



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

**Half Yearly
Report
December 31,
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.*



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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

HALF YEARLY REPORT DECEMBER 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
Fax # +92 (21) 35310190

HEAD OFFICE | REGISTERED OFFICE:

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Ph. # : 35658750-1, 35670452, 35688490
Fax. # : 35689331, 35686310
E-mail: info@fcibank.com.pk
Website: www.fcibank.com.pk

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FIRST CREDIT AND INVESTMENT BANK LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present condensed interim financial statements (un-audited) of **First Credit and Investment Bank Limited**, reviewed by the auditors for the half year ended December 31, 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 half year ended December 31, 2023 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 is witnessed 33% growth while 74% increase is registered in profit after tax. Total income for the half year ended December 31, 2023 increased by Rs.57.48 million to Rs.191.88 million as compared to Rs.134.41 million for the half year ended December 31, 2022. The Company recorded increase in operating profit to Rs.12.39 million for the half year ended December 31, 2023 as compared to operating profit of Rs.0.064 million for the corresponding periods of last year respectively. This substantial increase in operating profit is mainly attributable to across the board increase in every operational areas of FCIBL including treasury, capital market and brokerage divisions of FCIBL. Further, after taking effect of reversals of already made provisions against non performing investments, the Company earned profit before tax to Rs.24.92 million during the first half of FY 2023-24 as against Rs.18.72 million reported for the corresponding period of previous year. Similarly, the Company closed the first half of the current financial year by registering profit after tax of Rs.19.16 million as against profit after tax of Rs. 10.98 million posted for the corresponding period of last year. Shareholders equity net of deficit on revaluation of available for sale investments is increased by Rs.30.64 million to Rs.754.55 million as of December 31, 2023 against Rs.723.91 million reported as at June 30, 2023. Total balance sheet footing as of December 31, 2023 increased to Rs.2,474.82 million from Rs.1,851.31 million as at June 30, 2023 witnessing a growth of 33%. Increase in the balance sheet footing was on account of enhanced treasury operations.

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 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

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:
February 20, 2024

HALF YEARLY REPORT DECEMBER 2023



ڈائریکٹرز جائزہ

فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم پہلی ششماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ بعد آڈیٹرز جائزہ رپورٹ برطریق ۳۱ دسمبر ۲۰۲۳ 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 منافع حاصل کر کے ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی ششماہی کے لیے 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 بروکرز آپریٹرز کے لیے قابل عمل کی خدمات حاصل کیں اور کاروبار کو وسعت دینے 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 ۳۳% اضافہ دیکھا گیا ہے جبکہ بعد از ٹیکس منافع میں ۴% اضافہ ریکارڈ کیا گیا ہے۔ ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی پہلی ششماہی کے لیے کل آمدنی ۵۷.۴۸ ملین اضافہ کے بعد ۱۹۱.۸۸ ملین روپے ہو گئی جبکہ ۳۱ دسمبر ۲۰۲۲ کو ختم ہونے والی ششماہی کے لیے ۱۳۴.۴۱ ملین روپے تھی۔ کمپنی نے ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی پہلی ششماہی کے لیے آپریٹنگ منافع میں بالترتیب ۱۲.۳۹ ملین روپے کا اضافہ ریکارڈ کیا جو پچھلے سال اسی مدت کے لیے بالترتیب ۰.۶۴ ملین روپے آپریٹنگ منافع رہا۔ آپریٹنگ منافع میں یہ خاطر خواہ اضافہ بنیادی طور پر FCIBL کے آپریشنل شعبوں بشمول ٹریڈری، کیپٹل مارکیٹ اور بروکرز ڈویژن کی سیر حاصل کاوشوں کا مرہون منت ہے۔ 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 پہلی ششماہی میں قبل از ٹیکس منافع ۲۴.۹۲ ملین روپے ریکارڈ کیا جبکہ پچھلے سال اسی مدت میں ۱۸.۷۲ ملین روپے قبل از ٹیکس منافع ظاہر کیا گیا تھا اسی طرح رواں مالی سال کی پہلی ششماہی کے اختتام پر بعد از ٹیکس منافع ۱۹.۱۶ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع ۱۰.۹۸ ملین روپے تھا۔ اسکے نتیجے میں شیئر ہولڈرز ایکٹیو سرمایہ کاری کی موجودہ مالیت کے مطابق اکاؤنٹ میں لینے کے بعد ۵۵.۵۵ ملین روپے ہو گئی جس میں ۳۰.۶۴ ملین روپے اضافہ ریکارڈ کیا گیا جبکہ ۳۰ جون ۲۰۲۳ کو شیئر ہولڈرز ایکٹیو ۲۳.۹۱ ملین روپے تھی۔ ۳۱ دسمبر ۲۰۲۳ کو کمپنی کے کل اثاثہ جات % ۱۳۳ اضافہ کے بعد ۲۷۴.۸۲ ملین روپے ہو گئے جو کہ ۳۰ جون ۲۰۲۳ کو ۱۸۱.۵۱ ملین روپے تھے۔

