



SECURITY
INVESTMENT
BANK LTD.

**QUARTERLY REPORT
MARCH 31, 2019**

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

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

Mr. Shakeel Ahmed

AUDITORS

M/S Bakers Tilly Mehmood Idrees Qamar,
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



DIRECTORS' REPORT

The directors of Security Investment Bank Limited (the Company) are pleased to present the Financial Statements of the Company for the first quarter ended 31 March 2019.

Taking stabilized measures towards country's current account deficit recorded a sizeable contraction during the first two months of FY 2019 which helps SBP to ease pressure on foreign exchange reserve, despite narrowing; the current account deficit remains high. The fiscal deficit for H1-FY-19 was higher at 2.7% of GDP compared to 2.3% for the same period of last year; a significant portion of the fiscal deficit was financed through borrowing from SBP.

CPI inflation reached 6.5% in Jul-Feb FY-19 compared to 3.8% recorded in the same period of last year. Amidst the efforts to curtail inflationary pressures reduce the macroeconomics imbalances. Consequently keeping the view of economic scenario, the SBP has adopted tightening of monetary policy issued on 29 March 2019 increasing discount rate at 10.75%.

During the quarter under review, the Pakistan Stock Exchange Ltd (KSE-100 index) registered slightly increased 4% to 38,649 points as of 31 March 2019 from 37,067 points as of 31 December 2018.

Alhamdulillah, your company posted operating profit before taxes of Rs. 9.012 million for the first quarter ended 31 March 2019 as compared to Rs. 7.977 million of the corresponding period. Your company's EPS is 0.175 as compared to Rs. 0.155 of the corresponding period. Income on financing increased by 18% to Rs. 2.6 million compared to the same period of last year.

Your company's management is endeavouring to enhance capital adequacy requirement under NBFC's Regulations. The Management is reviewing business plan to offer vault services and start process to carry out due diligence and obtain requisite approvals from the regulator within the framework of NBFC's Regulations.

The board wishes to place on record the 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 CEO and employees of the company for their commitment and hard work.

On behalf of the Board

Haji Jan Muhammad
Chairman
Karachi, 25 April 2019

	Note	Unaudited March 31 2019	Audited December 31 2018
Rupees			
Assets			
Non-current assets			
Property, Plant and equipment	5	39,323,922	39,904,411
Intangible Assets	6	2,500,000	2,500,000
Long term investments	7	50,000,000	50,000,000
Long term financing	8	3,709,307	3,878,461
Long term advances		2,500,000	2,500,000
Current assets			
Short term financing	9	474,813,119	555,761,938
Short term investments	10	161,110,140	62,714,036
Loans and advances		5,857,416	6,322,794
Deposits, prepayments and other receivables		5,104,915	4,018,373
Tax refund due from Government		79,298,961	79,158,655
Accrued interest		2,507,507	2,658,841
Cash and bank balances	11	8,447,030	9,455,215
		<u>737,139,088</u>	<u>720,089,852</u>
		<u>835,172,317</u>	<u>818,872,724</u>
Equity and liabilities			
Share capital and reserves			
Authorised capital			
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		164,699,552	162,897,175
Deficit on revaluation of investments-net of tax		6,145,191	(287,166)
Unappropriated loss		(70,844,389)	(78,053,895)
		614,335,934	598,891,694
Non Current Liabilities			
Subordinated Loan		180,000,000	180,000,000
Deferred tax liabilities - net		2,552,146	2,552,146
		182,552,146	182,552,146
Current liabilities			
Bank borrowing	13	-	2,759,096
Unclaim Dividend		2,094,583	2,094,583
Accrued and other liabilities		36,189,654	32,575,205
		38,284,237	37,428,884
Contingencies	14	-	-
		<u>835,172,317</u>	<u>818,872,724</u>

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



**UNCONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

	March 31 2019	March 31 2018
	Rupees	
Income		
Income on financing and placements	16,919,622	14,280,809
Return on investments	1,506,353	337,557
Gain on sale of investments	-	1,204,766
Profit on deposit with banks	102,227	123,283
Other income	261,321	346,522
	18,789,523	16,292,937
Expenditure		
Financial charges	2,889,369	794,971
Administrative expenses	6,888,271	7,521,068
	9,777,640	8,316,039
Operating Profit before tax	9,011,883	7,976,898
Taxation	-	-
Net profit after tax	9,011,883	7,976,898
Earning per share - basic and diluted	0.175	0.155

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

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

	March 31 2019	March 31 2018
	<u>Rupees</u>	
Net profit after tax	9,011,883	7,976,898
Other comprehensive income for the period		
Surplus / deficit on revaluation of investments - net of tax	6,432,357	-
Total comprehensive income for the period	<u>15,444,240</u>	<u>7,976,898</u>

