



# SECURITY INVESTMENT BANK LIMITED

The Money Wise Bank  
**1st** Quarter Report **2013**

Security Investment Bank Ltd  
The Money Wise Bank  
**1st Quarterly** **2013**  
**REPORT**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)  
Mr. Muhammad Mehboob  
Mr. Sheikh Asim Rafiq (NIT Nominee)  
Mr. Shaikh Abdullah  
Mr. Muhammad Taufeeq Motiwala  
Mr. Karim Muhammad Munir  
Mr. Muhammad Saleem Rathod

## PRESIDENT & CHIEF EXECUTIVE

Mr. Muhammad Saleem Rathod

## AUDIT COMMITTEE

Mr. Shaikh Abdullah (Chairman)  
Haji Jan Muhammad  
Mr. Muhammad Taufeeq Motiwala  
Mr. Sheikh Asim Rafiq

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Taufeeq Motiwala (Chairman)  
Mr. Karim Muhammad Munir (Member)  
Mr. Muhammad Saleem Rathod (Member)

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Amin Khatri

## COMPANY SECRETARY

Mr. Muhammad Shahzad

## AUDITORS

Avais Hyder Liaquat Nauman  
Chartered Accountants

## TAX ADVISORS

Anjum Asim Shahid Rahman  
Chartered Accountants

## LEGAL ADVISORS

Bawaney & Partners  
Muhammad Tariq Qureshi

## SHARE REGISTRAR

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

## BANKERS

Habib Metropolitan Bank Limited.  
Al-Baraka Islamic Bank B.S.C. (E.C.)  
MCB Bank Limited.  
Summit Bank Limited.

## REGISTERED OFFICE

Flat 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

606, 6th Floor, Unitowers,  
I.I. Chundrigar Road, Karachi.  
Tel : (021) 32418410 - 13 Fax : (021) 32418414  
E-mail : sibl@sibl.com.pk

## ***DIRECTORS' REPORT***

The directors of Security Investment Bank Limited (SIBL) are pleased to present the unaudited financial statement of SIBL for the three months ended 31 March 2013.

On 12 April 2013 the State Bank of Pakistan in its monetary policy statement maintained the discount rate at 9.5%. In the policy SBP has observed that contrary to the expectations year-on-year inflation has come down by 1.5 percentage points; from 8.1 percent in January 2013 to 6.6 percent in March 2013, which suggest for reduction discount rate, whereas the balance of payment position continues to be driven by low financial inflows and high debt payments, which suggest vigilance; and due to later SBP has maintained the discount rate. The KSE 100 index was 16,905 points on 1 January 2013 which increased to 18,045 points on 31 March 2013. We expect that in April and May market would consolidate in wake of upcoming elections.

The company has an operating income of Rs. 2.4 million for the quarter ended 31 March 2013 as compared to operating loss of Rs. 1.053 million for the quarter ended 31 March 2012. During the quarter the company has also earned Rs. 1.587 million on sale of shares. Financing cost reduced by 21% to Rs. 10.994 million when compared to the same period of last year.

We would be doing business vigilantly in the current year and would review our policy a fresh after election to be held in May 2013. We expect that the NBF Sector Reforms being initiated by the SECP would help in resolving Investment Banks' issues and would provide wider avenues of business to bring growth and stability.

We are grateful to the SECP, SBP, Stock Exchanges and other regulators for their cooperation and support. We are thankful to our shareholders for their continued confidence and support. We do acknowledge and appreciate efforts of the management and staff for their efforts.