مذکورہ کل اثاثہ جات میں اضافہ ٹریڈری آپریٹرز کی بہتر کارکردگی کی وجہ سے ہوا ہے۔

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

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کی رپورٹ بتاریخ ۳۱ دسمبر ۲۰۲۲ کے مطابق کمپنی نے درمیان 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۔



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مستقبل کے امکانات:

ایف سی آئی بی ایل اپنے آپریشنل ڈھانچے کو از سر نو ترتیب دے رہا ہے تاکہ روایتی اور غیر روایتی طریقوں سے اپنے ماضی کے تجربے کی بنیاد پر مندی 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 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 زیر جائزہ مدت کے دوران ٹریڈری 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 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 شکرگزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کے معترف ہیں۔

جمال نایم
ڈائریکٹر

محمد حسن علی
پریذیڈنٹ وی ای او

کراچی۔

۲۰ فروری ۲۰۲۳



FIRST CREDIT AND INVESTMENT BANK LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Credit And Investment Bank Limited
Report on review of interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **First Credit And Investment Bank Limited** ("the investment Bank"), as at December 31, 2023 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). The Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the six-month period ended December 31, 2023 and for the three months period ended December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

The engagement partner on the review resulting in this independent auditor's review report is Imran Shaikh.

Arumi Hussain Che

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: 26 February, 2024

UDIN: RR20231020716PAOUxWb

HALF YEARLY REPORT DECEMBER 2023



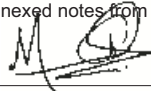
FIRST CREDIT AND INVESTMENT BANK LIMITED

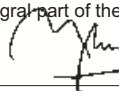
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Note	December 31, 2023 Rupees	June 30, 2023 (Audited)
ASSETS			
Non-current Assets			
Property and equipment	6	29,094,491	21,556,500
Long-term investments	7	1,558,483,183	1,121,306,632
Long-term loans and finances		170,967,108	211,471,850
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	65,478,885	74,099,078
		<u>1,827,081,167</u>	<u>1,428,491,560</u>
Current Assets			
Current portion of non-current assets	11	358,673,346	140,154,828
Short-term investments	12	53,762,924	46,633,018
Mark-up/interest accrued		96,250,381	74,303,284
Prepayments and other receivables		8,477,408	3,183,119
Advance taxation - net		37,469,339	36,420,563
Cash and bank balances		93,101,177	122,123,799
		<u>647,734,575</u>	<u>422,818,611</u>
		<u>2,474,815,742</u>	<u>1,851,310,171</u>
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
Unappropriated profit		139,180,869	127,705,852
Deficit on remeasurements of investment-net	13	(34,626,022)	(53,793,131)
Total shareholders' equity		<u>754,554,847</u>	<u>723,912,721</u>
LIABILITIES			
Non-current liabilities			
Deferred liability - staff gratuity		11,195,350	9,746,087
Lease liability		10,337,757	11,798,071
Security deposit against finance lease		418,600	418,600
		<u>21,951,707</u>	<u>21,962,758</u>
Current liabilities			
Current portion of lease liability		7,332,364	4,704,133
Short-term borrowing		1,635,960,887	1,075,560,841
Unpaid dividend		7,344,542	7,344,542
Markup / Interest accrued	14	30,512,057	4,557,940
Accrued expenses and other payables		17,159,338	13,267,236
		<u>1,698,309,188</u>	<u>1,105,434,692</u>
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		<u>2,474,815,742</u>	<u>1,851,310,171</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

