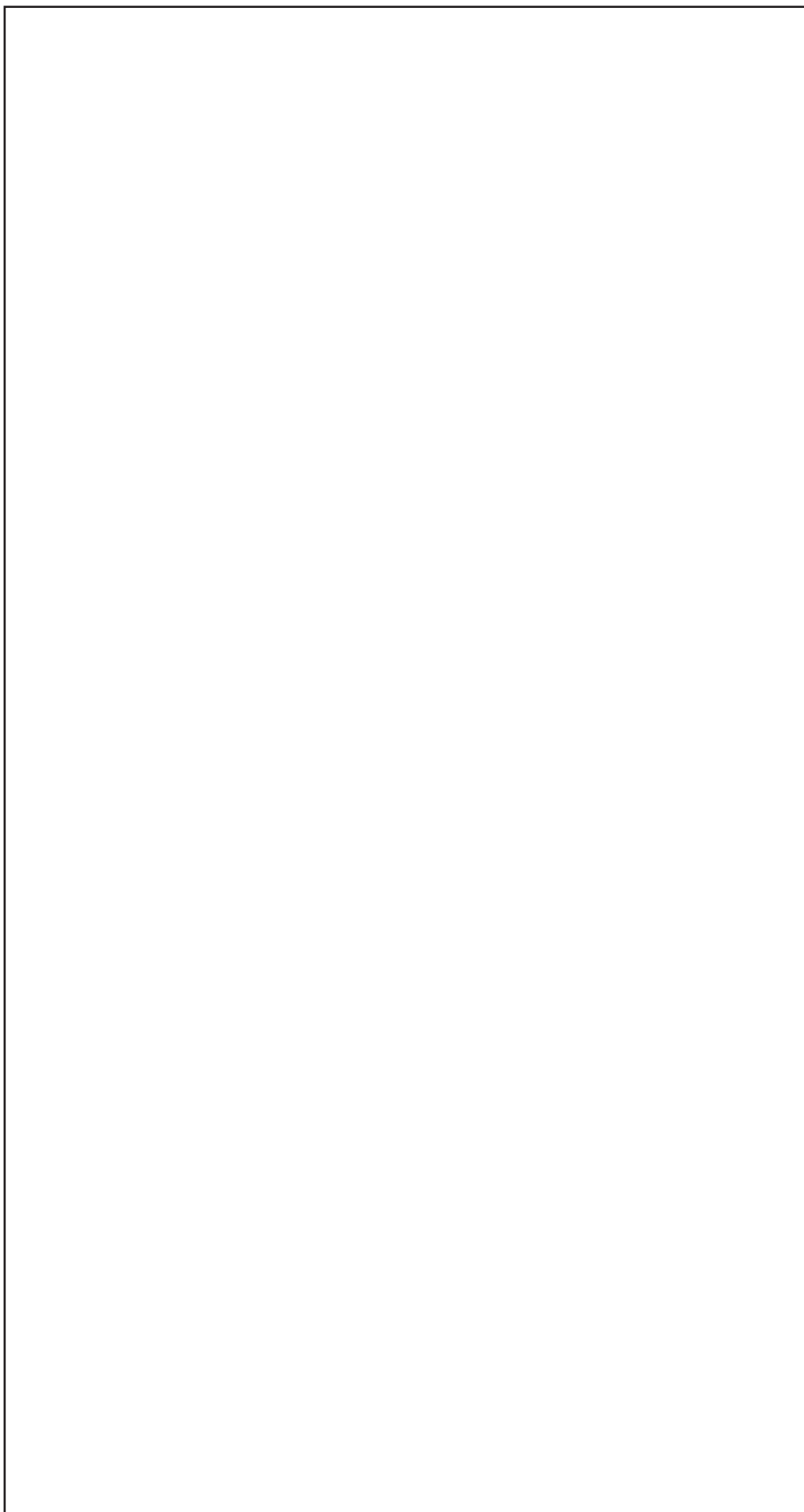


Half Yearly **Report**
June 30, 2018



SIB | SECURITY
INVESTMENT
BANK LTD.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)
Mr. Muhammad Mehboob
Mr. Muhammad Shoaib
Mr. Sheikh Asim Rafiq (NIT Nominee)
Mr. Shaikh Abdullah
Mr. Karim Muhammad Munir
Mr. Zafar .M. Sheikh

ACTING PRESIDENT & CHIEF EXECUTIVE

Mr. Zafar .M. Sheikh

AUDIT COMMITTEE

Mr. Shaikh Abdullah (Chairman)
Haji Jan Muhammad
Mr. Sheikh Asim Rafiq
Mr. Karim Muhammad Munir

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr Karim Muhammad Munir (Chairman)
Mr Zafar M Sheikh
Mr Muhammad Mehboob

BUSINESS DEVELOPMENT COMMITTEE

Mr. Sheikh Asim Rafiq NIT Nominee (Chairman)
Mr. Muhammad Mehboob
Mr. Muhammad Shoaib
Mr. Karim Muhammad Munir
Mr. Zafar .M. Sheikh

CFO AND COMPANY SECRETARY

Shakeel Ahmad

AUDITORS

BDO Ebrahim & Co
Chartered Accountants

TAX ADVISORS

Grant Thoranton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS

Rehan Kayani

SHARE REGISTRAR

M/s. C&K Management
Associates (Pvt) Limited
404, Trade Tower,
near Hotel Metropole, Karachi.

BANKERS

Habib Metropolitan Bank Limited.
Al-Baraka Bank Pakistan Ltd.
MCB Bank Limited.
Summit Bank Limited.

REGISTERED OFFICE

Suite No. 4, 3rd Floor, Al-Baber Centre,
Main Markaz, F-8, Islamabad.
Tel : (051) 2818107-09
Fax: (051) 2818110
Website : www.sibl.com.pk

KARACHI OFFICE

502, 5th Floor, Madina City Mall,
Abdullah Haroon Road, Saddar Karachi.
Tel: (021) 35659750-54
Fax: (021) 35659755
E-mail : sibl@sibl.com.pk



SECURITY
INVESTMENT
BANK LTD.

