 30, 2022 was Rs.5.65 million. Similarly, the Company closed the current quarter registering net profit after taxation of Rs.6.33 million as against profit after taxation of Rs. 2.68 million for the corresponding quarter last year. Shareholders equity, net of deficit on re-measurement of investment, increased to Rs.728.66 million as at September 30, 2023 from Rs. 723.91 million as at June 30, 2023. Total balance sheet footing as at September 30, 2023 was Rs.1,905.89 million compared to Rs. 1,851.31 million as at June 30, 2023.

Credit Rating

VIS Credit Rating Company Limited vide its report dated December 30, 2022 maintained the medium to long-term entity rating of FCIBL 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 is facing severe competition from large commercial banks. FCIBL is facing liquidity challenges, hence 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 year 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 stakeholders, valued customers and financial institutions for their continued trust and patronage. We are grateful to the regulatory authorities especially the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and the Pakistan Stock Exchange for their 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:
October 25, 2023

QUARTERLY REPORT SEPTEMBER 2023



ڈائریکٹرز جائزہ

فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم پہلی سہ ماہی کے اختتام پر غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ برطابق ۳۰ ستمبر ۲۰۲۳ء پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

بالعموم موجودہ کاروباری ماحول اور بالخصوص انویسٹمنٹ بینکنگ سیکٹر کو درپیش چیلنجز کے باوجود کمپنی نے ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی پہلی سہ ماہی کے لیے آپریٹنگ منافع میں %۱۵۳ اور بعد از ٹیکس منافع میں %۱۱۳ اضافہ حاصل کر کے نہایت مستحکم مالیاتی نتائج حاصل کیے۔ ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والے پہلی سہ ماہی کے اختتام پر کمپنی کی کل آمدنی ۲۲.۲۸ بلین روپے اضافے کے بعد ۸۸.۷۲ بلین روپے رہی جو ۳۰ ستمبر ۲۰۲۲ کے اختتام پر ۴۳.۴۳ بلین روپے تھی۔ آمدنی میں اضافے کی بنیادی وجہ ٹریڈری آپریشنز میں بڑھتی تھی کمپنی نے پہلی سہ ماہی کے اختتام پر ۲.۳ بلین روپے کا آپریٹنگ منافع ریکارڈ کیا جبکہ پچھلے سال اسی عرصے میں ۳.۳ بلین روپے آپریٹنگ خسارہ تھا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں نقصان کے خدشات کو ملحوظ خاطر رکھتے 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 ۲۰۲۳-۲۳ کی پہلی سہ ماہی کے اختتام پر قبل از ٹیکس منافع ۸.۹ بلین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۵.۶۵ بلین روپے قبل از ٹیکس منافع ظاہر کیا گیا تھا اسی طرح رواں مالی سال کی پہلی سہ ماہی کے اختتام پر بعد از ٹیکس منافع ۶.۳۳ بلین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۲.۶۸ بلین روپے تھے۔ اسکے نتیجے میں شیئر ہولڈرز ایکویٹی سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۳۰ ستمبر ۲۰۲۳ کو بڑھ کر ۲۸.۶۶ بلین روپے ہو گئی۔ جبکہ ۳۰ جون ۲۰۲۳ کو شیئر ہولڈرز ایکویٹی ۲۳.۹۱ بلین روپے تھی۔ ۳۰ ستمبر ۲۰۲۳ کو کمپنی کے کل اثاثہ جائزہ کر کے ۹۰۵.۸۹ بلین روپے ہو گئے جو کہ ۳۰ جون ۲۰۲۳ کو ۸۵۱.۳۱ بلین روپے تھے۔

اکریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کی رپورٹ بتاریخ ۳۰ ستمبر 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 آؤٹ لک مستحکم ہے۔

مستقبل کے امکانات:

موجودہ صورتحال میں یہ بات سیاق و سباق سے ہٹ کر نہیں ہو سکتی کہ ایف سی آئی ایل واحد سرمایہ کاری بینک ہے جو اپنی پوری استعداد کے ساتھ بڑے عمل ہے اور اپنی سرگرمیوں میں اضافہ کر رہا ہے، حالانکہ ہمیں بڑے کمرشل بینکوں سے غیر مساوی مسابقت کا بھی سامنا ہے۔ ایف سی آئی ایل کو لیکویڈیٹی کے چیلنجز کا سامنا ہے جس سے نمٹنے کے لیے آمدنی بڑھانے کے بہت سے نئے ذرائع پر کام کا آغاز کر دیا گیا ہے۔ ایف سی آئی ایل



FIRST CREDIT AND INVESTMENT BANK LIMITED

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 منافع میں اپنا کردار ادا کرے گا۔ اسی طرح ذریعہ جائزہ سال کے دوران ٹریڈی اور میں مارکیٹ کے آپریشنز میں بھی اضافہ دیکھنے میں آیا ہے۔ کاروبار میں یہ ترقی کمرشل بینکوں کے ساتھ سخت مقابلے کے باوجود حاصل کی گئی۔ یہاں یہ بات مدنظر 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 زیادہ توجہ دے رہے ہیں۔ این بی ایف سی ریگولیٹری فریم ورک کے تحت نئے کاروباری تنوع پر زیادہ توجہ دے رہا 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 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
پریزیڈنٹ وی ای او

کراچی۔

۲۵ اکتوبر ۲۰۲۳



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	September 30, 2023 Rupees (Un-audited)	June 30, 2023 (Audited)
ASSETS			
Non-Current Assets			
Property and equipment	6	31,525,062	21,556,500
Long-term investments	7	1,121,156,776	1,121,306,632
Long-term loans and finances		204,254,037	211,471,850
Net investment in finance lease	8	-	-
Term deposit receipts	9	3,000,000	-
Long-term deposits		57,500	57,500
Deferred tax asset	10	71,018,498	74,099,078
Total non-current assets		1,431,011,873	1,428,491,560
Current assets			
Current portion of non-current assets	11	130,808,870	140,154,828
Short-term investments	12	52,126,197	46,633,018
Markup/interest accrued		106,790,163	74,303,284
Prepayments and other receivables		5,058,090	3,183,119
Taxation-net		38,303,804	36,420,563
Cash and bank balances		141,790,262	122,123,799
Total current assets		474,877,386	422,818,611
Total Assets		1,905,889,260	1,851,310,171
EQUITY & LIABILITIES			
Shareholders' equity			
Authorized share capital 75,000,000 (June 30, 2023: 75,000,000) ordinary 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) ordinary shares of Rs.10 each		650,000,000	650,000,000
Accumulated profit		126,350,490	127,705,852
Deficit on remeasurement of investments - net	13	(47,688,714)	(53,793,131)
Total shareholders' equity		728,661,776	723,912,721
Non-Current Liabilities			
Deferred liability - Staff gratuity		10,434,450	9,746,087
Lease liability		12,604,327	11,798,071
Security deposit against finance lease		418,600	418,600
Total non-current liabilities		23,457,377	21,962,758
Current Liabilities			
Current portion of lease liability		4,502,930	4,704,133
Short-term repo borrowing		1,119,832,972	1,075,560,841
Un-paid dividend		7,344,542	7,344,542
Markup / interest accrued	14	7,696,303	4,557,940
Accrued expenses and other payables		14,393,360	13,267,236
Total current liabilities		1,153,770,107	1,105,434,692
Total liabilities		1,177,227,484	1,127,397,450
Contingencies and commitments	15	-	-
Total equity and liabilities		1,905,889,260	1,851,310,171

The annexed notes from 1 to 22 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 SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
	(Un-audited)	
Note Rupees	
Income from term finances and fund placements	25,481,813	17,784,400
Income from investments	60,341,275	46,221,656
Urealized gain/(Loss) in investment classified as fair value through profit or loss account	490,775	(242,588)
Fees and commission income	2,197,587	668,000
Other income	203,229	5,402
	88,714,679	64,436,870
Finance costs	(63,154,802)	(49,384,087)
Administrative and operating expenses	(23,258,561)	(19,356,257)
Operating (loss)/income before taxation and provisions	2,301,316	(4,303,474)
Reversals/(Provision)		
Reversal against accreued mark-up	78,164	2,000,000
Reversal of diminution in value of long-term investments	7.1 6,577,341	7,950,000
Profit for the period before taxation and workers' welfare fund	8,956,821	5,646,526
Workers' welfare fund	(55,730)	-
Profit for the period before taxation	8,901,091	5,646,526
Taxation	16 (2,570,312)	(2,971,426)
Profit for the period after taxation	6,330,779	2,675,100
Earnings per share -basic and diluted	17 0.10	0.04