HALF YEARLY REPORT DECEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

Note	For the six months period ended		For the three months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- Rupees -----				
INCOME				
Income from finance and fund placements	51,421,612	37,486,137	25,939,799	19,701,737
Income from investments	133,309,210	95,716,398	72,967,934	49,494,741
Unrealized gain/(loss) on investment classified as fair value through profit or loss account	2,603,583	(290)	2,112,808	242,298
Fees and commission	4,342,449	1,193,868	2,144,862	525,868
Other income	206,781	10,433	3,552	5,031
	<u>191,883,635</u>	<u>134,406,546</u>	<u>103,168,955</u>	<u>69,969,675</u>
LESS: EXPENDITURES				
- Finance cost of Short-term borrowing	123,517,964	86,918,136	60,995,560	37,625,351
- Others	1,201,308	169,348	568,910	78,046
Administrative and operating expenses	124,719,272	87,087,484	61,564,470	37,703,397
	<u>54,771,899</u>	<u>47,254,816</u>	<u>31,513,338</u>	<u>27,898,559</u>
Operating income	<u>179,491,171</u>	<u>134,342,300</u>	<u>93,077,808</u>	<u>65,601,956</u>
	<u>12,392,464</u>	<u>64,246</u>	<u>10,091,147</u>	<u>4,367,719</u>
Reversals				
Reversal against accrued mark-up	198,017	3,000,000	119,853	1,000,000
Reversal of provision for non-performing Investments	7.1 12,521,098	15,660,000	5,943,757	7,710,000
	<u>25,111,579</u>	<u>18,724,246</u>	<u>16,154,757</u>	<u>13,077,719</u>
Workers welfare fund	(195,778)	(1,285)	(140,048)	(87,354)
PROFIT FOR THE PERIOD BEFORE TAXATION	<u>24,915,801</u>	<u>18,722,961</u>	<u>16,014,709</u>	<u>12,990,365</u>
Taxation	16 (5,754,643)	(7,741,131)	(3,184,331)	(4,769,705)
PROFIT FOR THE PERIOD AFTER TAXATION	<u>19,161,158</u>	<u>10,981,830</u>	<u>12,830,378</u>	<u>8,220,660</u>
Earnings per share - basic and diluted	17 <u>0.29</u>	<u>0.17</u>	<u>0.20</u>	<u>0.13</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

HALF YEARLY REPORT DECEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

	For the six months period ended		For the three months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees-----			
PROFIT FOR THE PERIOD AFTER TAXATION	19,161,158	10,981,830	12,830,378	8,220,660
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'	19,167,109	2,095,112	13,062,692	(5,620,497)
<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>38,328,267</u>	<u>13,076,942</u>	<u>25,893,070</u>	<u>2,600,163</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

HALF YEARLY REPORT DECEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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	Total		
	Unappropriated profit				
..... (Rupees)					
Balance as at July 01, 2022 as previously reported	650,000,000	120,840,468	120,840,468	(49,002,656)	721,837,812
Transactions with other than owners of equity:					
Net profit for the period	-	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
Total comprehensive income	-	(694,984)	(694,984)	7,801,679	7,106,695
Balance as at December 31, 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
Transactions with other than owners of equity:					
Net profit for the period	-	19,161,158	19,161,158	-	19,161,158
Transfer from OCI on disposal	-	(7,686,141)	(7,686,141)	-	(7,686,141)
Other comprehensive income	-	-	-	19,167,109	19,167,109
Total comprehensive income	-	11,475,017	11,475,017	19,167,109	30,642,126
Balance as at December 31, 2023	650,000,000	139,180,869	139,180,869	(34,626,022)	754,554,847