DIRECTORS' REPORT

BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

The Board of Directors of **Security Investment Bank Limited** (the Company) are pleased to present the financial statement of the Company duly reviewed by the auditors for the half year ended 30 June 2018.

Our Country's current account deficit increased to US\$ 16.0 billion during Jul-May FY18, which shows higher in aggregate demand. SBP's foreign exchange reserves declined to reach US\$ 9.5 billion in the month of July 2018. In spite of the above economic indicators, the higher international oil prices, rising inflation trend and rupees devaluation are the core economic challenges that the upcoming democratic government to be deal with. In order to curb aggregate demand SBP increased its policy rate by 100 bps to 7.50% in the monetary policy statement issued on July 14, 2018.

During the quarter ended June 30, 2018, the KSE-100 index registered decrease 7.87% to 41,910 points as of 30 June 2018 from 45,489 points as of 31 March 2018.

Alhamdulillah, your company posted operating profit before taxes of Rs. 17.083 million for the half year ended 30 June 2018 as compared to Rs.9.022 million of the corresponding period. Your Company's EPS Rs. 0.192 as compared to Rs. 1.006 of the corresponding period. Income from financing and placement increased by 36% to Rs. 31,408 million compared with the same period of last year.

Your company's management is endeavouring to enhance capital adequacy requirement to take deposit taking status under the NBFC's Regulations. During the quarter under review the sponsors/directors had injected funds of Rs. 180 million through sub ordinate loan to meet the minimum capital requirement and submitted application to SECP for up-gradation of status as deposit taking entity.

All the points raised by auditors in their report, are addressed to SECP through our letter along with an undertaking for revamping the situation. The matter is under consideration at SECP and Board of Directors will fulfil all the statutory requirements in final accounts accordingly.

The board wishes to place on record their gratitude to Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan for their continued valued support, assistance and guidance. The board would also like to take this opportunity to express their admiration to the employees of the company for their commitment and hard work. The company recognizes and records its gratitude for their efforts.

On behalf of the Board

On behalf of the Board

Karachi, 28 August 2018

Haji Jan Muhammad
(Chairman)

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF UN CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of SECURITY INVESTMENT BANK LIMITED ("the Company") as at June 30, 2018 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information 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 information 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.

Basis for Qualified Conclusion

1.As at June 30, 2018, short term financing to H.M. Esmail & Co. Limited, New Delite Company Limited, ARY Services (Private) Limited and Madina Electronics, related parties aggregated to Rs. 577.948 million out of which financing amounting to Rs. 292.887 million were rolled over in respect of which no principal repayments were received during the period. Moreover, during the period, an amount of Rs. 10.524 million was receivable from New Delite Company (Private) Limited, a related party in respect of markup accrued which was converted into finance facility. However, we have not been able to ascertain the classification and provisioning of financing portfolio on the basis of time-based criteria as required by Regulation 25 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 as the financing facilities are being renewed and rolled over at the maturity date.

2.The Company has not performed subjective evaluation of its financing portfolio as required under Regulation 25 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and has not carried out impairment review as required by International Accounting Standard 39 - Financial Instruments - Recognition and Measurement despite presence of impairment indicators in the portfolio. The Company has not recorded any provision for impairment based on subjective evaluation of the borrowers. Accordingly, we are unable to confirm the valuation and recoverability of short term financing in the unconsolidated condensed interim financial information.

Qualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended June 30, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without modifying our conclusion, we draw attention to note 8.1 to the unconsolidated condensed interim financial information which states the status of non-compliance with the Regulation 19(h), Regulation 17(1), Regulation 17(2), Regulation 18A and Regulation 23 of Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other matters

The figures for the quarters ended June 30, 2018 and June 30, 2017 in the accompanying unconsolidated condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The financial statements of the Company for the year ended December 31, 2017 and half year ended June 30, 2017 were audited and reviewed by another firm of chartered accountants who have expressed an unqualified opinion and conclusion thereon vide their reports dated March 24, 2018 and August 28, 2017, respectively.

Chartered Accountants
Bdo ebrahim & co.
Karachi
Date: 28, August 2018
Engagement Partner: Raheel Shahnawaz

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2018

		June 30 2018 (Un-audited)	December 31 2017 (Audited)
	Note	----- Rupees -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	8,745,081	9,172,179
Intangible assets		2,500,000	2,500,000
Long term investments	6	50,000,000	50,000,000
Long term financing	7	10,789,619	12,942,646
Deferred tax asset - net		4,089,875	8,599,833
		<u>76,124,575</u>	<u>83,214,658</u>
CURRENT ASSETS			
Short term financing	8	587,277,167	414,827,758
Short term investments	9	6,723,573	5,836,219
Loans and advances		4,731,858	4,345,443
Deposits, prepayments and other receivables		2,299,801	10,541,924
Accrued interest		29,798,160	41,139,793
Tax refund due from Government	10	81,599,908	84,189,032
Cash and bank balances	11	43,757,855	34,443,155
		<u>756,188,322</u>	<u>595,323,324</u>
TOTAL ASSETS		<u><u>832,312,897</u></u>	<u><u>678,537,982</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
100,000,000 (2017: 100,000,000) ordinary shares of Rs.10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up capital		514,335,580	514,335,580
Statutory reserves		161,425,503	159,452,163
Deficit on revaluation of investments - net of tax	13	(317,412)	-
Accumulated loss		(83,940,585)	(91,833,944)
		<u>591,503,086</u>	<u>581,953,799</u>
NON-CURRENT LIABILITIES			
Subordinated loan	12	180,000,000	-
CURRENT LIABILITIES			
Short term borrowings	14	-	37,398,225
Short term deposits		7,700,000	7,700,000
Unclaimed dividend		2,094,583	2,094,583
Accrued and other liabilities		51,015,228	49,391,375
		<u>60,809,811</u>	<u>96,584,183</u>
TOTAL EQUITY AND LIABILITIES		<u><u>832,312,897</u></u>	<u><u>678,537,982</u></u>
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes from 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2018**

