



SECURITY INVESTMENT BANK LIMITED



The Money Wise Bank

Quarterly Financial Statements
(Un-audited)

September 30, 2012

CORPORATE INFORMATION



BOARD OF DIRECTORS

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

PRESIDENT & CEO

Mr. Muhammad Saleem Rathod

AUDIT COMMITTEE

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

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
Mr. 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 Bank Pakistan Limited.
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
Email: sibl@sibl.com.pk



DIRECTORS' REPORT

The directors of Security Investment Bank Limited (SIBL) are pleased to present the financial statement of SIBL for the nine months ended 30 September 2012.

The State Bank of Pakistan reduced the discount rate from 12.00% to 10.50% on 10 August 2012 whereafter it has reduced the discount rate from 10.50% to 10% on 5 October 2012. The reduction in discount rate was welcomed by all quarters of economy and economy's barometer the KSE100 index increased to 15,444 as on 30 September 2012 from 13,801 as on 30 June 2012.

The company has an operating income of Rs 1.7 million and 0.85 million for the quarter ended 30 September 2012 and nine months ended 30 September 2012, respectively. The return on financing and placements for the nine months ended 30 September 2012 has been Rs.20 million as against Rs. 6.8 million when compared to the same period of last year. Similarly the return on Government Securities is Rs.40 million as against Rs. 33.1 million of last year. Consequent to increase in financing and placement activities and Investment in government securities, our financing cost has also been increased to Rs. 41 million from Rs. 26 million when compared to the same period of last year.

Your company has also benefited from the reduction in discount rate by the SBP during current year and deficit on revaluation of Government Securities has improved by Rs. 20 million to Rs 22 million when compared with the deficit of Rs 42 million as at 31 December 2011.

We would like to thank our shareholders for their continued confidence and patronage. We would also like to offer our sincere gratitude to the SECP, SBP, and other regulators for their guidance, support and cooperation. We would also acknowledge and appreciate the efforts of our staff for achieving these results.

On behalf of the Board
Haji Jan Muhammad
Chairman
Karachi
24th October 2012

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
As at September 30, 2012



	Note	Unaudited September 30 2012 Rupees	Audited December 31 2011 Rupees
Non-current assets			
Property, Plant and equipment		1,096,668	1,192,020
Stock exchange membership card - Intangible	5	36,750,000	36,750,000
Long term investments	6	150,923,536	150,982,900
Deferred tax asset		29,782,953	35,363,824
Current assets			
Short term financing		176,474,863	172,441,265
Short term investments	7	458,558,848	434,726,164
Loans and advances		82,246,855	79,533,141
Deposits, prepayments and other receivables		6,220,632	3,724,733
Accrued interest		22,567,332	12,145,492
Cash and bank balances	8	8,767,653	13,243,835
		<u>754,836,183</u>	<u>715,814,630</u>
		<u>973,389,340</u>	<u>940,103,374</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		142,474,291	142,123,865
Unappropriated loss		(154,676,615)	(156,078,320)
		502,133,256	500,381,125
Deficit on revaluation of investments- net of tax	9	(22,962,633)	(47,431,051)
Current liabilities			
Borrowings	10	372,867,558	362,984,857
Short term deposits		111,629,708	109,848,615
Accrued and other liabilities		9,721,451	14,319,828
		494,218,717	487,153,300
Contingencies	11	-	-
		<u>973,389,340</u>	<u>940,103,374</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 Nine Months ended September 30, 2012

	Nine Months Ended		Quarter Ended	
	September 30 2012	September 30 2011	September 30 2012	September 30 2011
	Rupees		Rupees	
Income				
Income on financing and placements	20,462,212	6,807,474	6,780,631	1,612,987
Return on investments	40,101,905	33,056,857	13,693,097	10,920,575
Gain on sale of shares	1,067,456	8,415,870	-	1,952,878
Profit on deposit with banks	200,579	193,319	11,557	7,592
Other income	911,666	836,968	311,997	203,549
	62,743,818	49,310,488	20,797,282	14,697,581
Expenditure				
Return on deposits and borrowings	41,152,073	26,108,066	12,504,394	8,144,467
Operating expenses	20,742,036	20,060,075	6,593,449	6,782,954
	61,894,109	46,168,141	19,097,843	14,927,421
Operating profit / (Loss) before tax	849,709	3,142,347	1,699,439	(229,840)
Provision for taxation	902,422	793,683	(108,892)	-
Net Profit / (Loss) after tax	1,752,131	3,936,030	1,590,547	(229,840)
Earning per share - basic and diluted	0.03	0.08	0.03	(0.00)