The annexed notes from 1 to 22 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 SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited) Rupees	September 30, 2022
Profit after taxation for the period	6,330,779	2,675,100
Items that will not be subsequent reclassified to statement of profit or loss - net of tax :		
Unrealized gain on re-measurement of fair value through other comprehensive income investments	6,104,417	7,801,679
Total comprehensive income for the period	12,435,196	10,476,779

The annexed notes from 1 to 22 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 SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid-up share capital	Reserve		Deficit on measurement of investment classified as fair value through other comprehensive income	Total shareholder's equity
		Revenue Accumulated loss	Total		
..... (Rupees)					
Balance as at July 01, 2022	650,000,000	120,840,468	120,840,468	(49,002,656)	721,837,812
Profit after tax for the quarter	-	2,675,100	2,675,100	-	2,675,100
Transfer from OCI on disposal	-	(3,370,084)	(3,370,084)	-	(3,370,084)
Other comprehensive income	-	-	-	7,801,679	7,801,679
	-	(694,984)	(694,984)	7,801,679	7,106,695
Balance as at September 30, 2022	650,000,000	120,145,484	120,145,484	(41,200,977)	728,944,507
Balance as at July 01, 2023	650,000,000	127,705,852	127,705,852	(53,793,131)	723,912,721
Profit after tax for the quarter	-	6,330,779	6,330,779	-	6,330,779
Transfer from OCI on disposal	-	(7,686,141)	(7,686,141)	-	(7,686,141)
Other comprehensive income	-	-	-	6,104,417	6,104,417
	-	(1,355,362)	(1,355,362)	6,104,417	4,749,055
Balance as at September 30, 2023	650,000,000	126,350,490	126,350,490	(47,688,714)	728,661,776

The annexed notes from 1 to 22 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 SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited)	September 30, 2022
Note	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,901,091	5,646,526
Adjustments for:		
Depreciation	1,947,438	1,846,648
Gain on disposal of property and equipment	(199,308)	-
Gratuity expenses	688,363	591,648
Dividend Income	(227,276)	(1,147,457)
Finance Cost	63,154,802	49,384,087
Reversal against accrued mark-up	(78,164)	(2,000,000)
Reversal for non-performing investments	(6,577,341)	(7,950,000)
	<u>58,708,514</u>	<u>40,724,926</u>
Operating cash flows before working capital changes	67,609,605	46,371,452
(Increase) / decrease in current assets		
Prepayments and other receivables	(1,874,971)	(735,008)
Mark-up/interest accrued	(32,408,715)	14,645,943
	<u>(34,283,687)</u>	<u>13,910,935</u>
Increase / (decrease) in current liabilities		
Accrued expenses and other payables	1,126,124	1,330,753
Cash generated from operations	34,452,042	61,613,140
Income tax paid	(1,372,973)	(190,885)
Dividend income received	227,276	1,147,457
Markup on finance cost paid	(59,411,386)	(64,813,014)
	<u>(60,557,082)</u>	<u>(63,856,442)</u>
Net cash (used in)/generated from operating activities	(26,105,040)	(2,243,301)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(11,916,000)	-
Proceed from disposal of property and equipment	199,308	-
Long-term investments-net	12,831,612	6,567,199
Term deposit receipts	(3,000,000)	-
Short-term investments	(13,179,319)	(39,307,597)
Long-term finances -net	16,563,772	(1,143,442)
Net cash (used in) / generated in investing activities	1,499,373	(33,883,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loan repaid	-	(15,625,000)
Net cash used in from financing activities	-	(15,625,000)
Net (decrease) / increase in cash and cash equivalents	(24,605,668)	(51,752,142)
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	(978,042,710)	(1,238,837,471)

The annexed notes from 1 to 22 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 SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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, 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 Investment Bank has changed its status from Deposit taking Investment Bank to Non-Deposit taking Investment Bank from July 01, 2018.