Note	Half Year Ended June 30,		Quarter Ended June 30,	
	2018	2017	2018	2017
	----- Rupees -----			
Income				
Income on financing and placements	31,408,260	23,070,763	17,127,451	13,065,215
Return on securities	417,704	484,209	80,147	117,427
Gain / (loss) on sale of shares	-	1,748,226	(1,204,766)	1,750,000
Profit on deposit with banks	1,039,495	25,761	916,212	12,119
Other income	2,115,979	2,159,631	1,769,457	1,558,672
	<u>34,981,438</u>	<u>27,488,590</u>	<u>18,688,501</u>	<u>16,503,433</u>
Expenditure				
Return on deposits and borrowings	2,785,911	1,114,742	1,990,940	815,553
Operating expenses	15,112,624	17,352,164	7,591,556	9,483,366
	<u>17,898,535</u>	<u>18,466,906</u>	<u>9,582,496</u>	<u>10,298,919</u>
Operating profit before tax	<u>17,082,903</u>	<u>9,021,684</u>	<u>9,106,005</u>	<u>6,204,514</u>
Realized gain on disposal of PSX shares transferred from unrealized gain	-	51,614,948	-	20,645,986
Taxation				
Deferred	(4,509,958)	(7,623,050)	(4,509,958)	(7,623,050)
Current	(2,706,246)	(1,291,344)	(2,656,730)	(1,241,828)
	<u>(7,216,204)</u>	<u>(8,914,394)</u>	<u>(7,166,688)</u>	<u>(8,864,878)</u>
Net profit after tax	<u>9,866,699</u>	<u>51,722,238</u>	<u>1,939,317</u>	<u>17,985,622</u>
Earning per share - basic and diluted	<u>0.192</u>	<u>1.006</u>	<u>0.038</u>	<u>0.350</u>

The annexed notes from 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018**

	<u>Half Year Ended June 30,</u>		<u>Quarter Ended June 30,</u>	
	2018	2017	2018	2017
	----- Rupees -----			
Net profit after tax	9,866,699	51,722,238	1,939,317	17,985,622
Other comprehensive income for the period				
Items that may be reclassified subsequently to income statement				
Deficit on revaluation of investments - net of tax	(317,412)	-	-	-
Items that will not be reclassified subsequently to income statement	-	-	-	-
Total comprehensive income for the period	<u>9,549,287</u>	<u>51,722,238</u>	<u>1,939,317</u>	<u>17,985,622</u>

The annexed notes from 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018**

	Issued, Subscribed and paidup capital	<u>Reserves</u>		Gain / (loss) on remeasurement of available for sale investment	Total
		Statutory Reserve	Accumulated loss		
	----- Rupees -----				
Balance as at January 01, 2017	514,335,580	147,316,381	(140,377,073)	51,614,948	572,889,836
Total comprehensive income for the period ended June 30, 2017	-	-	51,722,238	-	51,722,238
Profit for the half-year ended June 30, 2017	-	-	-	(51,614,948)	(51,614,948)
Other comprehensive income	-	10,344,448	(10,344,448)	-	-
Statutory reserves	-	10,344,448	41,377,790	(51,614,948)	107,290
Balance as at June 30, 2017	514,335,580	157,660,829	(98,999,283)	-	572,997,126
Total comprehensive income for the period ended December 31, 2017	-	-	8,956,673	-	8,956,673
Profit for the half-year ended December 31, 2017	-	-	-	-	-
Other comprehensive income	-	1,791,335	(1,791,335)	-	-
Statutory reserves	-	1,791,335	7,165,338	-	8,956,673
Balance as at January 1, 2018	514,335,580	159,452,163	(91,833,944)	-	581,953,799
Total comprehensive income for the period ended June 30, 2018	-	-	9,866,699	-	9,866,699
Profit for the half-year ended June 30, 2018	-	-	-	(317,412)	(317,412)
Other comprehensive income	-	1,973,340	(1,973,340)	-	-
Statutory reserves	-	1,973,340	7,893,359	(317,412)	9,549,287
Balance as at June 30, 2018	<u>514,335,580</u>	<u>161,425,503</u>	<u>(83,940,585)</u>	<u>(317,412)</u>	<u>591,503,086</u>

The annexed notes from 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018**

	Half year ended June 30,	
	2018	2017
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before taxation	17,082,903	9,021,684
Adjustments for non-cash and other items		
Depreciation	855,378	957,794
Gain on disposal of shares	-	(1,748,226)
Gain on bonus shares	(1,204,766)	-
(Gain) / loss on disposal of fixed assets	(50,000)	6,861
	(399,388)	(783,571)
Cash flows from operating activities before working capital changes	16,683,515	8,238,113
(Increase) / decrease in operating assets		
Financing and placements	(172,449,409)	(129,821,926)
Loans and advances	(386,415)	(336,773)
Deposits, prepayment and other receivables	8,242,123	(5,749,974)
Accrued interest	11,341,633	30,166,399
	(153,252,068)	(105,742,274)
Increase / (decrease) in operating liabilities		
Short term borrowings	(37,398,225)	23,670,336
Accrued and other liabilities	1,623,853	1,012,660
	(35,774,372)	24,682,996
Net changes in operating assets and liabilities	(189,026,440)	(81,059,278)
Income tax paid	(117,122)	(81,923)
Net cash used in operating activities	(172,460,047)	(72,903,088)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets - net	(378,280)	(641,930)
Sale of investments (shares)	-	1,607,374
Sale of securities	-	67,324,040
Net cash (used in) / generated from investing activities	(378,280)	68,289,484
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	2,153,027	525,072
Subordinated loans	180,000,000	-
Net cash generated from financing activities	182,153,027	525,072
Net increase / (decrease) in cash and cash equivalents	9,314,700	(4,088,532)
Cash and cash equivalents at the beginning of the period	34,443,155	8,439,698
Cash and cash equivalents at the end of the period	43,757,855	4,351,166

The annexed notes from 1 to 19 form an integral part of this unconsolidated condensed interim financial information.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**NOTES TO THE UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2018**

1 STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was incorporated in Pakistan on May 23, 1991 and started its commercial operations on December 31, 1991. Its shares are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Flat No. 4, 3rd Floor, Al-Baber Centre, Main Markaz, F-8, Islamabad.