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

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

	Share capital		Statutory reserve	Unappropriated profit	Unrealized gain on re measurement of available of sale of investments to fair value		Total
	Rupees	Rupees			Rupees	Rupees	
Balance as at 01 January 2018	514,335,580	159,452,163	(91,833,944)	-	-	581,953,799	
Net Profit upto 31 March 2018	-	-	7,976,898	-	-	7,976,898	
Transfer to Statutory Reserves	-	1,595,380	(1,595,380)	-	-	-	
Balance as at 31 March 2018	514,335,580	161,047,543	(85,452,426)	-	-	589,930,697	
Net loss April to December 2018	-	-	9,248,163	-	-	9,248,163	
Other comprehensive income	-	-	-	(287,166)	-	(287,166)	
Statutory Reserves	-	1,849,633	(1,849,633)	-	-	-	
Balance as at 31 December 2018	514,335,580	162,897,175	(78,053,895)	(287,166)	-	598,891,694	
Net Profit upto 31 March 2019	-	-	9,011,883	-	-	9,011,883	
Other Comprehensive income	-	-	-	6,432,357	-	6,432,357	
Appropriations:							
Transfer to Statutory Reserves	-	1,802,377	(1,802,377)	-	-	-	
Balance as at 31 March 2019	<u>514,335,580</u>	<u>164,699,552</u>	<u>(70,844,389)</u>	<u>6,145,191</u>	<u>-</u>	<u>614,335,934</u>	

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

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN



**UNCONSOLIDATED
CONDENSED CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

Note	March 31 2019	March 31 2018
Rupees		
CASH FLOW FROM OPERATING ACTIVITIES		
Operating Profit/before taxation	9,011,883	7,976,898
Adjustments for non cash and other items		
Depreciation	580,489	452,493
Gain on disposal of shares	-	(1,204,766)
	<u>580,489</u>	<u>(752,273)</u>
Cash flows from operating activities before working capital changes	9,592,372	7,224,625
(Increase) / Decrease in operating assets		
(Increase) / Decrease in financing and placements	80,948,819	(28,971,179)
Decrease / (Increase) in advances, deposits, prepayment and other receivables	(610,136)	3,993,868
	<u>80,338,683</u>	<u>(24,977,311)</u>
Increase / (Decrease) in operating liabilities		
(Decrease) / Increase in Short term borrowings	(2,759,096)	(1,941,706)
(Decrease) / Increase in accrued and other liabilities	3,614,449	(7,073,961)
	<u>855,353</u>	<u>(9,015,667)</u>
Net changes in operating assets and liabilities	81,194,036	(33,992,978)
Income tax paid	-	(40,076)
Net cash used in operating activities	90,786,408	(26,808,429)
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of fixed assets net	-	(124,800)
Investments in securities (adjustment) - net	(91,963,747)	-
Net cash flow from investing activities	(91,963,747)	(124,800)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Financing	169,154.00	535,119
Net (decrease) in cash and cash equivalents	(1,008,185)	(26,398,110)
Cash and cash equivalents at the beginning of the period	9,455,215	34,443,155
Cash and cash equivalents at the end of the period	16 8,447,030	8,045,045

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

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 NonBanking 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(1)/87 dated July 13, 1987, issued by the Ministry of Finance). The license is valid until May 29, 2018.

During the period, JCR - VIS Credit Rating Company Limited has placed the rating of the Company for medium to long-term rating at 'BBB'+ (Triple B plus) Signifies adequate credit quality and the short-term rating at 'A-2' (A Two) Signifies good certainty of timely payment. Outlook on the assigned rating is 'Stable'

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

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 2018. Further, these accounts are being circulated to the shareholders in accordance with the requirements of the Companies Act, 2017 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 2018.

4 ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated 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 2018.

	Un-audited 31-Mar-2019 Rupees	Audited 31-Dec-2018 Rupees
5 Operating Assets Cost		
Opening balance	46,195,275	13,874,452
Addition	-	32,631,380
Deletion	-	(310,557)
	46,195,275	46,195,275
Less: Accumulated Depreciation		
Opening balance	6,290,864	4,702,275
Adjustment	-	(157,653)
For the period	580,489	1,746,242
	6,871,353	6,290,864
Net Operating Assets	39,323,922	39,904,411
6 Intangible Assets		
Corporate membership of the Pakistan Mercantile Exchange Limited	2,500,000	2,500,000
	2,500,000	2,500,000
7 Long term investments		
Investment- Subsidiary		
5,000,000 ordinary shares of Security Capital & Investments (Pvt) Ltd @ Rs. 10/- each	50,000,000	50,000,000
	50,000,000	50,000,000
8 Long term Financing		
Related Parties-Secured and considered good		
Associated Companies	5,354,041	7,659,053
Others	5,719,820	6,001,732
Less: Deferred income	(1,356,211)	(959,291)
Long term financing receiveable	9,717,650	12,701,494
Less: Current maturity	(6,008,343)	(8,823,033)
	3,709,307	3,878,461
9 Short term financing- secured and considered good		
Associated companies	468,804,776	546,938,905
Current maturity under Murahaba Finance	6,008,343	8,823,033
	474,813,119	555,761,938
10 Short term investment		
Held to maturity		
Market Treasury Bills	40,000,000	25,000,000
Available for sale		
Term Finance Certificate	5,836,219	5,836,219
Quoted Shares	115,273,921	31,877,817
	161,110,140	62,714,036