On behalf of the Board

**Haji Jan Muhammad**  
(Chairman)

Karachi, 25 April 2013

# CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2013

Security Investment Bank Ltd  
The Money Wise Bank  
**1<sup>st</sup> Quarterly**  
**REPORT 2013**

	Note	Un-audited March 31 2013 Rupees	Audited December 31 2012 Rupees
<b>Non-current assets</b>			
Property, Plant and equipment		1,134,940	1,051,882
Membership card - Intangible		750,000	750,000
Long term investments	5	186,883,960	186,903,748
Deferred tax asset		31,182,590	29,065,625
<b>Current assets</b>			
Short term financing		166,366,169	145,266,169
Short term investments	6	463,133,731	482,436,968
Loans and advances		84,180,074	84,195,196
Deposits, prepayments and other receivables		6,031,316	5,407,133
Accrued interest		26,695,587	19,873,833
Cash and bank balances	7	7,169,747	9,749,494
		<u>753,576,624</u>	<u>746,928,793</u>
		<u>973,528,114</u>	<u>964,700,048</u>
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
100,000,000 ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital		514,335,580	514,335,580
Statutory reserves		143,108,909	142,682,050
Unappropriated loss		(152,138,144)	(153,845,579)
		505,306,345	503,172,051
Deficit on revaluation of investments-net of tax	8	(21,730,377)	(17,707,987)
<b>Current liabilities</b>			
Borrowings	9	370,502,576	360,368,326
Short term deposits		112,908,078	112,047,664
Accrued and other liabilities		6,541,492	6,819,994
		489,952,146	479,235,983
Contingencies	10	-	-
		<u>973,528,114</u>	<u>964,700,048</u>

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

MUHAMMAD SALEEM RATHOD  
Chief Executive

HAJI JAN MUHAMMAD  
Chairman

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**(UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	Quarter Ended	
	March 31 2013 Rupees	March 31 2012 Rupees
<b>Income</b>		
Income on financing and placements	5,645,700	6,069,064
Return on investments	13,145,010	13,457,677
Gain on sale of shares	1,587,097	-
Profit on deposit with banks	9,660	-
Other income	225,805	167,024
	<u>20,613,272</u>	<u>19,693,765</u>
<b>Expenditure</b>		
Return on deposits and borrowings	10,994,089	13,915,688
Operating expenses	7,183,090	6,831,579
	<u>18,177,179</u>	<u>20,747,267</u>
Operating Profit/(Loss) before tax	2,436,093	(1,053,502)
Provision for taxation	(301,799)	508,328
Net Profit/(Loss) after tax	<u>2,134,294</u>	<u>(545,174)</u>
<b>Earning per share - basic and diluted</b>	<u>0.04</u>	<u>(0.01)</u>

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

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

Security Investment Bank Ltd  
The Money Wise Bank  
**1<sup>st</sup> Quarterly**  
**REPORT 2013**

	Quarter Ended	
	March 31 2013 Rupees	March 31 2012 Rupees
<b>Profit / (Loss) for the period after tax</b>	<b>2,134,294</b>	<b>(545,174)</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u><u><b>2,134,294</b></u></u>	<u><u><b>(545,174)</b></u></u>

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

**MUHAMMAD SALEEM RATHOD**  
Chief Executive

**HAJI JAN MUHAMMAD**  
Chairman

**CONDENSED INTERIM CASH FLOW STATEMENT**  
**(UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	Quarter ended	
	March 31 2013 Rupees	March 31 2012 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating Profit/(Loss) before taxation	2,436,093	(1,053,502)
<b>Adjustments for non cash and other items</b>		
Depreciation	96,042	83,053
Gain on disposal of shares	(1,587,097)	-
Gain on disposal of fixed assets	-	-
	(1,491,055)	83,053
<b>Cash flows from operating activities before working capital changes</b>	<b>945,038</b>	<b>(970,449)</b>
<b>Decrease / (Increase) in operating assets</b>		
(Increase) in financing and placements	(21,100,000)	(1,700,000)
(Increase) in advances, deposits, prepayment and other receivables	(7,449,927)	(9,248,897)
	(28,549,927)	(10,948,897)
<b>(Decrease) / Increase in operating liabilities</b>		
Increase in deposits	860,414	47,074
Increase in borrowings	10,134,250	26,584,462
(Decrease) / Increase in accrued and other liabilities	(278,502)	2,849,294
	10,716,162	29,480,830
Net changes in operating assets and liabilities	(17,833,765)	18,531,933
Income tax paid	(643,647)	(1,061,346)
Gratuity paid	-	(250,000)
	(643,647)	(1,311,346)
<b>Net cash used in operating activities</b>	<b>(17,532,374)</b>	<b>16,250,138</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase) of fixed assets net	(179,100)	(99,905)
Sale of investments (shares)	16,705,796	-
(purchase) of securities	(1,574,069)	(22,515,141)
<b>Net cash flow from investing activities</b>	<b>14,952,627</b>	<b>(22,615,046)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net (decrease) in cash and cash equivalents	(2,579,747)	(6,364,908)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>9,749,494</b>	<b>13,243,835</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7,169,747</b>	<b>6,878,927</b>