The VIS has assigned the investment bank a credit rating of 'A' long & medium term and 'A-2' (A Two) short term on the basis of credit rating carried 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 three months period ended September 30, 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, 2023.

3 ACCOUNTING POLICIES

In preparing this condensed interim financial information, the significant judgements 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.

QUARTERLY REPORT SEPTEMBER 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.

	Note	September 30, 2023 Un-audited Rupees	June 30, 2023 Audited
6 PROPERTY AND EQUIPMENT			
Operating fixed assets	6.1	16,398,182	5,054,450
Right of use assets		15,126,880	16,502,050
		<u>31,525,062</u>	<u>21,556,500</u>

6.1 Additions/deletions during the three months period ended September 30, 2023 are as under:

	For the three months periods ended September 30, 2023		For the year ended June 30, 2023	
	Unaudited	Audited	Unaudited	Audited
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
	----- Rupees -----			
-Furniture and fittings	-	-	76,500	-
-Computers	-	-	1,071,570	570,546
-Vehicles	11,916,000	3,543,500	-	-
	<u>11,916,000</u>	<u>3,543,500</u>	<u>1,148,070</u>	<u>570,546</u>

	Note	September 30, 2023 Un-audited Rupees	June 30, 2023 Audited
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7 LONG-TERM INVESTMENTS

At amortised cost

- Term finance certificates/sukuk - listed		32,415,276	32,415,276
- Term finance certificates/sukuk - unlisted		168,770,167	171,320,167
		<u>201,185,443</u>	<u>203,735,443</u>
Less: Provision against investments	7.1	(129,659,729)	(135,995,570)
		<u>71,525,714</u>	<u>67,739,873</u>

At fair value through other comprehensive income

- Pakistan Investment Bonds PIBs		1,066,777,752	1,069,771,431
- Quoted Shares		-	942,018
- Term finance certificates- listed		16,245,090	16,486,590
		<u>1,083,022,842</u>	<u>1,087,200,039</u>
Less: Provision against investments	7.1	(16,245,090)	(16,486,590)
		<u>1,066,777,752</u>	<u>1,070,713,449</u>

Less: Current Portion of TFCs		(17,146,690)	(17,146,690)
		<u>1,121,156,776</u>	<u>1,121,306,632</u>

QUARTERLY REPORT SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	September 30, 2023 Un-audited	June 30, 2023 Audited
	 Rupees	
7.1 Provision for diminuation in value of long-term investments			
Opening balance		152,482,160	186,299,533
Charged during the period/year		-	15,268,586
(Reversal) during the period/year		(6,577,341)	(49,085,959)
		<u>(6,577,341)</u>	<u>(33,817,373)</u>
Balance at the end of period/year		<u>145,904,819</u>	<u>152,482,160</u>
8 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		-	-
Residual value of lease assets		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 Deposit 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 ASSET			
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 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.			
11 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments			
Current portion of term finance certificates-listed		17,146,690	17,146,690
Loans and finances			
Current portion of loans to employees		4,824,807	2,486,184
Current portion of loans to other - term finance facility (secured)		108,430,443	120,115,024
		<u>113,255,250</u>	<u>122,601,208</u>
Net investment in lease finance			
Current maturity of net investment in finance lease		406,930	406,930
		<u>130,808,870</u>	<u>140,154,828</u>
12 SHORT-TERM INVESTMENTS			
Fair value through other comprehensive income			
-Dewan Cement Limited- Pre IPO term finance certificates	12.1	50,000,000	50,000,000
Less: Provision TFC - Dewan Cement Limited	12.1	(14,982,756)	(14,982,756)
		<u>35,017,244</u>	<u>35,017,244</u>
-Quoted Shares		9,123,714	11,615,774
		<u>44,140,958</u>	<u>46,633,018</u>
Fair value through held-for-trading			
-Quoted Shares		7,985,239	-
Investments at market value		<u>52,126,197</u>	<u>46,633,018</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 applicable law and applicable financial reporting framework.			