	Un-audited 31-Mar-2019 Rupees	Audited 31-Dec-2018 Rupees
11 Cash and bank balances		
With State Bank of Pakistan in Current account	10,377	11,257
With other banks in		
Current account	2,080,642	2,196,079
Deposit accounts	6,304,748	7,223,815
	8,385,390	9,419,894
Cash in hand	51,263	24,064
	8,447,030	9,455,215
12 (Deficit) on revaluation of investment		
Deficit on revaluation of investment	6,145,191	(287,166)
13 Bank Borrowings		
Running Finance Facility	-	2,759,096
14 Contingencies		
Guarantees issued on behalf of customers		
-Associated undertaking	55,103,000	55,103,000

15 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 period related to Financing and PF contributions are as follows:

	Un-audited 31-Mar-2019 Rupees	Audited 31-Dec-2018 Rupees
Financing		
- Associated undertaking	473,989,892	554,308,670
Unfunded guarantee		
- Associated undertaking	55,103,000	55,103,000
	31-Mar-2019 Rupees	31-Mar-2018 Rupees
Return on financing		
- Associated undertaking	16,709,499	9,407,073
- Others	210,123	195,616
Contribution to staff retirement benefit plan	110,895	152,575

16 Date of authorisation

These financial statements were authorised for issue by the Board of Directors on April 25, 2019.

17 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**
for the quarter ended 31 March, 2019



**CONSOLIDATED
CONDENSED INTERIM BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	March 31, 2019	Dec. 31, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and equipment		39,446,708	40,036,715
Intangible Assets		7,500,000	7,500,000
Investment in shares of PSX		26,304,459	21,752,072
Long term financing		3,709,307	3,878,461
Long term advances, deposits and prepayments		2,500,000	2,500,000
		<u>79,460,474</u>	<u>75,667,248</u>
CURRENT ASSETS			
Short term financing		474,813,119	555,761,938
Short term Investments		161,110,140	62,714,036
Loan and advances		5,857,416	6,320,724
Deposits, prepayments and other receivable		5,479,601	4,018,373
Accrued interest		2,507,507	2,658,841
Tax refund due from Government		79,298,961	79,523,527
Cash and bank balances	7	18,837,303	19,663,073
		<u>747,904,047</u>	<u>730,660,512</u>
		<u>827,364,521</u>	<u>806,327,760</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
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		164,699,552	162,897,175
Unappropriated profit		(73,503,224)	(80,882,642)
Unrealized gain on re-measurement of available for sale investment to fair value - net		14,950,212	3,965,468
		<u>620,482,120</u>	<u>600,315,581</u>
NON CURRENT LIABILITIES			
Subordinated Loan		180,000,000	180,000,000
Deferred liabilities		2,552,146	2,552,146
CURRENT LIABILITIES			
Bank Borrowing		-	2,759,096
Unclaim Dividend		2,094,583	2,094,583
Accrued and other liabilities		22,235,672	18,606,354
		<u>24,330,255</u>	<u>23,460,033</u>
Contingencies and commitments		<u>827,364,521</u>	<u>806,327,760</u>

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

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**CONSOLIDATED CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

	Quarter Ended	
	March 31, 2019	March 31, 2018
	Rupees	
INCOME		
Income on financing and placements	16,919,622	14,280,809
Return on Investments	1,506,353	337,557
Gain on sale of shares	-	1,204,766
Profit on deposit with banks	311,327	218,622
Other income	261,321	346,522
	18,998,623	16,388,276
EXPENDITURE		
Return on deposits and borrowings	2,889,369	794,971
Operating expenses	6,927,459	7,650,171
	9,816,828	8,445,142
Operating Profit before tax	9,181,795	7,943,134
Taxation	-	-
PROFIT AFTER TAXATION	9,181,795	7,943,134
EARNINGS PER SHARE- BASIC AND DILUTED	0.1785	0.1544

