



**FIRST CREDIT AND INVESTMENT BANK
LIMITED**

Corporate Briefing Presentation
October 28, 2022

At FCIBL, 2nd Floor, SIDCO Avenue Centre, Karachi
At 4:30 pm

Corporate Briefing

1. History and Profile
2. Governance
3. Investment Banks- Problems / Challenges and FCIBL Standing
4. Financial Performance
5. Operations at FCIBL
6. Permitted Business under IFS License
7. Conclusion



History and Profile

- ✓ FCIBL was Established in 1989-90 as Joint Venture of NDFC and WAPDA with the name of First Credit & Discount Corporation (Pvt) Ltd (FCDC)
- ✓ The initial capital was Rs. 10 million equally contributed by NDFC and WAPDA. Subsequently, in 1995-96 with Right of issue of Rs. 25 million its capital became Rs. 35 million.
- ✓ Prime function of FCDC was to develop primary and secondary market of WAPDA Bonds.
- ✓ Till 2004 FCDC handled various issues of WAPDA / CAA Bonds worth more than Rs.30.0 Billions in the capacity of advisor, arranger, market maker, paying agent, underwrite and trustee.



History and Profile

- ✓ In 2006 renamed as FCIBL.
- ✓ During 2006 it expanded its mandate & scope by obtaining License to provide Investment Finance Services (Investment Banking).
- ✓ During 2008-9, it got its shares listed on Karachi Stock Exchange by floating IPO of Rs. 250 million.
- ✓ An Investment Bank having credit rating of
(By VIS Credit Rating Company –December 31, 2021)

Long Term Rating

A

Short Term Rating

A2

Outlook



‘Stable ‘



Governance

Board of Directors

The Board of FCIBL consists of seasoned bankers and experienced professionals suitably diversified into Non Executive, Independent and Executive Directors.

- 1. [Mr. Faisal Ahmed Topra](#) - Chairman Board of FCIBL / Non Executive Director
- 2. [Mr. Asad Ullah Saleem](#) – Non Executive Director



Governance

3.



[Syed Irfan Husnain Rizvi](#)- Non Executive

Director

4.



[Mr. Masood Raza](#) – Non Executive Director

5.




[Mr. Muhammad Naeemuddin](#)–Independent
/ Non Executive Director



Governance

6.  [Mr. Jamal Nasim](#) – Independent / Non Executive Director

7.  [Ms. Nina Afridi](#) – Independent / Non Executive Director

8.  [Mr. Muhammad Mohsin Ali](#)
President and CEO of FCIBL



Governance

COMMITTEES OF THE BOARD

There are three Committees of the Board of FCIBL as follows;

1. The Audit Committee

- a) Mr. Jamal Nasim– Chairman
- b) Mr. Asad Ullah Saleem – Member
- c) Syed Irfan Husnain Rizvi – Member
- d) Mr. Muhammad Naeemuddin – Member



Governance

2. The HR & Remuneration Committee

- a) Ms. Nina Afridi – Chairperson
- b) Mr. Fasial Ahmed Topra – Member
- c) Syed Irfan Husnain Rizvi – Member
- d) Mr. Muhammad Naeemuddin – Member



Governance

3. The Risk Management Committee

- a) Mr. Asad Ullah Saleem – Chairman
- b) Syed Irfan Husnain Rizvi – Member
- c) Mr. Muhammad Naeemuddin – Member
- d) Mr. Muhammad Mohsin Ali – Member



Governance

Internal Controls and Compliance

FCIBL maintains high standards of governance, internal controls and risk assessment framework. Comprehensive policies and procedures have been approved by the Board covering all major spheres of operations and are reviewed and updated as per the changing requirements. The Compliance function ensures that all new and existing rules and regulations, applicable to the Company, are fully complied with. The Company's Internal Audit department works independently under the direct supervision of Audit Committee of the Board.



Governance

Due to sound internal control and compliance function

- No adverse finding / no penalty is imposed on FCIBL
- FCIBL has never defaulted to any of its financial commitment
- FCIBL has never asked for any waiver/ write off or restructuring from its creditors / depositors.



Governance

Environmental and Corporate Social Responsibility

FCIBL is fully aware of its environmental and Corporate Social Responsibilities and is ready to support social and environmental causes of the country. FCIBL also maintains compliance to all governmental and internal health, safety and the environment measures. Facilities and conducts of operations are designed in a way that avoids risk to human health, safety and the environment. FCIBL has also been contributing toward social cause.



Investment Banks- Problems / Challenges and FCIBL Standing

There are three major problems / challenges that Investment Banks in Pakistan has been facing since last many years.

