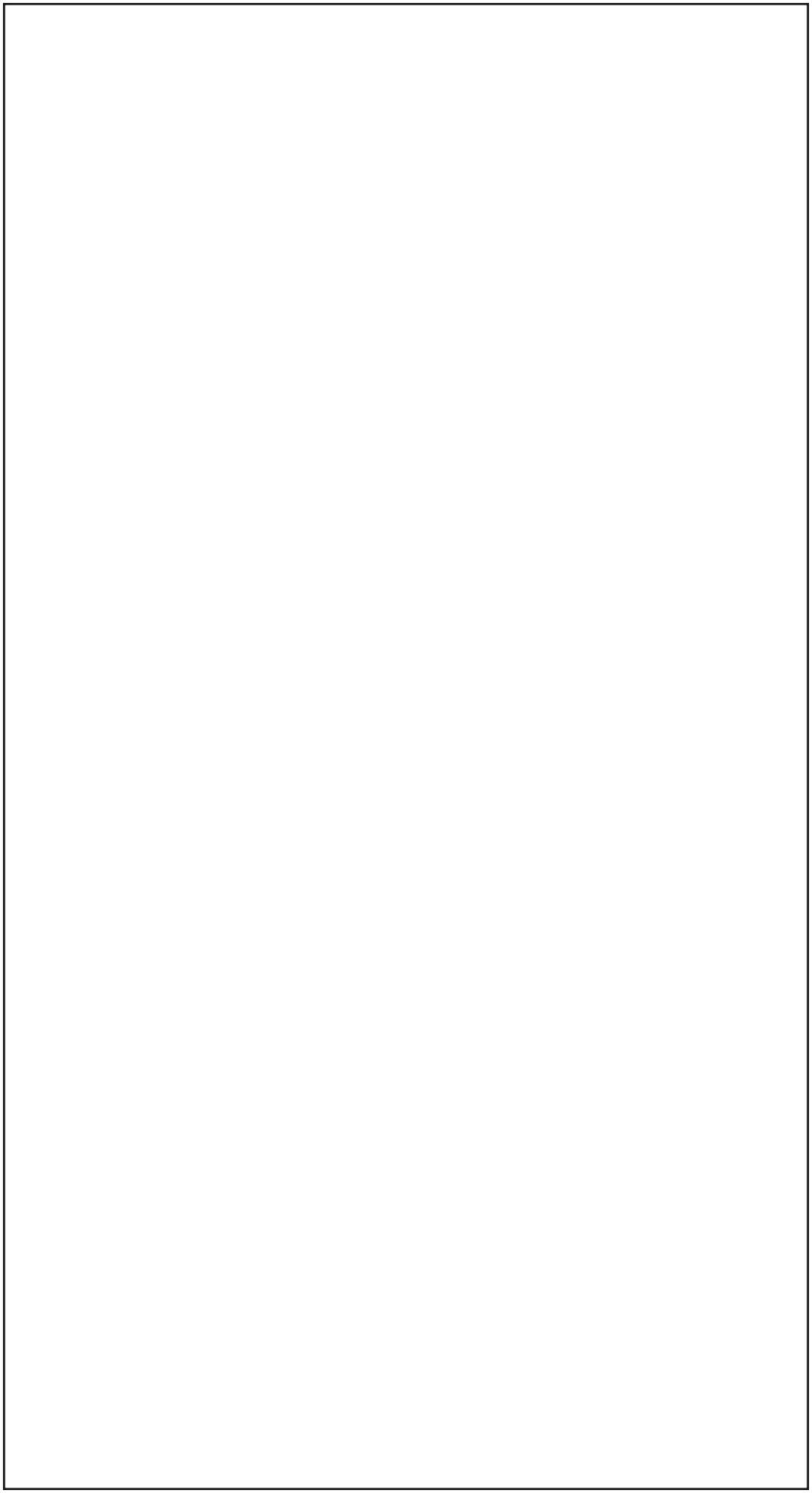


Quarterly **Report**
March 31, 2018



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

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 2018.