The Company is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1002 (I) /2015 dated October 15, 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated November 25, 2015 (previously this was covered under SRO 585(I)/87 dated July 13, 1987, issued by the Ministry of Finance). The license is valid until May 29, 2018.

During the period, the Company has not got its credit rating renewed as the Company has curtailed the status of deposit taking. Previously, JCR - VIS Credit Rating Company Limited has placed the rating of the Company for medium to long-term rating at 'BBB'+ (Triple B plus) and the short-term rating at 'A-2' (A two) on 'Rating Watch Developing' status.

In the year 2016, the Company made an investment in newly incorporated wholly owned subsidiary company namely Security Capital & Investment (Private) Limited amounting to Rs. 50 million. As per the agreement dated September 07, 2016 between the Company and the subsidiary, the Company ceded the legal right on Trading Right Entitlement Certificate (TREC) and 1,602,953 shares of the Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange (PMEX) membership card to the subsidiary. During the year 2017, the TREC has been transferred by the Company in the name of the subsidiary. However, PMEX card has not yet been transferred in the name of the subsidiary due to the reason that the subsidiary has not obtained license to deal as broker from SECP.

2 BASIS OF PRESENTATION

This unconsolidated condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017.

Where the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations), directives issued by the Securities and Exchange Commission of Pakistan (SECP), and provisions of and directives issued under the Companies Act, 2017 shall prevail.

This unconsolidated condensed interim financial information do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2017. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017 and Listing Regulations of Pakistan Stock Exchange.

The comparative statement of financial position presented in this unconsolidated condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2017, whereas, the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2017.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the preceding published annual financial statements of the Company for the year ended December 31, 2017.

4 ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2017.

5 PROPERTY, PLANT AND EQUIPMENT

The following is the statement of operating fixed assets:

Description	Furniture and fixtures	Computer and	Vehicles	Generator	Telephone system	Total
	(Rupees)					
Period ended June 30, 2018						
Net carrying value basis						
Opening net book value (NBV)	6,483,079	1,321,473	1,067,472	97,029	203,126	9,172,179
Additions (at cost)	163,980	254,300	-	-	10,000	428,280
Depreciation charge	(436,012)	(277,825)	(98,753)	(29,135)	(13,653)	(855,378)
Closing net book value	6,211,047	1,297,948	968,719	67,894	199,473	8,745,081
Gross carrying value basis						
Cost	8,928,102	3,491,987	987,526	582,736	312,382	14,302,733
Accumulated depreciation / impairment	(2,717,055)	(2,194,039)	(18,807)	(514,842)	(112,909)	(5,557,652)
Net book value	6,211,047	1,297,948	968,719	67,894	199,473	8,745,081
Year ended December 31, 2017						
Net carrying value basis						
Opening net book value (NBV)	6,891,513	1,659,442	1,774,890	155,304	217,555	10,698,704
Additions (at cost)	442,384	227,171	987,525	-	12,400	1,669,480
Disposals (NBV)	-	(2,513)	(1,381,700)	-	-	(1,384,213)
Depreciation charge	(850,818)	(562,627)	(313,243)	(58,275)	(26,829)	(1,811,792)
Closing net book value	6,483,079	1,321,473	1,067,472	97,029	203,126	9,172,179
Gross carrying value basis						
Cost	8,764,122	3,237,687	987,526	582,736	302,382	13,874,453
Accumulated depreciation / impairment	(2,281,043)	(1,916,214)	79,946	(485,707)	(99,256)	(4,702,274)
Net book value	6,483,079	1,321,473	1,067,472	97,029	203,126	9,172,179
Depreciation rate % per annum						
	10	20	20	10	10	

June 30, 2018
(Un-audited)
Note ----- Rupees -----
December 31, 2017
(Audited)

6 LONG TERM INVESTMENTS

Investment in subsidiary

5,000,000 ordinary shares of Security Capital
& Investments (Private) Limited @ Rs. 10/- 6.1 50,000,000 50,000,000

- 6.1 This represents investment in wholly owned subsidiary of the Company as detailed in note 1 to this unconsolidated condensed interim financial information. Break up value per share is Rs. 13.16 (2017: Rs.13).

		June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	----- Rupees -----	
7 LONG TERM FINANCING			
Murahaba Financing			
Secured and considered good			
Murahaba finance			
-Associated companies	8.1	15,444,718	21,135,840
-Others		6,246,153	6,719,717
Less: Deferred Murahaba income		(1,572,488)	(2,260,448)
Murahaba receivable	7.1	20,118,383	25,595,109
Less: Current maturity		(9,328,764)	(12,652,463)
		<u>10,789,619</u>	<u>12,942,646</u>

7.1 These represents financing of vehicle on murahaba basis against hypothecation of vehicles & machinery for a period of 3 years to 5 years, carrying mark up 1 Year KIBOR + 3% per annum (2017: 1 Year KIBOR+3%).

8 SHORT TERM FINANCING

Secured and considered good			
-Associated companies		547,113,446	371,340,338
-Other related parties		30,834,957	30,834,957
Current maturity under murahaba finance		9,328,764	12,652,463
	8.1 & 8.2	<u>587,277,167</u>	<u>414,827,758</u>

8.1 Non-compliance with Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations)

8.1.1 Regulation 19(h) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) states that an NBFC shall not provide finance to its major shareholders, chief executive, directors, key executives firms or companies in which it or any of its chief executive, directors, key executives, or their close relatives are interested as a partner, director, guarantor or major shareholder. However, the Company has primarily provided financing facilities to its related parties.

During the year 2016, in response to amendments in the Regulations as to restriction imposed on financing made to related parties as stated in regulation 19(h), the Company vide letter dated February 4, 2016 requested Securities and Exchange Commission of Pakistan (the Commission) to grant relaxation from regulation 19(h). The Commission vide its letter dated February 17, 2016 refused the relaxation and directed the Company to comply with the amended Regulations within stipulated time period of six months. The Company vide letter dated April 18, 2016 again requested for the relaxation which was not responded by the Commission.