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

**CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

Security Investment Bank Ltd  
The Money Wise Bank  
**1<sup>st</sup> Quarterly  
REPORT 2013**

	Share capital	Statutory reserve	Unappropriated profit	Total
	Rupees			
Balance as at 01 January 2012	514,335,583	142,123,865	(156,078,323)	500,381,125
Net (Loss) upto 31 March 2012	-	-	(545,174)	(545,174)
Transfer to Statutory Reserves	-	-	-	-
<b>Balance as at 31 March 2012</b>	<b>514,335,583</b>	<b>142,123,865</b>	<b>(156,623,497)</b>	<b>499,835,951</b>
Net Profit April to December 2012	-	-	3,336,100	3,336,100
Adjustment	(3)	-	3	-
Statutory Reserves	-	558,185	(558,185)	-
<b>Balance as at 31 December 2012</b>	<b>514,335,580</b>	<b>142,682,050</b>	<b>(153,845,579)</b>	<b>503,172,051</b>
Net Profit for the period	-	-	2,134,294	2,134,294
Transfer to Statutory Reserves	-	426,859	(426,859)	-
<b>Balance as at 31 March 2013</b>	<b>514,335,580</b>	<b>143,108,909</b>	<b>(152,138,144)</b>	<b>505,306,345</b>

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

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

### 1 Status and principal activities

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 23 May 1991 and started its commercial operation on 31 December 1991. Its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of SIBL is situated at Flat No.4, 3rd floor, AL-Baber 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 1131(I)/2007 dated 21 November 2007 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (previously this was covered under SRO 585(1)/87 dated 13 July 1987 issued by the Ministry of Finance, Government of Pakistan).

JCR - VIS Credit Rating Company Limited has reaffirmed medium to long-term rating of SIBL at 'A' (Single A) and the short-term rating at 'A-2' (A Two).

### 2 Basis of presentation

These condensed interim financial statements have been presented in accordance with the requirements of the International Accounting Standard 34- Interim Financial Reporting as applicable in Pakistan and are unaudited. These condensed interim financial statements 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 31 December 2012. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchanges.



### 3 Accounting policies

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparation of the financial statements for the year ended 31 December 2012.

### 4 Estimates

The preparation of condensed interim financial statements requires management to make judgements, 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 judgements 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 31 December 2012.

### 5 Long term investments

#### Held to maturity

SIBL Exchange Company (Pvt) Ltd. 10,000,000

(2011: 10,000,000) ordinary shares of 5.1

Rs. 10 each. Wholly Owned Subsidiary- unquoted

**Un-audited  
Mar 31, 2013  
Rupees**

**Audited  
Dec 31, 2012  
Rupees**

**100,000,000**

100,000,000

Pakistan Investment Bonds- held to maturity

**50,883,960**

50,903,748

Karachi Stock Exchange Limited 4007,383

Ordinary shares of Rs. 10/- each

**36,000,000**

36,000,000

**186,883,960**

186,903,748

5.1 State Bank of Pakistan has revoked the license of SIBL Exchange Company (Pvt) Ltd from October 01, 2012, through letter dated January 8, 2013, for not meeting the minimum capital requirement. The Board of Directors of SIBL Exchange Company (Pvt) Ltd has decided to windup the company. There is no need for impairment as the net book value of the investment is higher than the cost of investment.