Our Country's current account deficit continued to widen, it is a great challenge for economic indicators to reduce the gap through strategic planning. The impact of exchange rate depreciations on export and import is going to unfold gradually in the coming months of the current fiscal year.

SBP's foreign exchange reserves decline in the month of March 2018. Going forward, along with a focus on narrowing the current account gap, Government's plans to timely mobilize external inflows, will play a pivotal role in maintaining adequate level of SBP's foreign exchange reserves. During the period under review, the SBP maintained its policy rate unchanged at 6% in the monetary policy statement issued on 30 March 2018.

During the quarter ended 31 March 2018, the Pakistan Stock Exchange Ltd (KSE-100 index) registered increased 12% to 45,489 points as of 31 March 2018 from 40,471 points as of 01 January 2018.

Alhamdulillah, your company posted operating profit before taxes of Rs. 7.977 million for the first quarter ended 31 March 2018 as compared to Rs. 2.817 million of the corresponding period. Your company's EPS was 0.155 as compared to Rs. 0.656 of the corresponding period. Income on financing and placement increased by 42% to Rs. 4.3 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 various business options and its future course of action, including the re-adoption of Deposit taking model 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

Karachi, 30 April 2018

Haji Jan Muhammad
(Chairman)

**CONDENSED INTERIM BALANCE SHEET
(UNAUDITED)
AS AT 31 MARCH 2018**

	Note	Unaudited March 31 2018 Rupees	Audited December 31 2017 Rupees
Non-current assets			
Property, Plant and equipment	5	8,844,487	9,172,179
Intangible Assets	6	2,500,000	2,500,000
Long term investments	7	50,000,000	50,000,000
Long term financing	8	12,407,527	12,942,646
Deferred tax asset-net		8,599,833	8,599,833
Current assets			
Short term financing	9	443,798,937	414,827,758
Short term investments	10	7,040,985	5,836,219
Loans and advances		88,498,812	88,534,475
Deposits, prepayments and other receivables		7,505,015	10,541,924
Accrued interest		40,258,572	41,139,793
Cash and bank balances	11	8,045,045	34,443,155
		<u>595,147,366</u>	<u>595,323,324</u>
		<u>677,499,213</u>	<u>678,537,982</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		161,047,543	159,452,163
Unappropriated loss		(83,507,020)	(89,888,538)
Deficit on revaluation of investments-net of tax	12	591,876,103 (1,945,406)	583,899,205 (1,945,406)
Current liabilities			
Short term deposits		7,700,000	7,700,000
Bank borrowing	13	35,456,519	37,398,225
Accrued and other liabilities		44,411,997	51,485,958
Contingencies	14	87,568,516	96,584,183
		<u>-</u>	<u>-</u>
		<u>677,499,213</u>	<u>678,537,982</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

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	Quarter Ended	
	March 31 2018	March 31 2017
	Rupees	
Income		
Income on financing and placements	14,280,809	10,005,548
Return on investments	337,557	366,782
Gain on sale of shares	1,204,766	(1,774)
Profit on deposit with banks	123,283	13,642
Other income	346,522	600,959
	16,292,937	10,985,157
Expenditure		
Return on deposits and borrowings	794,971	299,189
Operating expenses	7,521,068	7,868,798
	8,316,039	8,167,987
Operating Profit before tax	7,976,898	2,817,170
Realized gain on remeasurement PSX shares transferred from unrealized gain	-	30,968,962
Taxation	-	(49,516)
Net Profit after tax	7,976,898	33,736,616
Other Comprehensive Income		
Other comprehensive income	-	-
Total comprehensive income - net of tax	7,976,898	33,736,616
Earning per share - basic and diluted	0.155	0.656