During the period, the Commission issued onsite inspection orders vide letter number SCD/S&ED-IW/SIBL/2018/305 dated April 24, 2018 in respect of inspection of the Company and its business. The Commission carried out the inspection and directed the Company to provide comments on violation of above stated Regulation 19(h) of the Regulations vide letter SCD/S&ED-IW/SIBL/2018/324, dated July 02, 2018. In response to the said letter from the Commission the Company gave an undertaking to the Commission to settle all group financing in compliance with the Regulations vide its letter dated July 30, 2018.

8.1.2 Regulation 17(1) of the Regulations states that the total outstanding Exposure (fund based and non fund based) by an NBFC to a person shall not at any time exceed 20% of the equity of an NBFC (as disclosed in the latest financial statements), provided that the maximum outstanding fund-based Exposure does not exceed 15% of the equity of an NBFC. However, as at June 30, 2018, the Company has breached the fund based exposure limits with respect to H.M. Esmail & Company Limited, New Delite Company Limited and ARY Services (Private) Limited by 14.1%, 5% and 1.5% respectively and has breached the fund based and non-fund based exposure limits with respect to H.M. Esmail & Company Limited by 10.13%.

During the period, the Commission issued onsite inspection orders vide letter number SCD/S&ED-IW/SIBL/2018/305 dated April 24, 2018 in respect of inspection of the Company and its business. The Commission carried out the inspection and directed the Company to provide comments on violation of above stated Regulation 17(1) of the Regulations vide letter SCD/S&ED-IW/SIBL/2018/324, dated July 02, 2018. In response to the said letter of findings from the Commission, the Company vide its letter dated July 30, 2018 gave an undertaking to the Commission to settle all financing in compliance with the Regulations.

8.1.3 Regulation 17(2) of the Regulations states that the total outstanding Exposure (fund based and non-fund based) by an NBFC to any group shall not exceed twenty-five per cent (25) of the equity of an NBFC (as disclosed in the latest financial statements), provided that the maximum outstanding fund-based Exposure does not exceed twenty per cent (20) of the equity of an NBFC. However, as at June 30, 2018, the Company has breached the fund based exposure limits with respect to H.M. Esmail & Company Limited, New Delite Company Limited and ARY Services (Private) Limited by 46% and fund based and non-fund based exposure by 43% with respect to these companies.

During the period, the Commission issued onsite inspection orders vide letter number SCD/S&ED-IW/SIBL/2018/305 dated April 24, 2018 in respect of inspection of the Company and its business. The Commission carried out the inspection and directed the Company to provide comments on violation of above stated Regulation 17(2) of the Regulations vide letter SCD/S&ED-IW/SIBL/2018/324, dated July 02, 2018. In response to the said letter of findings from the Commission, the Company in its letter dated July 30, 2018 gave an undertaking to the Commission to settle all financing in compliance with the Regulations.

8.1.4 Regulation 23 of the Regulations states that an NBFC while taking an Exposure shall not provide finance if the total Exposure availed by the Borrower from financial institutions exceeds 10 times the Equity of the Borrower as disclosed in the financial statements of the Borrower, provided that the fund-based Exposure of a Borrower shall not exceed 4 times of its equity as disclosed in the Borrower's latest financial statements. However, as at June 30, 2018, the Company has breached the fund based exposure limits with respect to H.M. Esmail & Company Limited and Madina Electronics by 0.67 and 2.54 times respectively. Further, the equity of related party ARY Services (Private) Limited based on its financial statements as at June 30, 2017 is negative Rs. 174.779 million. However, Company has provided finance facilities as at June 30, 2018 to ARY Services (Private) Limited 113.385 million.

During the period, the Commission issued onsite inspection orders vide letter number SCD/S&ED-IW/SIBL/2018/305 dated April 24, 2018 in respect of inspection of the Company and its business. The Commission carried out the inspection and directed the Company to provide comments on violation of above stated Regulation 23 of the Regulations vide letter SCD/S&ED-IW/SIBL/2018/324, dated July 02, 2018. In response to the said letter of findings from the Commission, the Company vide its letter dated July 30, 2018 gave an undertaking to the Commission to settle all financing in compliance with the Regulations.

8.1.5 Regulation 18A of the Regulations states that an NBFC may provide unsecured Finance up to Rs. 200,000/- (Rupees two hundred thousand only) to a single borrower. The aggregate unsecured Finance shall not exceed equity of the NBFC, provided that the total unsecured finance shall not exceed 50% of the equity of the deposit taking NBFC. However, as at June 30, 2018, the Company has extended unsecured financing to H.M. Esmail & Company Limited, New Delite Company Limited, ARY Services (Private) Limited and Madina Electronics amounting to Rs.174.23 million, Rs.122.12 million, Rs.98.99 million and Rs. 27.30 million respectively. This unsecured financing is 71% of the equity of the Company.

During the period, the Commission issued onsite inspection orders vide letter number SCD/S&ED-IW/SIBL/2018/305 dated April 24, 2018 in respect of inspection of the Company and its business. The Commission carried out the inspection and directed the Company to provide comments on violation of above stated Regulation 18A of the Regulations vide letter SCD/S&ED-IW/SIBL/2018/324, dated July 02, 2018. In response to the said letter of findings from the Commission, the Company vide its letter dated July 30, 2018 gave an undertaking to the Commission to settle all financing in compliance with the Regulations.

8.2 These are secured by way of hypothecation or a charge on assets of customers, pledge of certificates of deposits and pledge of listed shares. The markup rates are 13% per annum (2017: 12%).