### 6 Short term investment - Available-for-sale

Pakistan Investment Bonds

**324,373,540**

330,919,152

Term Finance Certificate

**6,882,969**

6,882,969

Quoted Shares

**13,468,628**

28,847,349

Market Treasury bills

**118,408,594**

115,787,498

**463,133,731**

482,436,968

### 7 Cash and bank balances

With State Bank of Pakistan in Current account

**375,282**

149,312

With other banks in

Current account

**3,127,136**

2,635,833

Deposit accounts

**3,641,555**

6,959,285

**6,768,691**

9,595,118

Cash in hand

**25,774**

5,064

**7,169,747**

9,749,494

	Un-audited Mar 31, 2013 Rupees	Audited Dec 31, 2012 Rupees
<b>8 (Deficit) on revaluation of investment</b>		
Government securities	<b>(26,445,798)</b>	(19,857,472)
Term finance certificates	<b>(2,294,323)</b>	(2,294,323)
	<b>(28,740,121)</b>	(22,151,795)
Related deferred tax asset	<b>9,256,029</b>	6,950,115
	<b>(19,484,092)</b>	(15,201,680)
Quoted shares	<b>(2,246,285)</b>	(2,506,307)
	<b>(21,730,377)</b>	(17,707,987)
<b>9 Borrowings</b>		
Secured under repurchase agreements against government securities	<b>370,502,576</b>	360,368,326
	<b>370,502,576</b>	360,368,326
<b>10 Contingencies</b>		
Guarantees issued on behalf of customers	<b>78,000,910</b>	78,000,910

#### 11 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 share holder 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 year, other than Director's remuneration, are as follows;

	<b>Un-audited Mar 31, 2013 Rupees</b>	<b>Un-audited Mar 31, 2012 Rupees</b>
Financing		
- Associated undertaking	<b>67,132,571</b>	106,941,265
- Others	<b>99,233,598</b>	67,200,000
Return on financing		
- Associated undertaking	<b>1,726,896</b>	3,859,882
- Others	<b>4,033,526</b>	2,167,101
Un funded guarantee		
- Associated undertaking	<b>78,000,910</b>	71,770,910
Deposits		
- Associated undertaking	<b>94,913,369</b>	91,892,325
- Others	<b>8,332,632</b>	8,116,648
Return on deposits		
- Associated undertaking	<b>1,534,683</b>	370,902
- Others	<b>160,580</b>	132,239
Contribution to staff retirement benefit plan	<b>142,407</b>	142,107

## 12 Date of authorisation

These financial statements were authorised for issue by the Board of Directors on April 25, 2013.

## 13 General

Figures have been rounded off to the nearest rupee.

**MUHAMMAD SALEEM RATHOD**  
 Chief Executive

**HAJI JAN MUHAMMAD**  
 Chairman

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**



**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**(UNAUDITED)**  
**AS AT 31 MARCH 2013**

Security Investment Bank Ltd  
The Money Wise Bank  
**1<sup>st</sup> Quarterly**  
**REPORT 2013**

	Note	Un-audited March 31 2013 Rupees	Audited December 31 2012 Rupees
<b>NON-CURRENT ASSETS</b>			
Property, Plant and equipment		1,579,036	1,496,250
Intangible Assets		750,000	750,000
Long term Investments		86,883,960	86,903,748
Deferred tax asset		31,182,590	29,065,625
<b>CURRENT ASSETS</b>			
Short term financing		166,366,169	145,266,169
Short term Investments		463,133,731	482,436,968
Loan and advances		84,460,151	86,663,246
Deposits, prepayments and other receivable		7,664,176	7,039,993
Accrued interest		26,695,587	19,873,833
Cash and bank balances	6	32,950,310	35,530,059
		781,270,124	776,810,268
		901,665,710	895,025,891
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
100,000,000 ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital		514,335,580	514,335,580
Statutory reserves		143,108,909	142,682,050
Unappropriated profit		(132,424,785)	(134,738,441)
		525,019,704	522,279,189
Deficit on revaluation of investments-net of tax		(21,730,377)	(17,707,987)
<b>CURRENT LIABILITIES</b>			
Borrowings		370,502,576	360,368,326
Short term deposits		20,649,216	20,312,676
Accrued and other liabilities		7,224,591	9,773,687
		398,376,383	390,454,689
Contingencies and commitments		901,665,710	895,025,891