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

**CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

Note	Quarter ended	Quarter ended
	March 31 2018	March 31 2017
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Operating Profit/before taxation	7,976,898	2,817,170
Adjustments for non cash and other items		
Depreciation	452,493	480,740
Gain on disposal of shares	(1,204,766)	1,774
(Loss)/Gain on sale of fixed assets	-	15,860
	(752,273)	498,374
Cash flows from operating activities before working capital changes	7,224,625	3,315,544
(Increase) / Decrease in operating assets		
(Increase) / Decrease in financing and placements	(28,971,179)	(53,681,105)
Decrease / (Increase) in advances, deposits, prepayment and other receivables	3,993,868	4,020,993
	(24,977,311)	(49,660,112)
Increase / (Decrease) in operating liabilities		
(Decrease) / Increase in deposits	-	-
(Decrease) / Increase in Short term borrowings	(1,941,706)	6,848,036
(Decrease) / Increase in accrued and other liabilities	(7,073,961)	(661,910)
	(9,015,667)	6,186,126
Net changes in operating assets and liabilities	(33,992,978)	(43,473,986)
Income tax paid	(40,076)	(16,214)
	(40,076)	(16,214)
Net cash used in operating activities	(26,808,429)	(40,174,656)
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of fixed assets net	(124,800)	(265,280)
Sale of investments (shares)	-	46,484,697
Net cash flow from investing activities	(124,800)	46,219,417
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Financing	535,119	(810,000)
Net (decrease) in cash and cash equivalents	(26,398,110)	5,234,761
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	8,045,045	13,674,459

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

**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	Share capital	Statutory reserve	Unappropriated profit	Unrealized gain on re measurement of available of sale of investments to	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 January 2017	514,335,580	147,316,381	(138,431,667)	51,614,948	574,835,242
Net Profit upto 31 March 2017	-	-	33,736,616	(30,968,962)	2,767,654
Transfer to Statutory Reserves	-	6,747,323	(6,747,323)	-	-
Balance as at 31 March 2017	514,335,580	154,063,704	(111,442,374)	20,645,986	577,602,896
Net Loss April to December 2017	-	-	26,942,295	(20,645,986)	6,296,309
Adjustment	-	-	-	-	-
Statutory Reserves	-	5,388,459	(5,388,459)	-	-
Balance as at 31 December 2017	514,335,580	159,452,163	(89,888,538)	-	583,899,205
Total comprehensive income for the period	-	-	7,976,898	-	7,976,898
Appropriations:	-	-	-	-	-
Transfer to Statutory Reserves	-	1,595,380	(1,595,380)	-	-
Balance as at 31 March 2018	514,335,580	161,047,543	(83,507,020)	-	591,876,103

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 CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

1 Status and principal activities

Security Investment Bank Limited (SIB) 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 Pakistan Stock Exchange. 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).

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 2017. 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 2017."

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 2017.

	Un-audited 31-Mar-2018 Rupees	Audited 31-Dec-2017 Rupees
5 Operating Assets		
Cost		
Opening balance	13,874,453	14,521,542
Addition	124,800	1,669,480
Deletion	-	(2,316,569)
	13,999,253	13,874,453
Less: Accumulated Depreciation		
Opening balance	4,702,273	3,822,838
Adjustment	-	1,811,792
For the period	452,493	(932,356)
	5,154,766	4,702,274
Net Operating Assets	8,844,487	9,172,179
6 Intangible Assets		
Corporate membership of the Pakistan Mercantile Limited	Exchange 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 (Pvt) Ltd @ Rs. 10/- each	& Investments 50,000,000	50,000,000
	50,000,000	50,000,000
8 Long term Financing		
Related Parties-Secured and considered good		
Associated Companies	17,873,433	21,135,840
Others	6,442,400	6,719,717
Less: Deferred income	(1,876,642)	(2,260,448)
Long term financing receiveable	22,439,191	25,595,109
Less: Current maturity	(10,031,664)	(12,652,463)
	12,407,527	12,942,646