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

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)**
For the Nine Months ended September 30, 2012



	Nine Months Ended		Quarter Ended	
	September 30 2012	September 30 2011	September 30 2012	September 30 2011
Profit / (Loss) for the period after tax	1,752,131	3,936,030	1,590,547	(229,840)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,752,131	3,936,030	1,590,547	(229,840)

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

For the Nine Months ended September 30, 2012

	Nine Months ended September 30 2012 Rupees	Nine Months ended September 30 2011 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before taxation	849,709	3,142,347
Adjustments for non cash and other items		
Depreciation	258,451	289,570
Gain on disposal of shares	(1,067,456)	(8,415,870)
Gain on disposal of fixed assets	(799)	(4,999)
	(809,804)	(8,131,299)
Cash flows from operating activities before working capital changes	39,905	(4,988,952)
Decrease / (Increase) in operating assets		
(Increase) / Decrease in financing and placements	(4,033,598)	27,500,000
(Increase) / Decrease in advances, deposits, prepayment and other receivables	(12,846,370)	(6,393,419)
	(16,879,968)	21,106,581
(Decrease) / Increase in operating liabilities		
Increase / (Decrease) in deposits	1,781,093	(3,226,127)
Increase / (Decrease) in borrowings	9,882,701	(71,796,256)
Increase / (Decrease) in accrued and other liabilities	(4,584,622)	(4,414,705)
	7,079,172	(79,437,088)
Net changes in operating assets and liabilities	(9,800,796)	(58,330,507)
Income tax paid	(3,161,391)	(3,487,206)
Dividend paid	(23,388)	(37,143)
	(3,184,779)	(3,524,349)
Net cash used in operating activities	(12,945,670)	(66,843,808)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of fixed assets	(107,600)	(301,892)
(Purchase)/sale of investments (shares)	6,113,136	47,331,169
Sale / (purchase) of securities	2,463,952	2,569,074
Net cash flow from investing activities	8,469,488	49,598,351
CASH FLOW FROM FINANCING ACTIVITIES		
Net (decrease) in cash and cash equivalents	(4,476,182)	(17,245,457)
Cash and cash equivalents at the beginning of the period	13,243,835	51,727,743
Cash and cash equivalents at the end of the period	8,767,653	34,482,286

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

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Nine Months ended September 30, 2012



	Share Capital Rupees	Statutory Reserve Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at 01 January 2011	514,335,580	141,611,410	(158,128,141)	497,818,849
Net profit upto 30 September 2011	-	-	3,936,030	3,936,030
Appropriations:				
Statutory Reserves	-	787,206	(787,206)	-
Balance as at 30 September 2011	514,335,580	142,398,616	(154,979,317)	501,754,879
Net (Loss) October to December 2011	-	-	(1,373,754)	(1,373,754)
Appropriations:				
Statutory Reserves	-	(274,751)	274,751	-
Balance as at 30 December 2011	514,335,580	142,123,865	(156,078,320)	500,381,125
Net profit for the period	-	-	1,752,131	1,752,131
Transfer to statutory reserve	-	-	-	-
Appropriations:				
Statutory Reserves	-	350,426	(350,426)	-
Balance as at 30 September 2012	514,335,580	142,474,291	(154,676,615)	502,133,256

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

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

For the Nine Months ended September 30, 2012

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'S) 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) with negative outlook 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 2011. 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."

These financial statements are the separate financial statements of the Company. In addition to these financial statements, consolidated financial statements of the Company and its subsidiary M/s. SIBL Exchange Company (Pvt) Limited, have also been prepared.

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 2011."

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 2011.

	Un-audited 30 September 2012 (Rupees)	Audited 31 December 2011 (Rupees)
5 Intangible Cost	36,750,000	36,750,000
	<u>36,750,000</u>	<u>36,750,000</u>

These includes Rs. 36million representing membership cards of Karachi Stock Exchange as at June 30,2012.Subsequently, following the corporatization process, Karachi Stock Exchange has been converted from company limited by Guarantee to Public Limited Company. As a result, Security Investment Bank Limited has received 4,007,383 shares of Karachi Stock Exchange Limited as on August 15, 2012, face value of Rs. 10/= each. The company intends to classify the investment once the proper accounting treatment is received from ICAP.