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

**MUHAMMAD SALEEM RATHOD**  
Chief Executive

**HAJI JAN MUHAMMAD**  
Chairman

**CONDENSED INTERIM CONSOLIDATED  
PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	Quarter Ended	
	March 31 2013 Rupees	March 31 2012 Rupees
<b>INCOME</b>		
Income on financing and placements	5,645,700	6,069,064
Return on Investments	13,145,010	13,553,035
Gain on sale of shares	1,587,097	-
Profit on deposit with banks	9,660	-
Other income	225,805	167,024
	<b>20,613,272</b>	<b>19,789,123</b>
<b>EXPENDITURE</b>		
Return on deposits and borrowings	9,523,196	12,118,432
Operating expenses	7,739,325	8,097,770
	<b>17,262,521</b>	<b>20,216,202</b>
Operating Profit / (Loss) before tax	3,350,751	(427,079)
Provision for taxation	(610,236)	429,770
<b>PROFIT AFTER TAXATION</b>	<b>2,740,515</b>	<b>2,691</b>
<b>EARNINGS PER SHARE- BASIC AND DILUTED</b>	<b>0.05</b>	<b>0.00</b>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT  
OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

Security Investment Bank Ltd  
The Money Wise Bank  
**1<sup>st</sup> Quarterly**  
**REPORT 2013**

	Quarter Ended	
	March 31 2013 Rupees	March 31 2012 Rupees
<b>Profit for the period after tax</b>	<b>2,740,515</b>	<b>2,691</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u><b>2,740,515</b></u>	<u><b>2,691</b></u>

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

**MUHAMMAD SALEEM RATHOD**  
Chief Executive

**HAJI JAN MUHAMMAD**  
Chairman



**CONDENSED INTERIM CONSOLIDATED CASH FLOW  
STATEMENT (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	Quarter ended	
	March 31 2013 Rupees	March 31 2012 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating Profit / (Loss) before taxation	3,350,751	(427,079)
<b>Adjustment for non cash and other items</b>		
Depreciation	130,229	176,492
Amortization of software and deferred cost	-	29,170
Gain on disposal of shares	(1,587,097)	-
Return on T-Bills	-	(95,358)
	<b>(1,456,868)</b>	<b>110,304</b>
<b>Cash flows from operating activities before working capital changes</b>	<b>1,893,883</b>	<b>(316,775)</b>
<b>Decrease / (Increase) in operating assets</b>		
(increase) in financing and placements	(21,100,000)	(1,700,000)
(Increase) in advances, deposits, prepayment and other receivables	(7,415,249)	(9,430,846)
	<b>(28,515,249)</b>	<b>(11,130,846)</b>
<b>(Decrease) / Increase in operating liabilities</b>		
Increase/ (Decrease) in deposits	336,540	229,545
Increase / (Decrease) in borrowings	10,134,250	26,584,462
Increase in accrued and other liabilities	(2,549,096)	2,396,309
	<b>7,921,694</b>	<b>29,210,316</b>
	<b>(20,593,555)</b>	<b>18,079,470</b>
Income tax paid	(1,380,930)	(2,476,869)
Gratuity paid	-	(250,000)
	<b>(1,380,930)</b>	<b>(2,726,869)</b>
<b>Net cash flow from operating activities</b>	<b>(20,080,602)</b>	<b>15,035,826</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) / sale of fixed assets	(179,100)	(99,905)
(Purchase) / sale of investments (shares)	16,705,796	-
Sale / (Purchase) of securities	974,157	3,333,996
<b>Net cash flow from investing activities</b>	<b>17,500,853</b>	<b>3,234,091</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	-	-
Net Increase/ (decrease) in cash and cash equivalents	(2,579,749)	18,269,917
<b>Cash and cash equivalents at the beginning of the period</b>	<b>35,530,059</b>	<b>14,179,789</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>32,950,310</b>	<b>32,449,706</b>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

Security Investment Bank Ltd  
The Money Wise Bank  
**1<sup>st</sup> Quarterly  
REPORT 2013**