	Un-audited 31-Mar-2018 Rupees	Audited 31-Dec-2017 Rupees
9 Short term financing- secured and considered good		
Associated companies	402,932,316	371,340,338
Others	30,834,957	30,834,957
Current maturity under Murahaba Finance	10,031,664	12,652,463
	<u>443,798,937</u>	<u>414,827,758</u>
10 Short term investment - Available-for-sale		
Available for sale		
Investment in share (held for trading)	1,204,766	-
Term Finance Certificate	5,836,219	5,836,219
Quoted Shares	-	-
	<u>7,040,985</u>	<u>5,836,219</u>
11 Cash and bank balances		
With State Bank of Pakistan in Current account	29,935	29,935
With other banks in		
Current account	2,093,869	2,111,201
Deposit accounts	5,833,781	32,285,588
	7,927,650	34,396,789
Cash in hand	87,460	16,431
	<u>8,045,045</u>	<u>34,443,155</u>
12 (Deficit) on revaluation of investment		
Term finance certificates	<u>(1,945,406)</u>	<u>(1,945,406)</u>
13 Bank Borrowings		
Running Finance Facility	<u>35,456,519</u>	<u>37,398,225</u>
SIBL availing Running Finance facility from Summit Bank of Rs. 50.0 million prevailing rate of return 3 months KIBOR+4%		
14 Contingencies		
Guarantees issued on behalf of customers		
-Associated undertaking	14,203,000	14,203,000
-Others	<u>50,000,000</u>	<u>50,000,000</u>
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 year, other than Director's remuneration, are as follows;

	31-Mar-2018	31-Dec-2017
	Rupees	Rupees
Financing		
- Associated undertaking	402,932,316	371,340,338
- Others	30,834,957	30,834,957
Deposits		
- Others	7,700,000	7,700,000
Un funded guarantee		
- Associated undertaking	14,203,000	14,203,000
- Others	50,000,000	50,000,000
	31-Mar-2018	31-Mar-2017
	Rupees	Rupees
Return on financing		
- Associated undertaking	12,847,000	9,407,073
- Others	1,062,380	195,616
Contribution to staff retirement benefit plan	95,560	152,575

16 Date of authorisation

These financial statements were authorised for issue by the Board of Directors on April, 2018.