6 Long term investments

Held to maturity

Pakistan Investment Bonds- held to maturity	50,923,536	50,982,900
10,000,000 Ordinary shares of Rs. 10/- each		
SIBL Exchange Company (Private) Limited- wholly owned subsidiary	100,000,000	100,000,000
	<u>150,923,536</u>	<u>150,982,900</u>

7 Short term investment - Available-for-sale

Pakistan Investment Bonds	326,410,614	359,251,200
Term Finance Certificate	6,882,969	6,890,625
Quoted Shares	25,265,265	18,584,339
Market Treasury Bills	100,000,000	50,000,000
	<u>458,558,848</u>	<u>434,726,164</u>

8 Cash and bank balances

With State Bank of Pakistan in Current account	87,144	49,598
With other banks in		
Current account	4,369,655	2,980,060
Deposit accounts	4,291,788	10,199,186
	8,661,443	13,179,246
Cash in hand	19,066	14,991
	<u>8,767,653</u>	<u>13,243,835</u>

	Un-audited 30 September 2012 (Rupees)	Audited 31 December 2011 (Rupees)
9 (Deficit) on revaluation of investment		
Government securities	(22,351,722)	(41,950,583)
Term finance certificates	(2,294,323)	(2,296,875)
	(24,646,045)	(44,247,458)
Related deferred tax asset	7,823,103	14,682,704
	(16,822,942)	(29,564,754)
Quoted shares	(6,139,691)	(17,866,297)
	(22,962,633)	(47,431,051)
10 Borrowings		
Secured under repurchase agreements against government securities	372,867,558	352,935,341
SIBL-Provident fund	-	6,550,891
SIBL-Gratuity fund	-	3,498,625
	372,867,558	362,984,857
11 Contingencies		
Guarantees issued on behalf of customers	71,770,910	69,046,400

12 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;

	Un-audited 30 September 2012 (Rupees)	Un-audited 30 September 2011 (Rupees)
Financing		
- Associated undertaking	93,241,265	12,841,265
- Others	83,233,598	-
Return on financing		
- Associated undertaking	10,976,573	1,536,730
- Others	9,431,058	4,197,501
Un funded guarantee		
- Associated undertaking	14,267,910	11,780,000
- Others	57,503,000	57,503,000
Deposits		
- Associated undertaking	91,296,274	90,663,323
- Others	8,131,334	6,589,311



	Un-audited 30 September 2012 (Rupees)	Un-audited 30 September 2011 (Rupees)
Return on deposits		
- Associated undertaking	112,106	4,922,421
- Others	227,752	475,146
Contribution to staff retirement benefit plan	427,278	381,318

13 Date of authorisation

These financial statements were authorised for issue by the Board of Directors on October 24, 2012.