	Share capital	Statutory reserve	Unappropriated profit	Total
	Rupees			
Balance as at 01 January 2012	514,335,583	142,123,865	(138,436,574)	518,022,874
Profit upto 31 March 2012	-	-	2,691	2,691
Transfer to Statutory Reserve	-	-	-	-
<b>Balance as at 31 March 2012</b>	<b>514,335,583</b>	<b>142,123,865</b>	<b>(138,433,883)</b>	<b>518,025,565</b>
Net profit from April to December 2012	-	-	4,253,624	4,253,624
Adjustment	(3)	-	3	-
Transfer to Statutory Reserve	-	558,185	(558,185)	-
<b>Balance as at 31 December 2012</b>	<b>514,335,580</b>	<b>142,682,050</b>	<b>(134,738,441)</b>	<b>522,279,189</b>
Net profit for the period	-	-	2,740,515	2,740,515
Transfer to Statutory Reserve	-	426,859	(426,859)	-
<b>Balance as at 31 March 2013</b>	<b>514,335,580</b>	<b>143,108,909</b>	<b>(132,424,785)</b>	<b>525,019,704</b>

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

**CONDENSED INTERIM NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

**1. STATUS AND PRINCIPAL ACTIVITIES**

Security Investment Bank Limited and its subsidiary company ("The Group") comprises of holding company Security Investment Bank Limited (SIBL) and a wholly owned subsidiary company SIBL Exchange Company (Pvt) Limited (SIBLE).

SIBL ("the company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 23 May 1991 and started its commercial operation on 31 December 1991. Its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of SIBL is situated at Flat No.4, 3rd floor, AL-Baber 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 1131(I)/2007 dated November 21, 2007 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (previously this was covered under SRO 585(1)/87 dated July 13, 1987 issued by the Ministry of Finance, Government of Pakistan).

SIBLE ("the Subsidiary") is a private limited company incorporated in Pakistan on December 16, 2004 under the Companies Ordinance, 1984. The Company has been formed to operate under the Foreign Exchange Regulation Act, 1947 as amended by SBP through Foreign Exchange circular # 9 dated July 30, 2002. The Registered Office of the subsidiary is situated at Shope no. 2, Al-Rahim Tower, I. I. Chundrigar Road, Karachi.

**2. BASIS OF PRESENTATION**

These condensed interim financial statements have been presented in accordance with the requirements of the International Accounting Standard 34- Interim Financial Reporting as applicable in Pakistan and are unaudited. These condensed interim financial statements 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, 2012. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

**3. ACCOUNTING POLICIES**

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparation of the financial statements for the year ended December 31, 2012.

#### 4. ESTIMATES

The preparation of condensed interim financial statements requires management to make judgements, 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 judgements 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, 2012.

#### 5. BASIS OF CONSOLIDATION

The Consolidated financial statements include the Financial Statements of Parent Company (Security Investment Bank Limited) and a wholly owned Subsidiary Company (SIBL Exchange Company (Private) Limited). The Financial Statements of Subsidiary are included in the consolidated financial statements from the date of its incorporation. The financial statements of subsidiary has been consolidated on a line by line basis. All intercompany balance, transactions and resulting profit/(losses) have been eliminated.

	<b>Un-audited Mar 31, 2013 Rupees</b>	<b>Audited Dec 31, 2012 Rupees</b>
<b>6. CASH AND BANK BALANCES</b>		
With State Bank of Pakistan in Current account	<b>25,684,332</b>	25,458,362
With other Banks in		
Current account	<b>3,339,045</b>	2,847,742
Deposit accounts	<b>3,641,555</b>	6,959,285
	<b>6,980,600</b>	9,807,027
Cash in hand	<b>285,379</b>	264,670
	<b>32,950,311</b>	35,530,059

#### 7. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on April 25, 2013.

#### 8. GENERAL

Figures have been rounded off to the nearest rupee.

**MUHAMMAD SALEEM RATHOD**  
 Chief Executive

**HAJI JAN MUHAMMAD**  
 Chairman



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