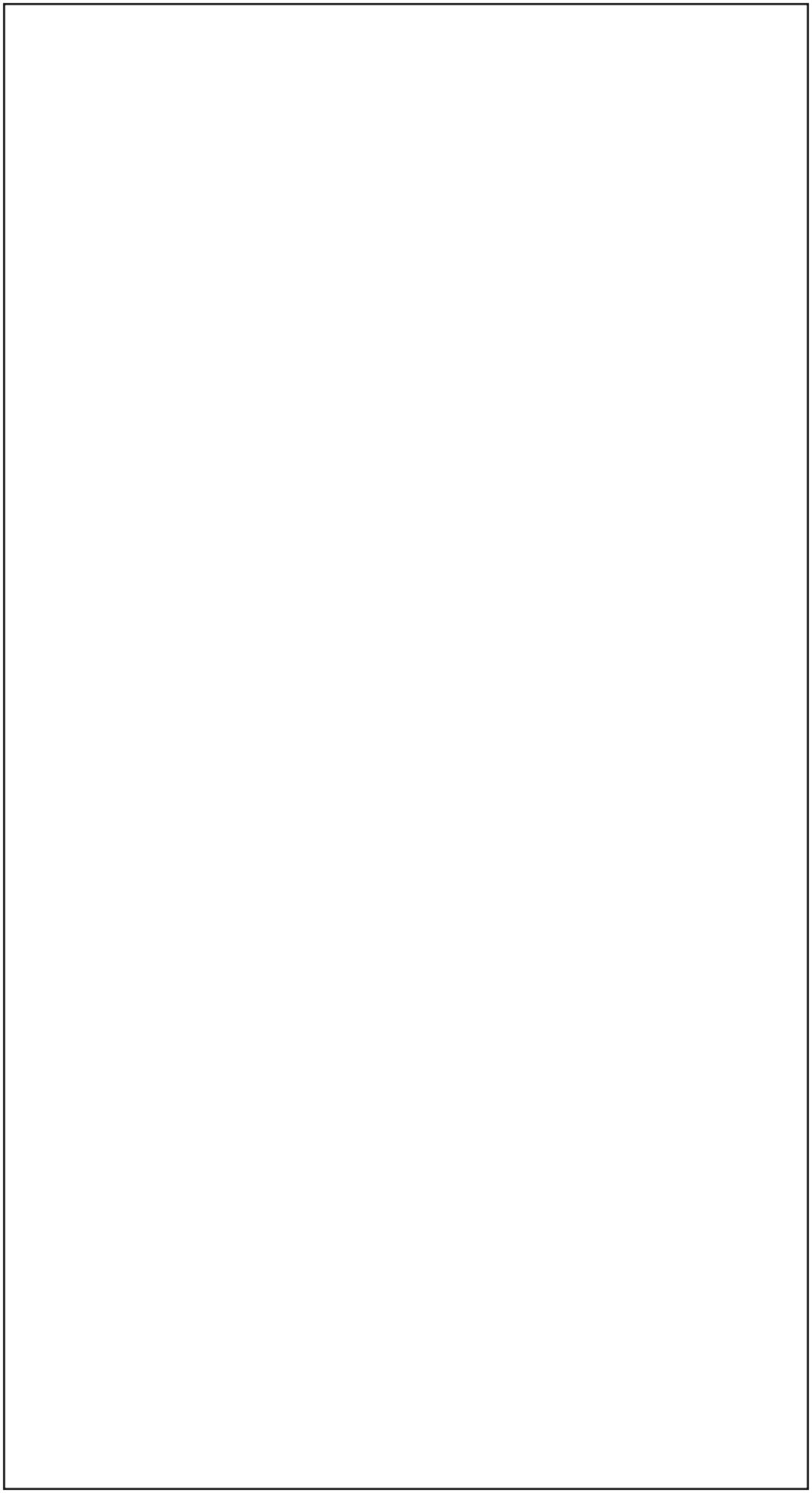
General

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 three months ended
March 31, 2018**



CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Note	March 31, 2018 Rupees	December 31, 201 Rupees
NON-CURRENT ASSETS			
Property, Plant and equipment		9,005,346	9,342,555
Intangible Assets		7,500,000	7,500,000
Long term financing		12,407,527	12,942,646
Deferred tax asset		8,599,833	8,599,833
CURRENT ASSETS			
Short term financing		443,798,937	414,827,758
Short term Investments		48,573,452	41,742,366
Loan and advances		88,498,812	88,882,018
Deposits, prepayments and other receivable		7,861,162	10,541,924
Accrued interest		40,258,572	41,139,793
Cash and bank balances	7	18,504,328	34,841,922
		647,495,263	631,975,781
		685,007,968	670,360,815
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			
Issued, subscribed and paid up capital		514,335,580	514,335,580
Statutory reserves		160,601,797	159,452,163
Unappropriated profit		(85,689,062)	(92,482,562)
Unrealized gain on re-measurement of available for sale		24,033,029	18,406,709
		613,281,344	599,711,890
Deficit on revaluation of investments-net of tax		(1,945,406)	(1,945,406)
CURRENT LIABILITIES			
Borrowings			
Borrowings		7,700,000	7,700,000
Bank Borrowing		35,456,519	37,398,225
Accrued and other liabilities		30,515,511	27,496,106
		73,672,030	72,594,331
Contingencies and commitments			
		685,007,969	670,360,815

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

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS
ACCOUNT (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

	Quarter Ended	
	March 31, 2018	March 31, 2017
	Rupees	
INCOME		
Income on financing and placements	14,280,809	8,484,492
Return on Investments	337,557	531,514
Gain on sale of shares	1,204,766	1,274,428
Profit on deposit with banks	218,622	55,479
Other income	346,522	284,304
	16,388,276	10,630,217
EXPENDITURE		
Return on deposits and borrowings	794,971	195,125
Operating expenses	7,650,171	10,151,152
	8,445,142	10,346,277
Operating Profit before tax	7,943,134	283,940
Realized gain on remeasurement PSX shares transferred from unrealized gain	-	-
Taxation	-	(130,466)
PROFIT AFTER TAXATION	7,943,134	153,474
Other Comprehensive Income		
Other comprehensive income	5,626,320	-
Total comprehensive income - net of tax	13,569,454	153,474
EARNINGS PER SHARE- BASIC AND DILUTED	0.15	0.003