QUARTERLY REPORT SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	September 30, 2023 Un-audited Rupees	June 30, 2023 Audited
13 DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET			
Fair value through other comprehensive income			
Government securities		(61,117,100)	(56,393,945)
Quoted Shares long-term		-	(2,400,629)
Quoted Shares short-term		(4,502,744)	(14,574,004)
Related deferred tax (asset)		17,931,130	19,575,447
		<u>(47,688,714)</u>	<u>(53,793,131)</u>
14 MARK-UP/INTEREST ACCRUED			
Mark-up accrued on:			
Secured			
- Loans and borrowings		6,136,166.36	2,997,803
Unsecured			
- Certificates of deposits		1,560,137	1,560,137
		<u>7,696,303</u>	<u>4,557,940</u>
15 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no material contingencies as at the reporting date (June 30, 2023: Nil)		-	-
Commitments			
There are no material commitments as at the reporting date (June 30, 2023: Nil)		-	-
		<u>-</u>	<u>-</u>
		Three months ended September 30, 2023 Un-audited Rupees	Three months ended September 30, 2022 Un-audited
16 TAXATION			
- Current		1,134,049	-
- Deferred		1,436,263	2,971,426
		<u>2,570,312</u>	<u>2,971,426</u>
17 EARNING PER SHARE- BASIC AND DILUTED			
Profit after taxation for the period		6,330,779	2,675,100
Weighted average number of shares outstanding during the period		65,000,000	65,000,000
Earnings per share - basic and diluted		0.10	0.04

QUARTERLY REPORT SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Three months ended September 30, 2023 Un-audited Rupees	Three months ended September 30, 2022 Un-audited Rupees
18 CASH AND CASH EQUIVALENT		
Cash and bank balances	141,790,262	74,716,029
Short-term repo borrowing	(1,119,832,972)	(1,313,553,500)
	<u>(978,042,710)</u>	<u>(1,238,837,471)</u>

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel and retirement benefit schemes. The Investment Bank in the normal course of business carries out transactions with various related parties. Amounts due from and to associated undertakings, executives and remuneration of directors and executives are disclosed in the relevant notes. Transactions with related parties other than disclosed elsewhere in these financial statements are as follows:

Nature of relationship with related party	Nature of transactions and balances	For the three months period ended and as at September 30, 2023 Rupees	For the three months period September 30, 2022 and as at June 30, 2023 Rupees
Associated undertakings	Transactions for the three-months period:		
	National Bank of Pakistan (NBP holds 30.7% of FCIBL Shares)		
	Rent expense	1,529,521	1,519,126
	Brokerage commission income	469,261	-
	Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)		
	Brokerage expenses	58,522	19,570
	NBP Fund Management Limited (NBP holds 54% shares of NBP Fund Management Limited)		
	Commission expense	-	86,667
	Balances at period-end/year-end		
	National Bank of Pakistan: (NBP holds 30.7% of FCIBL Shares)		
Investment in shares at cost	3,858,395	3,858,395	
Investment in TDR	3,000,000	-	
NAFA Stock Fund (NBP holds 54% shares of NBP Fund Management Limited - Management Company of the Fund)			
Key management personnel	Transactions for the three months period:		
	Salaries, benefits and other allowances	6,844,418	4,912,525
	Retirement benefits	1,062,556	332,808
	Balances at period-end/year-end	7,523,009	4,771,385
Staff Retirement Plans	Transactions for the three months period:		
	Contributions to staff retirement plans	356,250	268,592

QUARTERLY REPORT SEPTEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of all financial instruments as at three months/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.

	September 30, 2023 (Un-audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	39,255,643	-	-
Unlisted securities	-	49,379,024	-
	<u>39,255,643</u>	<u>49,379,024</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 GENERAL

Figures have been rounded off to the nearest rupees

22 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on October 25, 2023 by the Board of Directors of the Company

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

QUARTERLY REPORT SEPTEMBER 2023