14 General

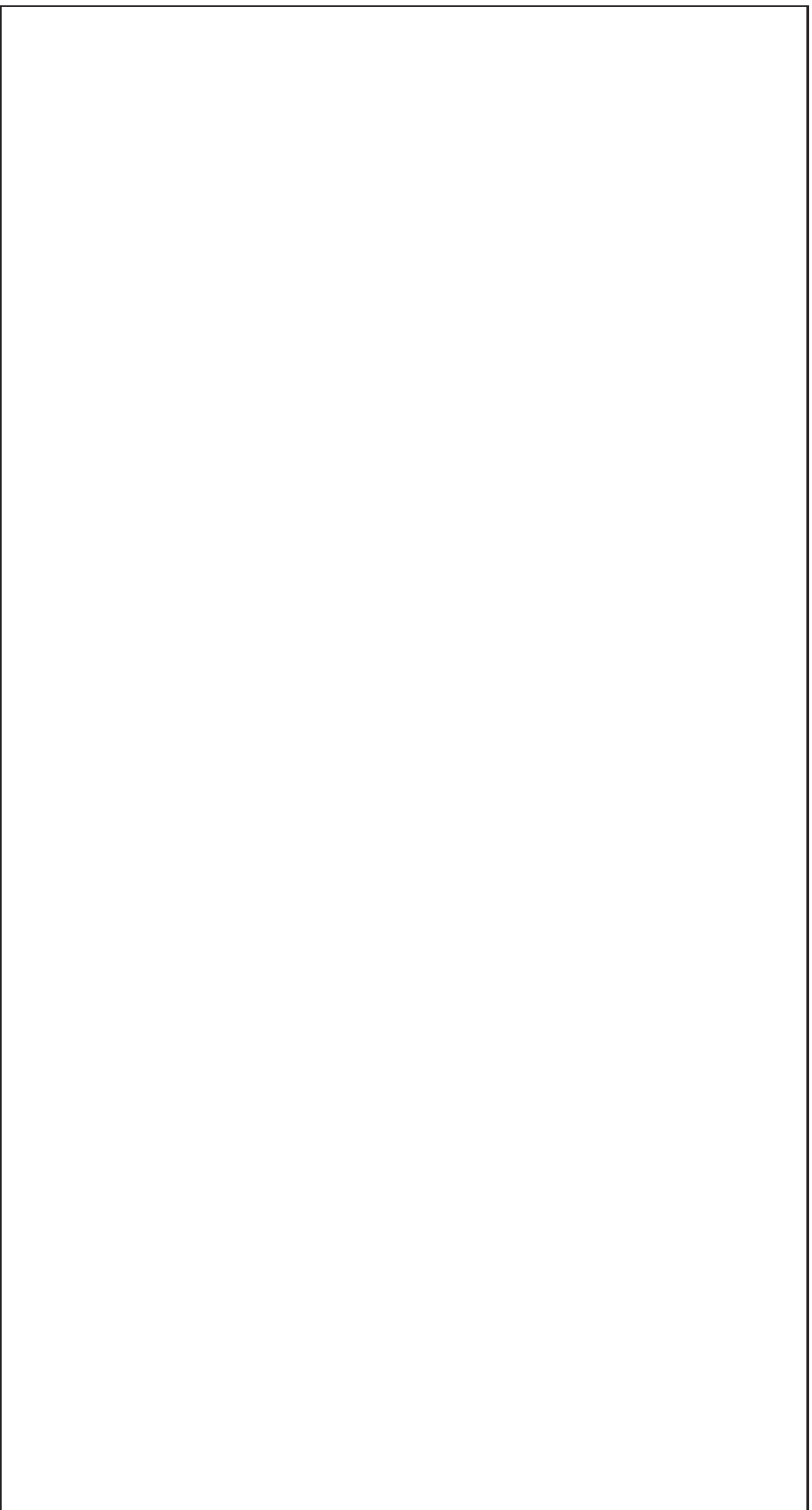
Figures have been rounded off to the nearest rupee.

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012**



CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at September 30, 2012



	Note	Un-audited September 30, 2012 Rupees	Audited December 31, 2011 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets		1,495,562	1,748,597
Intangible Assets		36,750,000	36,750,000
Long term Investments		50,923,536	50,982,900
Deferred tax asset		29,782,953	35,363,824
CURRENT ASSETS			
Short term financing		176,474,863	172,441,265
Short term Investments		458,558,848	459,726,164
Loan and advances		82,657,298	79,523,626
Deposits and prepayments		8,183,080	5,356,530
Accrued interest		22,567,332	12,145,492
Cash and bank balances	6	34,527,824	14,179,789
		782,969,245	743,372,866
		901,921,296	868,218,187
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
Reserves		7,202,973	3,687,294
		521,538,553	518,022,874
Deficit on revaluation of investments-net of tax		(22,962,633)	(47,431,051)
CURRENT LIABILITIES			
Borrowings		372,867,558	362,984,857
Short term deposits		20,333,434	20,189,203
Accrued and other liabilities		10,144,384	14,452,304
		403,345,376	397,626,364
Contingencies and commitments		-	-
		901,921,296	868,218,187

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

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN



CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT

For the Nine Months ended September 30, 2012

	Nine Months Ended		Quarter Ended	
	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011
	Rupees		Rupees	
INCOME				
Income on financing and placements	20,462,212	6,807,474	6,780,631	1,612,987
Return on Investments	40,197,263	35,469,159	13,693,097	11,774,064
Gain on sale of shares	1,067,456	8,415,870	-	1,952,878
Profit on deposit with banks	200,579	193,319	11,557	7,592
Other income	877,018	836,968	311,997	203,549
	62,804,528	51,722,790	20,797,282	15,551,070
EXPENDITURE				
Return on deposits and borrowings	35,821,371	21,363,428	10,703,469	6,819,500
Operating expenses	3,856,804	22,807,315	7,325,246	7,680,634
	59,678,175	44,170,743	18,028,715	14,500,134
Operating profit / (Loss) before tax	3,126,353	7,552,047	2,768,567	1,050,936
Provision for taxation	389,326	(863,165)	(108,892)	(448,273)
PROFIT/(LOSS) AFTER TAXATION	3,515,679	6,688,882	2,659,675	602,663
EARNINGS PER SHARE- BASIC AND DILUTED	0.07	0.13	0.05	0.01