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

**CONSOLIDATED CONDENSED INTERIM
CASH FLOW STATEMENT (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

	Quarter Ended	
	March 31, 2019	March 31, 2018
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (Loss)/ Profit before taxation	9,181,795	7,943,134
Adjustment for non cash and other items		
Depreciation	590,007	462,011
Gain on disposal of shares	-	(1,204,766)
	590,007	(742,755)
Cash flows from operating activities before working capital changes	9,771,802	7,200,379
Decrease / (Increase) in operating assets		
(increase) in financing and placements	80,948,819	(28,971,179)
(Increase) in advances, deposits, prepayment and other receivables	(622,020)	3,985,264
	80,326,799	(24,985,915)
(Decrease) / Increase in operating liabilities		
Increase / (Decrease) in borrowings	(2,759,096)	(1,941,706)
Increase in accrued and other liabilities	3,629,318	3,019,405
	870,222	1,077,699
	81,197,021	(23,908,216)
Income tax paid	-	(40,077)
Net cash flow from operating activities	90,968,823	(16,747,913)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) / sale of fixed assets	-	(124,800)
(Purchase) / sale of investments (shares)	(91,963,747)	-
Net cash flow from investing activities	(91,963,747)	(124,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	169,154	535,119
Net Increase/ (decrease) in cash and cash equivalents	(825,770)	(16,337,594)
Cash and cash equivalents at the beginning of the period	19,663,073	34,841,922
Cash and cash equivalents at the end of the period	18,837,303	18,504,328

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

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**CONSOLIDATED CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2019**

	Quarter Ended	
	March 31, 2019	March 31, 2018
	Rupees	
Net profit after tax	9,181,795	7,943,134
Surplus / deficit on revaluation of investments - net of tax	10,984,744	5,626,320
Total comprehensive income for the period	<u>20,166,539</u>	<u>13,569,454</u>

The annexed notes form an integral part of these 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 THREE MONTHS ENDED 31 MARCH 2019**

	Share Capital	Statutory Reserve	Accumulated losses	Unrealized gain on re measurement of available of sale of investments to fair value	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 January 2018	514,335,580	159,452,163	(94,427,968)	18,406,709	597,766,484
Profit upto 31 March 2018	-	-	7,943,134	5,626,320	13,569,454
Transfer to Statutory Reserve	-	1,588,627	(1,588,627)	-	-
Balance as at 31 March , 2018	514,335,580	161,040,790	(88,073,461)	24,033,029	611,335,938
Net profit from April to December 2018	-	-	9,047,204	(20,067,561)	(11,020,357)
Adjustment	-	-	-	-	-
Transfer to Statutory Reserve	-	1,856,385	(1,856,385)	-	-
Balance as at 31 December , 2018	514,335,580	162,897,175	(80,882,642)	3,965,468	600,315,581
Net profit for the period	-	-	9,181,795	-	9,181,795
Other comprehensive income	-	-	-	10,984,744	10,984,744
Transfer to Statutory Reserve	-	1,802,377	(1,802,377)	-	-
Balance as at 31 March, 2019	514,335,580	164,699,552	(73,503,224)	14,950,212	620,482,120

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

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2019

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-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 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).

During the period, JCR - VIS Credit Rating Company Limited has placed the rating of the Company for medium to long-term rating at 'BBB'+ (Triple B plus) Signifies adequate credit quality and the short-term rating at 'A-2' (A Two) Signifies good certainty of timely payment. Outlook on the assigned rating is 'Stable'

The Investment Bank made an investment in newly incorporated wholly owned subsidiary company namely Security Capital & Investment (Private) Limited amounting to Rs. 50 million . 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, 2018.

The comparative balance sheet presented in this consolidated condensed interim financial information as at December 31, 2018 has been extracted from audited financial statements of the company for the year ended December 31, 2017, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the quarter ended Mar 31, 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, 2018.

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 2018.

5 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies.

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50 percent of its voting securities or otherwise has power to elect and appoint more than 50 percent of its directors. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences. The financial statements of the subsidiaries are consolidated on a line-by-line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiaries. The Group applies uniform accounting policies for like transactions and events in similar circumstances except where specified otherwise.

All material inter-group balances, transactions and resulting unrealized profits / losses are eliminated.

6 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, 2018.

	Un-audited 31-Mar-2019 Rupees	Audited 31-Dec-2018 Rupees
7 CASH AND BANK BALANCES		
With State Bank of Pakistan in Current account	10,377	11,257
With other Banks in		
Current account	2,083,648	2,196,079
Deposit accounts	16,692,015	17,431,673
	18,775,663	19,627,752
Cash in hand	51,263	24,064
	18,837,303	19,663,073

8 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on April 25, 2019.

9 GENERAL

Figures have been rounded off to the nearest rupee.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN



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