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- Rupees -----	
9 SHORT TERM INVESTMENT		
Available for sale		
Term Finance Certificates	5,836,219	5,836,219
Investment in equity shares	887,354	-
	<u>6,723,573</u>	<u>5,836,219</u>
10 TAX REFUND DUE FROM GOVERNMENT		
Advance tax	268,219,465	268,102,343
Less: Accumulated provisions for taxation	<u>(186,619,557)</u>	<u>(183,913,311)</u>
	<u>81,599,908</u>	<u>84,189,032</u>

June 30, December 31,
2018 2017
(Un-audited) (Audited)
----- Rupees -----

11 CASH AND BANK BALANCES

With State Bank of Pakistan in current account	29,935	29,935
With other banks in		
Current account	2,796,120	2,111,201
Deposit accounts	40,881,446	32,285,588
	43,677,566	34,396,789
Cash in hand	50,354	16,431
	<u>43,757,855</u>	<u>34,443,155</u>

11.1 Rate of return on these deposits accounts range from 3% to 4% per annum (2017 : 3% to 4% per annum).

12 SUBORDINATED LOAN

Subordinated loan	12.1	<u>180,000,000</u>	<u>-</u>
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12.1 In accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008 (vide SRO No. 1002(I)/ 2015 dated October 15, 2015 and SRO No. 1160(I)/2015 dated November 25, 2015), the Securities and Exchange Commission of Pakistan has instructed existing NBFCs to meet with Minimum Capital requirement of Rs.750 million to raise deposits. In order to avail the license of deposit taking NBFC, during the period the Company has raised subordinated loan of Rs. 180 million from related parties under Clause xix of Rule 2 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. However, approval from the Securities and Exchange Commission of Pakistan is awaited to include the sub-ordinated loan for meeting the minimum capital requirements of Rs. 750 million. The management of the Company is confident that such permission will be granted by the Commission by the end of current financial year.

13 DEFICIT ON REVALUATION OF INVESTMENT - NET OF TAX

Equity shares	<u>(317,412)</u>	<u>-</u>
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14 SHORT TERM BORROWINGS

Running finance facility	14.1	<u>-</u>	<u>37,398,225</u>
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14.1 The Company has availed a running finance facility from Summit Bank of Rs. 50 million (2017 : Rs. 50 million) at prevailing rate of return 3 months KIBOR+4% per annum (2017 : 3 months KIBOR+4%) per annum.

June 30, December 31,
2018 2017
(Un-audited) (Audited)
----- Rupees -----

15 CONTINGENCIES AND COMMITMENTS

Guarantees issued on behalf of customers	<u>64,584,900</u>	<u>64,203,000</u>
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15.1 Contingencies

Guarantees issued on behalf of customers:		
Associated undertaking	14,584,900	14,203,000
Others	50,000,000	50,000,000
	<u>64,584,900</u>	<u>64,203,000</u>

15.2 There were no commitments as at balance sheet date.

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- Rupees -----	
16 DEFERRED TAX		
Deferred taxation	<u>4,089,875</u>	<u>8,599,833</u>

17 BALANCES AND TRANSACTION WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes subsidiary company, associated companies with or without common directors, directors and major shareholder and their close family members, key management personnel and retirement benefit funds. The Company has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method and are in the normal course of business at contracted rates and terms determined in accordance with market rates. Transactions with related parties during the period are as follows:

Return on financing		
- Associated undertakings	27,775,482	20,329,262
- Others	2,136,566	1,242,740
Remuneration of Directors and Chief Executive		
- Directors' remuneration	450,000	455,000
- Remuneration of Chief Executive	3,631,398	2,223,398
Contribution to staff retirement benefit plan	197,653	236,447

17.1 Period end balances

Financing		
Balance at period end		
- Associated undertakings	562,558,164	392,476,178
- Other related parties	30,834,957	30,834,957
Short term deposits		
Balance at period end		
- Associated undertakings	-	-
- Others	7,700,000	7,700,000
Un funded Guarantee		
- Associated undertakings	14,584,900	14,203,000
- Others	50,000,000	50,000,000
Investment in Subsidiary		
Equity shares	50,000,000	50,000,000

18 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information were authorised for issue by the Board of Directors on 28, August 2018

19 GENERAL

Figures have been rounded off to the nearest rupee.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**CONSOLIDATED
FINANCIAL STATEMENTS
As at 30 June 2018**



**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT 30 JUNE 2018**

		June 30 2018 (Un-audited)	December 31 2017 (Audited)
	Note	----- Rupees ----->	
Non-current assets			
Property, plant and equipment	5	8,896,422	9,342,556
Intangible assets		7,500,000	7,500,000
Long term Investment		31,658,322	35,906,147
Long term financing		10,789,619	12,942,646
Deferred tax asset - net		4,089,875	8,599,833
Current assets			
Short term financing		587,277,167	414,827,758
Short term investments		6,723,573	5,836,219
Loans and advances		4,731,858	4,692,986
Deposits, prepayments and other receivables		2,663,698	10,541,924
Accrued interest		29,798,160	41,139,793
Tax Refund due from Government		81,599,908	84,189,032
Cash and bank balances	6	44,140,712	34,841,922
		<u>756,935,077</u>	<u>596,069,633</u>
		<u>819,869,315</u>	<u>670,360,815</u>
Equity and liabilities			
Share capital and reserves			
Authorised capital		<u>1,000,000,000</u>	<u>1,000,000,000</u>
100,000,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital		514,335,580	514,335,580
Statutory reserves		161,425,503	159,452,163
Accumulated loss		(86,706,400)	(92,482,562)
Deficit on revaluation of investments - net of tax		13,841,472	18,406,709
		602,896,155	599,711,890
Non-Current Liabilities			
Subordinated loan		180,000,000	(1,945,406)
Current liabilities			
Borrowings		-	37,398,225
Short term deposits		7,700,000	7,700,000
Accrued and other liabilities		29,273,160	27,496,106
		36,973,160	72,594,331
Contingencies and commitments		<u>819,869,315</u>	<u>670,360,815</u>

The annexed notes form an integral part of these consolidated condensed interim financial statements.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN



SECURITY
INVESTMENT
BANK LTD.