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

HALF YEARLY REPORT DECEMBER 2023



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
Note Rupees	
Cash flows from operating activities		
Profit before taxation	24,915,801	18,722,961
Adjustments for non-cash and other items:		
Depreciation	1,737,669	1,360,096
Amortization	2,750,340	2,284,662
Gratuity expense	1,449,263	1,183,296
Dividend income	(846,424)	(2,483,072)
Gain on disposal of property and equipment	(199,308)	
Finance cost	124,719,272	87,087,484
Reversal against accrued mark-up	(198,017)	(3,000,000)
Reversal of provision for non-performing investments	(12,521,098)	(15,660,000)
	<u>116,891,697</u>	<u>70,772,466</u>
Operating cash flows before working capital changes	141,807,498	89,495,427
(Increase) / decrease in current assets		
Prepayments and other receivables	(5,294,289)	775,695
Mark-up/interest accrued	(21,749,080)	(13,645,529)
	<u>(27,043,369)</u>	<u>(12,869,834)</u>
Increase / (decrease) in current liabilities		
Accrued expenses and other payables	3,892,102	3,137,711
Cash generated from / (used in) operations	118,656,231	79,763,304
Income tax refund / (paid)	1,816,774	(11,151,792)
Dividend received	846,424	2,483,072
Markup on finance cost paid	(98,765,155)	(99,522,227)
	<u>(96,101,957)</u>	<u>(108,190,947)</u>
Cash generated from / (used in) operating activities	22,554,274	(28,427,643)
Cash flows from investing activities		
Acquisition of property and equipment	(12,026,000)	-
Sale proceeds on disposal of property and equipment	199,308	-
Long-term investments - net	(636,600,846)	(752,252,557)
Term deposit receipts	(3,000,000)	(3,000,000)
Short-term investments - net	(14,816,047)	1,014,235,703
Long-term loan and finances - net	53,098,726	18,690,354
Net cash (used in) / generated from investing activities	(613,144,859)	277,673,500
Cash flows from financing activities		
Long-term loan repaid	-	(15,625,000)
Lease liabilities - net	1,167,917	
Net cash used in financing activities	1,167,917	(15,625,000)
Net (decrease) / increase in cash and cash equivalents	(589,422,668)	233,620,857
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>(1,542,859,710)</u>	<u>(953,464,472)</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

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FIRST CREDIT AND INVESTMENT BANK LIMITED

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

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 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 of '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 six months period ended December 31, 2023 are reviewed by the auditors and 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.

These condensed interim financial statements are un-audited but have been subject to limited scope review by the auditors as required by the Code of Corporate Governance.

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.

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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.

			December 31, 2023	June 30, 2023
	Note		Un-audited	Audited
		 Rupees	
6	PROPERTY AND EQUIPMENT			
		Operating fixed assets	15,342,781	5,054,450
		Right of use assets	13,751,710	16,502,050
			29,094,491	21,556,500

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

	For the six-months period ended		For the year ended	
	December 31, 2023		June 30, 2023	
	Unaudited	Audited	Unaudited	Audited
	Additions (cost)	Disposal (cost)	Additions (cost)	Disposal (cost)
	----- Rupees -----			
Furniture & Fittings	-	-	76,500	-
Computer	-	-	1,071,570	570,546
Vehicles	12,026,000	3,598,000	-	-
	12,026,000	3,598,000	1,148,070	570,546

			December 31, 2023	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	166,220,167	171,320,167
			198,635,443	203,735,443
		Less: Provision against investments	(123,957,472)	(135,995,570)
			74,677,971	67,739,873
		At fair value through other comprehensive income		
		Pakistan Investment Bonds PIBs	1,732,064,402	1,069,771,431
		Investment in shares - quoted	-	942,018
		Term finance certificate -listed	16,003,590	16,486,590
			1,748,067,992	1,087,200,039
		Less: Provision against investments	(16,003,590)	(16,486,590)
			1,732,064,402	1,070,713,449
		Total long-term investments	1,806,742,373	1,138,453,322
		Less: Current portion of long-term investments	(248,259,190)	(17,146,690)
			1,558,483,183	1,121,306,632

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	December 31, 2023 Un-audited Rupees	June 30, 2023 Audited
7.1 Provision against investments			
Opening balance		152,482,160	186,299,533
Charged during the period/year		-	15,268,586
(Reversal) during the period/year		<u>(12,521,098)</u>	<u>(49,085,959)</u>
		<u>(12,521,098)</u>	<u>(33,817,373)</u>
Balance at the end of period/year		<u>139,961,062</u>	<u>152,482,160</u>
8 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		-	-
Residual value		<u>418,600</u>	418,600
Gross investment in finance lease		418,600	418,600
Less: Unearned finance lease income		<u>(11,670)</u>	<u>(11,670)</u>
		<u>406,930</u>	406,930
Less: Current maturity of net investment in finance lease		<u>(406,930)</u>	<u>(406,930)</u>
Net Investment in finance lease		-	-
9 Term Deposit Receipts	9.1	<u>3,000,000</u>	-
9.1 This represent investment in term deposit receipts with National Bank of Pakistan, an associated undertaking.			
10 DEFFERED 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.			
11 CURRENT PORTION OF NON-CURRENT ASSETS			
Investments			
Current portion of term finance certificates - listed		17,146,690	17,146,690
Current portion investment in PIBs		231,112,500	-
Loans and finances			
Current portion of loans to employees		<u>4,839,807</u>	2,486,184
Current portion of loans to other - term finance facility (secured)		<u>105,167,419</u>	120,115,024
		<u>110,007,226</u>	122,601,208
Net investment in lease finance			
Current maturity of net investment in finance lease		<u>406,930</u>	406,930
		<u>358,673,346</u>	<u>140,154,828</u>