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

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2018

	Quarter ended March 31, 2018 Rupees	Quarter ended March 31, 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (Loss)/ Profit before taxation	7,943,134	283,940
Adjustment for non cash and other items		
Depreciation	462,011	481,734
Gain on disposal of shares	(1,204,766)	(1,274,428)
(Loss)/Gain on sale of fixed assets	-	-
Gratuity	-	325,000
	(742,755)	(467,694)
Cash flows from operating activities before working capital changes	7,200,379	(183,754)
Decrease / (Increase) in operating assets		
(increase) in financing and placements	(28,971,179)	5,064,300
(Increase) in advances, deposits, prepayment and other receivables	3,985,264	(9,035,064)
	(24,985,915)	(3,970,764)
(Decrease) / Increase in operating liabilities		
Increase/ (Decrease) in deposits	-	(1,545,595)
Increase / (Decrease) in borrowings	(1,941,706)	-
Increase in accrued and other liabilities	3,019,405	140,226
	1,077,699	(1,405,369)
	(23,908,216)	(5,376,133)
Income tax paid	(40,077)	(75,177)
	(40,077)	(75,177)
Net cash flow from operating activities	(16,747,913)	(5,635,064)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) / sale of fixed assets	(124,800)	-
(Purchase) / sale of investments (shares)	-	4,683,173
Sale / (Purchase) of securities	-	-
Net cash flow from investing activities	(124,800)	4,683,173
CASH FLOWS FROM FINANCING ACTIVITIES		
	535,119	(297,525)
Net Increase/ (decrease) in cash and cash equivalents	(16,337,594)	(1,249,416)
Cash and cash equivalents at the beginning of the period	34,841,922	51,986,367
Cash and cash equivalents at the end of the period	18,504,328	50,736,951

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

	Share Capital	Statutory Reserve	Unappropriated Profit	Unrealized gain on re measurement of available of sale of investments to fair	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 January 2017	514,335,580	147,316,381	(138,830,727)	78,978,194	601,799,428
Profit upto 31 March 2017	-	-	33,807,401	(30,968,962)	2,838,439
Transfer to Statutory Reserve	-	6,761,480	(6,761,480)	-	-
Balance as at 31 March , 2017	514,335,580	154,077,861	(111,784,806)	48,009,232	604,637,867
Net profit from April to December 2017	-	-	24,676,546	(29,602,523)	(4,925,977)
Adjustment	-	-	-	-	-
Transfer to Statutory Reserve	-	4,935,309	(4,935,309)	-	-
Balance as at 31 December , 2017	514,335,580	159,013,170	(92,043,569)	18,406,709	599,711,890
Net profit for the period	-	-	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	160,601,797	(85,689,062)	24,033,029	613,281,344

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

1. STATUS AND PRINCIPAL ACTIVITIES

- 1.1 The group consist of Security Investment Bank Limited (the holding company) and Security Capital & Investment (Private) Limited (the subsidiary company).
- 1.2 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 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 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).

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.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with approved International Accounting Standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003, Non-Banking Finance Companies and Notified Entities Regulations 2008 and the directives issued by the SECP. Approved accounting standards comprise of such International Accounting Standards/International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984.

Wherever, the requirements of the Companies Ordinance, 1984, NBFC Rules or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

3 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, 2017. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

4 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, 2017."

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, 2017.