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2018**

	Note	Six Months Ended		Quarter Ended	
		June 30 2018	June 30 2017	June 30 2018	June 30 2017
		Rupees			
Income					
Income on financing and placements		31,408,260	23,070,763	21,402,712	13,065,215
Return on investments		417,704	484,209	50,922	117,427
Gain on sale of shares		1,204,766	1,748,226	1,206,540	1,750,000
Profit on deposit with banks		1,196,648	127,171	1,081,596	12,119
Other income		911,213	2,159,631	310,254	1,558,672
		35,138,591	27,590,000	24,052,024	16,503,433
Expenditure					
Return on deposits and borrowings		2,785,911	1,114,742	2,486,722	815,553
Operating expenses		15,441,568	18,745,194	7,542,145	10,845,771
		18,227,479	19,859,936	10,028,867	11,661,324
Operating profit before tax		16,911,112	7,730,064	14,023,157	4,842,109
Realized gain on remeasurement PSX shares transferred from unrealized gain		-	51,614,948	(30,968,962)	20,645,986
Taxation					
Deferred		(4,509,958)	(7,623,050)	(4,509,958)	(7,623,050)
Current		(2,706,246)	(1,291,344)	(2,656,730)	(1,241,828)
		(7,216,204)	(8,914,394)	(7,166,688)	(8,864,878)
Net profit after tax		9,694,908	50,430,618	(24,112,493)	16,623,217
Other Comprehensive Income					
Other comprehensive income		(317,412)	-	-	-
Total comprehensive income - net of tax		9,377,496	50,430,618	(24,112,493)	16,623,217
Earning per share - basic and diluted		0.188	0.981	(0.469)	0.323

The annexed notes form an integral part of these consolidated condensed interim financial statements.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**CONSOLIDATED CONDENSED INTERIM CASH FLOW
STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2018**

	Half year ended June 30,	
	2018	2017
	<----- Rupees ----->	
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before taxation	16,911,112	71,513,146
Adjustments for non-cash and other items		
Depreciation	893,451	1,831,778
Gain on disposal of shares	(1,204,766)	(1,748,226)
Gain on disposal of fixed assets	(50,000)	(212,287)
Realized gain on remeasurement of PSX shares	-	(51,614,948)
	(361,315)	(51,743,683)
Cash flows from operating activities before working capital changes	16,549,797	19,769,463
(Increase) / Decrease in operating assets		
(Increase) / Decrease in financing and placements	(172,449,409)	(122,770,622)
(Increase) / Decrease in loans and advances	(11,915)	608,158
Decrease in deposits, prepayment and other receivables	7,878,226	(1,837,288)
(increase) / Decrease in accrued interest	11,341,633	8,302,912
	(153,241,465)	(115,696,840)
Increase / (Decrease) in operating liabilities		
(Decrease) / Increase in short term deposits	-	-
Increase / (Decrease) in borrowings	(37,398,225)	37,398,225
Decrease in accrued and other liabilities	1,777,054	(1,040,231)
	(35,621,171)	(36,357,994)
Net changes in operating assets and liabilities	(188,862,636)	(79,338,846)
Long term financing	-	4,823,544
Income tax paid	(163,118)	(500,967)
Net cash used in operating activities	(172,475,957)	(55,246,806)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from sale of Fixed assets	-	1,596,500
Purchase of fixed assets - net	(378,280)	(1,859,843)
Sale of investments (shares)	-	1,607,374
Sale of PSX shares	-	67,324,040
Net cash generated from investing activities	(378,280)	68,668,071
CASH FLOW FROM FINANCING ACTIVITIES	182,153,027	-
Net decrease in cash and cash equivalents	9,298,790	13,421,265
Cash and cash equivalents at the beginning of the period	34,841,922	21,420,657
Cash and cash equivalents at the end of the period	44,140,712	34,841,922

The annexed notes form an integral part of these consolidated condensed interim financial statements.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2018

	Share capital	Statutory reserve	Accumulated loss	Unrealized gain on re measurement of available of sale of investments to fair value	Total
	←----- Rupees -----→				
Balance as at 01 January 2017	514,335,580	147,316,381	(140,776,133)	78,978,194	599,854,022
Total comprehensive income for the period	-	-	50,430,618	-	50,430,618
Unrealize gain on re measurement of available of sale of investment to fair value	-	-	-	(51,614,948)	(51,614,948)
Appropriations:					
Statutory reserves	-	10,344,448	(10,344,448)	-	-
Balance as at 30 June 2017	514,335,580	157,660,829	(100,689,963)	27,363,246	598,669,692
Total comprehensive income for the period	-	-	8,053,329	(8,956,537)	(903,208)
Appropriations:					
Statutory reserves	-	1,791,334	(1,791,334)	-	-
Balance as at 31 December 2017	514,335,580	159,452,163	(94,427,968)	18,406,709	597,766,484
Total comprehensive income for the period	-	-	9,694,908	-	9,694,908
Unrealized gain on re measurement of available of sale of investments to fair value	-	-	-	(4,565,237)	(4,565,237)
Appropriations:					
Statutory reserves	-	1,973,340	(1,973,340)	-	-
Balance as at 30 June 2018	514,335,580	161,425,503	(86,706,400)	13,841,472	602,896,155

The annexed notes form an integral part of these consolidated condensed interim financial statements.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

1 STATUS AND PRINCIPAL ACTIVITIES

The group consist of Security Investment Bank Limited (the holding company) and Security Capital & Investment (Private) Limited (the subsidiary company).

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Bank was incorporated in Pakistan on May 23, 1991 and started its commercial operation on December 31, 1991. Its shares are quoted on Pakistan Stock Exchange Limited. The registered office of SIBL is situated at Flat No. 4, 3rd Floor, Al-Babbar Centre, Main Markaz, F-8, Islamabad.

SIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1002 (I) /2015 dated 15 October 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated 25 November 2015 (previously this was covered under SRO 585(1)/87 dated 13 July 1987, issued by the Ministry of Finance).

JCR - VIS Credit Rating Company Limited has placed the rating of SIBL for medium to long-term rating at 'BBB'+ (Triple B plus) and the short-term rating at 'A-2' (A Two) on 'Rating Watch Developing' status.