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FIRST CREDIT AND INVESTMENT BANK LIMITED

	December 31, 2023	June 30, 2023
Note	Un-audited Rupees	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	(14,982,756)	(14,982,756)
	<u>35,017,244</u>	35,017,244
Investment in shares - listed	11,488,195	11,615,774
	<u>46,505,439</u>	46,633,018
At fair value through profit or loss		
Investment in shares - listed	7,257,485	-
	<u>53,762,924</u>	<u>46,633,018</u>
13 DEFICIT ON REMEASUREMENT OF INVESTMENTS - Net		
At fair value through other comprehensive income		
Government securities	(45,846,802)	(56,393,945)
Shares long - term	-	(2,400,629)
Shares short - term	(2,138,265)	(14,574,004)
Related deferred tax (assets)	13,359,045	19,575,447
	<u>(34,626,022)</u>	<u>(53,793,131)</u>
14 Markup / Interest accrued		
Secured		
Loans and borrowings including running finances	28,951,920	2,997,803
Unsecured		
Long-term certificate of deposit	1,560,137	1,560,137
	<u>30,512,057</u>	<u>4,557,940</u>
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

	December 31, 2023	December 31, 2022
	Un-audited	Un-audited
 Rupees	
16 TAXATION		
Current	3,350,852	2,025,991
Deferred - net	2,403,791	5,715,140
	<u>5,754,643</u>	<u>7,741,131</u>

17 EARNINGS PER SHARE (EPS)

17.1 Basic EPS

Earnings for the period	19,161,158	10,981,830
Weighted average number of shares outstanding	65,000,000	65,000,000
Earnings per share - basic	<u>0.29</u>	<u>0.17</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 December 31, 2023.

	December 31, 2023	December 31, 2022
	Un-audited	Un-audited
 Rupees	
18 CASH AND CASH EQUIVALENTS		
Cash and bank balances	93,101,177	127,154,528
Short term repo borrowing	(1,635,960,887)	(1,080,619,000)
	<u>(1,542,859,710)</u>	<u>(953,464,472)</u>

19 TRANSACTIONS AND BALANCES 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	Half year ended		
		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022	
-----Rupees-----				
Associated undertakings	Transactions for the six month period:			
	National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)			
	Commission income	1,307,801	-	
	Rent paid	3,320,846	3,038,042	
	NBP Fund Management Limited (NBP hold 54% shares of NBP Fund Management Shares)			
	Fees & Commission Expense	-	260,000	
	Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)			
	Brokerage Expenses	150,225	75,625	
	Key Management Personnel	Salaries, benefits and allowances	13,872,227	11,894,233
		Retirement benefits	784,320	724,460
Staff Retirement Plans	Contributions made to staff retirement fund	730,596	612,418	
Nature of relationship with related party	Nature of balances	(Un-audited)	(Audited)	
		December 31, 2023	June 30 2023	
-----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	3,858,395	3,858,395	
Key Management Personnel	Investment in Term Deposit Receipts	3,000,000	-	
	Balances as at period-end/year - end	6,508,544	4,182,914	



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.

	Decemeber 31, 2023 (Un-audited)		
	Level 1	Level 2	Level 3
	Rupees		
Listed securities	48,912,466	-	-
Unlisted securities	-	11,357,224	-
	<u>48,912,466</u>	<u>11,357,224</u>	<u>-</u>
	June 30, 2023 (Audited)		
	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 February 20, 2024 by the board of directors of the Investment Bank.

S. A. Mohsin
Chief Financial Officer

MUHAMMAD MOHSIN ALI
President & CEO

Jamal Nasim
Director

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