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

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN



**CONDENSED CONSOLIDATED INTERIM
STATEMENT OF COMPREHENSIVE INCOME**
For the Nine Months ended September 30, 2012

	Nine Months Ended		Quarter Ended	
	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011
	Rupees		Rupees	
Profit / (Loss) for the period after tax	3,515,679	6,688,882	2,659,675	602,663
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>3,515,679</u>	<u>6,688,882</u>	<u>2,659,675</u>	<u>602,663</u>

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

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN



CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the Nine Months ended September 30, 2012

	Nine month ended Sept. 30, 2012	Nine month ended Sept. 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before taxation	3,126,353	7,552,047
Adjustment for non cash and other items		
Depreciation	337,840	289,570
Amortization of software and deferred cost	-	17,499
Gain on disposal of shares	(1,067,456)	(8,415,870)
Gain on disposal of fixed assets	(799)	(4,999)
	(730,415)	(8,113,800)
Cash flows from operating activities before working capital changes	2,395,938	(561,753)
Decrease / (Increase) in operating assets		
(Increase) / Decrease in financing and placements	(4,033,598)	27,500,000
(Increase) in advances, deposits, prepayment and other receivables	(13,248,390)	(6,812,838)
	(17,281,988)	20,687,162
(Decrease) / Increase in operating liabilities		
(Decrease) in deposits	144,231	(4,992,590)
Increase / (Decrease) in borrowings	9,882,701	(71,796,256)
Increase / (Decrease) in accrued and other liabilities	(4,307,920)	(3,898,302)
	5,719,012	(80,687,148)
	(11,562,976)	(59,999,986)
Income tax paid	(3,287,476)	(4,507,243)
Dividend paid	(23,388)	(37,143)
	(3,310,864)	(4,544,386)
Net cash used in operating activities	(12,477,902)	(65,106,125)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) / sale of fixed assets	(107,600)	(301,892)
(Purchase) / sale of investments (shares)	6,113,136	47,331,169
(Purchase) / sale of securities	26,820,401	1,854,550
Net cash flow from investing activities	32,825,937	48,883,827
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
Net (increase) in cash and cash equivalents	20,348,035	(16,222,298)
Cash and cash equivalents at the beginning of the period	14,179,789	52,664,111
Cash and cash equivalents at the end of the period	34,527,824	36,441,813

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

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Nine Months ended September 30, 2012



	Share Capital Rupees	Statutory Reserve Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at January 01, 2011	514,335,580	141,611,410	(144,017,544)	511,929,446
Net Profit/(loss) for the nine months (upto Sep.2011)	-	-	6,688,882	6,688,882
Transfer to Statutory reserve	-	787,206	(787,206)	-
Balance as at September 30, 2011	<u>514,335,580</u>	<u>142,398,616</u>	<u>(138,115,868)</u>	<u>518,618,328</u>
Net Profit/(loss) for the period	-	-	(595,454)	(595,454)
Transfer to Statutory reserve	-	(274,751)	274,751	-
Balance as at December 31, 2011	<u>514,335,580</u>	<u>142,123,865</u>	<u>(138,436,571)</u>	<u>518,022,874</u>
Net profit for the nine months (upto Sep.2012)	-	-	3,515,679	3,515,679
Transfer to Statutory reserve	-	372,205	(372,205)	-
Balance as at September 30, 2012	<u>514,335,580</u>	<u>142,496,070</u>	<u>(135,293,097)</u>	<u>521,538,553</u>

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

CONDENSED CONSOLIDATED INTERIM NOTES TO THE FINANCIAL STATEMENTS

For the Nine Months ended September 30, 2012

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'S) 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 consolidated financial statements of the Group have been presented in accordance with the requirements of the approved Accounting Standard as applicable in Pakistan relating to interim Financial Reporting and are unaudited. These condensed interim consolidated 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, 2011. 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, 2011.

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, 2011.

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.

	Un-audited September 30, 2012 (Rupees)	Audited December 31, 2011 (Rupees)
6. CASH AND BANK BALANCES		
With State Bank of Pakistan in		
Current account	25,396,194	518,898
With other Banks in		
Current account	4,566,698	3,202,412
Deposit accounts	4,306,320	10,199,186
	8,873,018	13,401,598
Cash in hand	258,612	259,293
	<u>34,527,824</u>	<u>14,179,789</u>

7. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on October 24, 2012.

8. GENERAL

Figures have been rounded off to the nearest rupee.

MUHAMMAD SALEEM RATHOD
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

BOOK POST



SIBL

SECURITY INVESTMENT BANK LIMITED

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