	Un-audited 31-Mar-2018 Rupees	Audited 31-Dec-2017 Rupees
7 CASH AND BANK BALANCES		
With State Bank of Pakistan in Current account	29,935	97,197
With other Banks in		
Current account	2,241,926	8,114,189
Deposit accounts	16,145,006	13,173,395
	18,386,932	21,287,584
Cash in hand	87,460	35,876
	18,504,327	21,420,657

8 DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on April ____ 2018.

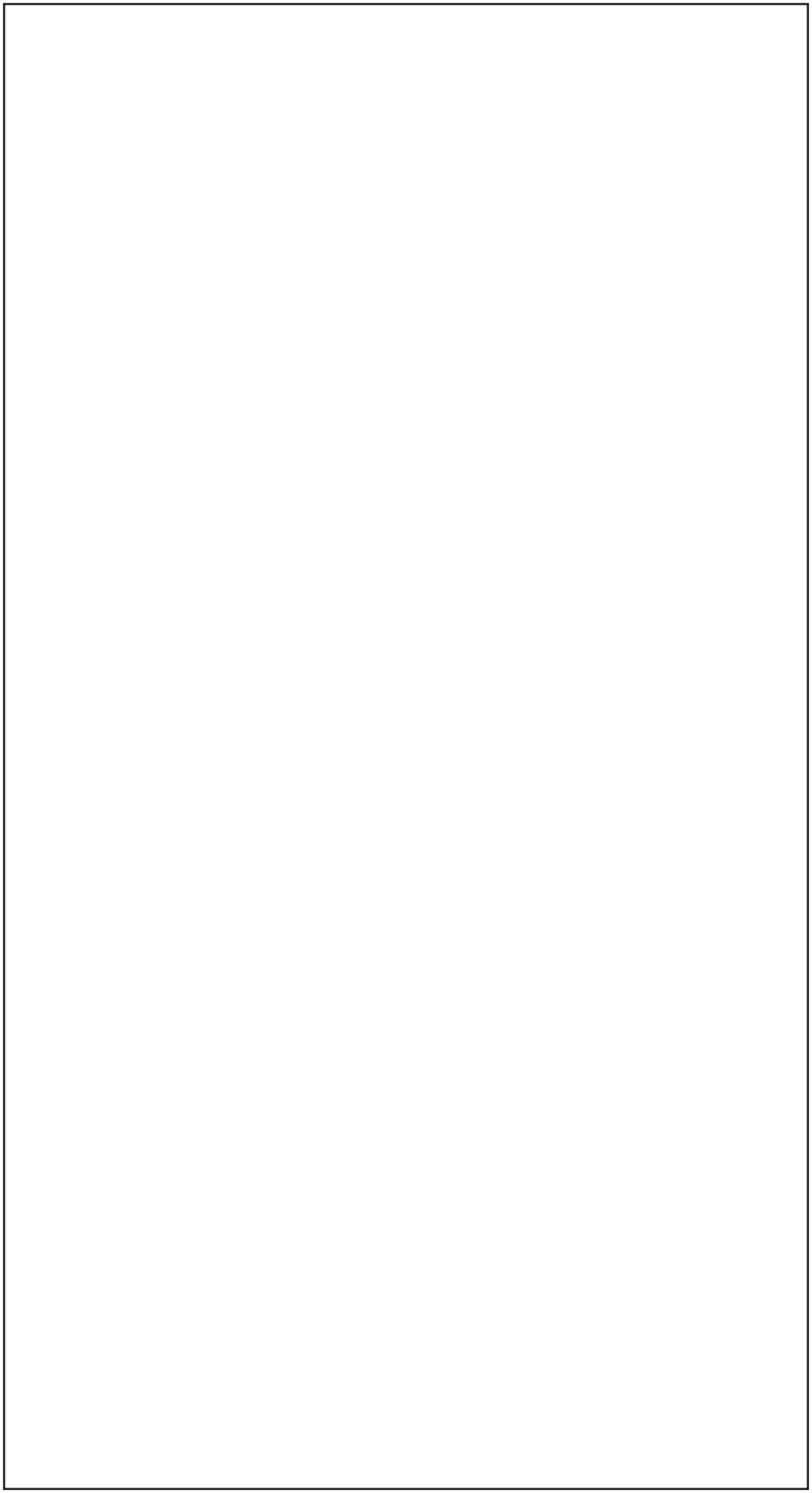
9 GENERAL

Figures have been rounded off to the nearest rupee.

SHAKEEL AHMED
CFO

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD
CHAIRMAN





SIB

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INVESTMENT
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