Liquidity Issue :

Non availability of borrowing lines from Commercial Banks

Competition :

Throat-cut competition with Commercial Banks due to
Absence of level playing field

Human Resource :

Scarcity of Investment Banking Professionals



Investment Banks- Problems / Challenges and FCIBL Standing

(continued)

- Since the global financial crises of 2008, business activities of almost all the investment banks had become dormant.
- Majority of investment banks incurred huge losses during the ten years period of 2008-18 aggregating to more than Rs.7.0 billion. FCIBL's net loss during this period was less than 1% of the total.



Investment Banks- Problems / Challenges and FCIBL Standing

(continued)

- Despite problems and challenges, FCIBL has been sustainable in doing its business during hard times. Its credit rating never went below investment grade.
- FCIBL has been profitable since its inception in 1989-90 except losses reported during three years (2010-13).



Investment Banks- Problems / Challenges and FCIBL Standing

(continued)

- FCIBL built up its equity to more than Rs.400.0 million through internal profits before going to listing in August 2008.
- FCIBL is gradually expanding its business activities permissible under NBF regulatory regime.



Investment Banks- Problems / Challenges and FCIBL Standing

(continued)

- FCIBL has paid substantial Cash Dividend apart from Stock Dividend of Rs.365.0 million since its inception. Last cash dividend was paid for the year 2018-19
- It is the only Investment Bank which has paid Cash Dividend in the year 2019 after such a long time, despite facing challenges.



Financial Performance
Shareholders' Equity
As at June 30, 2022
Rs. In million

	# of Shares	Amount
Initial paid up capital (1989-90)	1.0	10.000
Right Issue (1995-96)	2.5	25.000
Bonus Issues (various years)	<u>36.5</u>	<u>365.000</u>
Pre-IPO Capital	40.0	400.000
IPO (August 2008) – (General Public)	<u>25.0</u>	<u>250.000</u>
Paid-up capital	65.0	650.000
Unappropriated profit-net of deficit		71.838
Equity		<u>721.838</u>
Break-up value per share (Rs.)		<u>11.11</u>



Financial Performance (SOFP)

Particulars	June 30, 2022	June 30, 2021	June 30, 2020
<u>EQUITY & LIABILITIES</u> ----- Rupees in thousand -----			
<u>Paid up capital</u>	650,000	650,000	650,000
<u>Reserves</u>	120,840	114,708	95,027
<u>Deficit on AFS inv</u>	(49,003)	(14,757)	(6,237)
	721,838	749,951	738,790
<u>Bank Borrowings</u>	1,278,367	478,117	825,988
<u>Other Liabilities</u>	52,069	1,043,970	102,407
	2,052,274	2,272,038	1,667,185
<u>ASSETS</u>			
<u>Investments</u>	1,439,022	1,542,945	883,714
<u>Placements</u>	-	-	40,000
<u>Financing</u>	382,594	439,859	546,175
<u>Bank balances</u>	75,657	138,951	27,606
<u>Other assets</u>	155,001	150,283	169,690
	2,052,274	2,272,038	1,667,185



Financial Performance (Profit & Loss)

Particulars	June 30, 2022	June 30, 2021	June 30, 2020
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----- Rupees in thousand -----

<u>INCOME</u>	134,082	145,036	154,763
<u>OPERATING PROFIT</u>	(1,770)	17,006	35,332
<u>PROFIT BEFORE TAX</u>	13,312	28,846	37,810
<u>PROFIT AFTER TAX</u>	8,189	20,535	28,703



Operations at FCIBL

FCIBL's existing business activities consist mainly of the following operations.

- Corporate & Investment Banking Activities
- Treasury & Money Market Activities
- Arbitrage Business
- Capital Market Activities
- Fee Oriented Business

FCIBL will further expand its core operations in periods to come. The increased earning through expansion will also support to absorb initial cost expected to incur on new activities.



Permitted Business under IFS License

As permitted under the NBFC regulatory regime, FCIBL being the license holder of Investment Finance Services is also permitted to undertake;

- Leasing Business
- Housing Finance Services
- Discounting Services
- Money Market Brokerage Business

During the FY 2021-22 FCIBL started Money Market & Fx brokerage business which is currently under expansion phase and soon it would contribute more to the profitability in years to come. FCIBL may explore other permitted businesses at suitable time in future.



Conclusion

FCIBL's performance since its inception has been satisfactory. The Board and management has always adopted prudent approach for It has in place sound internal controls, risk management system and significant policies.

Despite many challenges being faced, FCIBL has been able to operate at sustainable footings and has significant potential to grow further.

After a consolidation phase, FCIBL is in a position to gear up its operations in permitted activities.

With the support of Sponsors and Shareholders and under the guidance of Board of Directors, the management is confident to expand its operations on horizontal and vertical format, improve its assets quality, infrastructure and build capacity to meet the requirements of new challenges and opportunity.



THANK YOU