The Investment Bank made an investment in newly incorporated wholly owned subsidiary company namely Security Capital & Investment (Private) Limited amounting to Rs. 50 mil lion . As per agreement dated September 07, 2016 between the Investment Bank and Security Capital & Investment (Private) Limited, the Investment Bank has transferred the legal right on Trading Right Entitlement Certificate (TREC) and 1,602,953 shares of Pakistan Stock Exchange Limited (PSX). However actual transfer of these assets could not be materialized due to regulatory formalities which are in the process of completion.

Security Capital & Investments (Private) Limited (the subsidiary Company) is a private company limited by shares incorporated in Pakistan on February 23, 2015 under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at Karachi in the province of Sindh.

2 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial information have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting), the requirements of the repealed Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case requirements differ, the requirements of the repealed Companies Ordinance, 1984 and the said directives have been followed.

These consolidated condensed interim financial information does not include all the information required for preparation of full financial information and should be read in conjunction with the preceding published annual financial statements for the year ended December 31, 2016.

The comparative balance sheet presented in this consolidated condensed interim financial information as at December 31, 2017 has been extracted from audited financial statements of the company for the year ended December 31, 2016, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the half year ended June 30, 2018 have been subjected to a review but not audit.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the preceding published annual financial statements of the company for the year ended December 31, 2017.

4 ESTIMATES AND JUDGEMENTS

The preparation of consolidated condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	<----- Rupees ----->	
5 OPERATING ASSETS		
Cost		
As at January 01	14,064,816	14,521,542
Addition	428,280	1,859,843
Deletion	(49,996)	(2,316,569)
As at June 30	14,443,100	14,064,816
Less: Accumulated Depreciation		
As at January 01	4,722,260	3,822,838
Depreciation expenses	874,414	1,831,778
Adjustment made	(49,996)	(932,356)
As at June 30	5,546,678	4,722,260
	<u>8,896,422</u>	<u>9,342,556</u>
6 CASH AND BANK BALANCES		
With State Bank of Pakistan in current account	29,935	29,935
With other banks in		
Current account	2,796,120	2,111,201
Deposit accounts	41,264,303	32,684,355
	44,060,423	34,795,556
Cash in hand	50,354	16,431
	<u>44,140,712</u>	<u>34,841,922</u>

7 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors on 28, August 2018

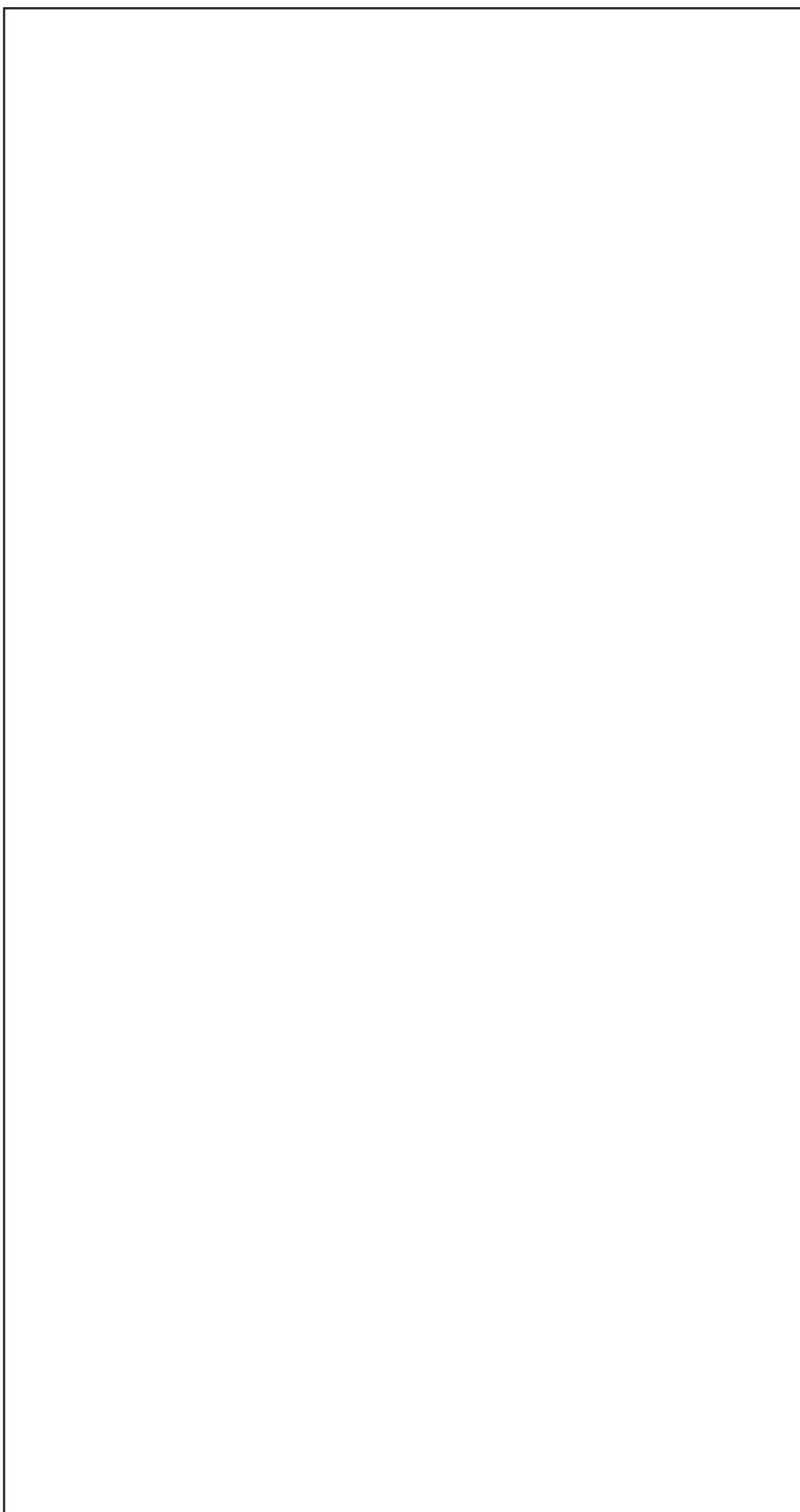
8 GENERAL

Figures have been rounded off to the nearest rupee.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN





SIB | SECURITY
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