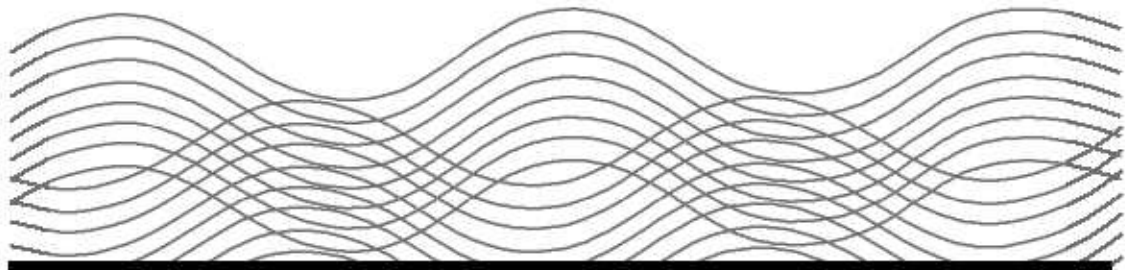
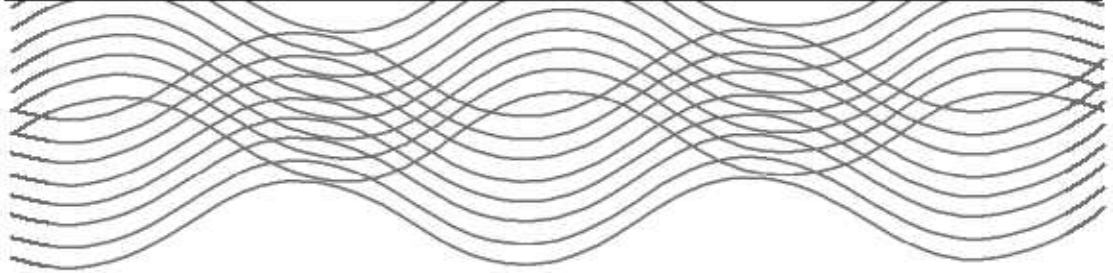


**QUARTERLY FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2007**



**SECURITY INVESTMENT
BANK LIMITED**

— the money-wise bank



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Khursheed K. Marker (Chairman)
Haji Jan Muhammad
Mr. Muhammad Younus Abdul Aziz Tabba
Mr. Maqbool H. H. Rahimtoola
Mr. Muhammad Shoaib
Mr. Muhammad Mehboob
Mr. Muhammad Iqbal Kasbati

PRESIDENT & CHIEF EXECUTIVE

Mr. Muhammad Saleem Rathod

AUDIT COMMITTEE

Mr. Khursheed K. Marker
Haji Jan Muhammad
Mr. Muhammad Iqbal Kasbati

CFO & COMPANY SECRETARY

Mr. Muhammad Amin Khatri

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountants

TAX ADVISORS

Anjum Asim Shahid Rahman
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners
Mr. Muhammad Tariq Qureshi

BANKERS

Habib Metropolitan Bank Limited.
Al-Baraka Islamic Bank B.S.C. (E.C.)
MCB Bank Limited.
The Bank of Khyber.
Habib American Bank, New York.

REGISTERED OFFICE

Flat No. 4, 3rd Floor, Al-Baber Centre,
Main Markaz, F-8, Islamabad.
Tel : (051) 2856978-80
Fax: (051) 2856987
Website : www.sibl.com.pk

KARACHI OFFICE

606, 6th Floor, Unitowers,
I.I. Chundrigar Road, Karachi.
Tel : (021) 2418410-13 Fax : (021) 2418414
Email: sibl@sibl.com.pk



DIRECTORS' REPORT

The Directors of Security Investment Bank Limited (SIBL) are pleased to present the un-audited financial statements of SIBL for the quarter ended September 30, 2007.

Rising inflation in Pakistan remained focal point of economy. During the current quarter Capital Market activities also witnessed bearish run due to political uncertainty. However, foreign investors' confidence remained pushed up because of consistent investment policies. In the last few days oil prices in the international market have witnessed record high which may ultimately put more pressure on Cost Push inflation in future.

During the Nine month of the current financial year, return on financing and placement of SIBL increased by 48% compared to the same period of last year. Return on investments increased by 18%, Gain on sale of shares increased by 24% and profit on deposits with bank increased by 79% compared to the same period of the last year. The pre-tax profit of the company for the Nine months ended September 30, 2007 was Rs.76 million and profit after tax was Rs.66 million.

JCR-VIS Credit Rating Company Limited has maintained yours company's rating of medium to long-run rating of A (Single –A) with 'Stable' outlook and short-term rating of A-1 (A One). The rating incorporates strong liquidity indicators, increased booked profit and conservative risk profile.

We expect to maintain company's profitability in the last quarter. However, political situation of the country and the tight monetary policy being enforced by the State Bank of Pakistan may adversely affect the company's profitability.

We are grateful to our shareholders and regulators for their continued support and guidance. We also put on record sincere and dedicated services of our company staff and management.

On behalf of the Board

Khursheed K. Marker
Chairman

Karachi;
October 29, 2007



BALANCE SHEET AS AT SEPTEMBER 30, 2007

	Note	September 30, 2007 Rupees	December 31, 2006 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets		5,992,290	1,838,745
Stock exchange membership card-intangible		36,000,000	36,000,000
Long term investments		151,319,296	151,378,660
Deferred tax assets		9,711,322	10,860,955
CURRENT ASSETS			
Short term financing		172,834,198	195,834,198
Short term placements	5	1,391,603,196	911,653,295
Short term investments	6	911,618,430	564,961,306
Advances, deposits, prepayments and other receivables		120,736,302	73,557,495
Cash and bank balances	7	34,381,316	389,399,475
		<u>2,631,173,442</u>	<u>2,135,405,769</u>
		<u>2,834,196,350</u>	<u>2,335,484,129</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>500,000,000</u>
Issued, subscribed and paid up capital		428,612,993	428,612,993
Statutory reserve		129,696,301	116,477,482
Unappropriated profit		72,627,116	105,474,437
		630,936,410	650,564,912
Surplus on revaluation of investments - net		(59,521,260)	(41,743,845)
NON-CURRENT LIABILITIES			
Deferred liability		4,205,000	4,325,000
CURRENT LIABILITIES			
Borrowings	8	1,545,000,000	727,500,000
Short term deposits		691,792,476	975,808,919
Accrued and other liabilities		21,783,724	19,029,143
		<u>2,258,576,200</u>	<u>1,722,338,062</u>
Contingencies and commitments		<u>2,834,196,350</u>	<u>2,335,484,129</u>

The annexed notes 1 to 11 form an integral part of these accounts.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



PROFIT & LOSS ACCOUNT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

	Nine Months Ended		Quarter Ended	
	September 30, 2007 Rupees	September 30, 2006 Rupees	September 30, 2007 Rupees	September 30, 2006 Rupees
INCOME				
Income on financing and placements	138,827,704	93,681,174	40,617,360	26,271,385
Return on investments	48,578,218	41,054,876	16,789,188	15,032,779
Gain on sale of shares	43,678,981	35,199,076	8,932,960	4,644,678
Profit on deposit with banks	4,286,778	1,536,578	108,363	244,860
Other Income	373,999	679,885	-	564,524
	235,745,680	172,151,589	66,447,871	46,758,226
EXPENDITURE				
Return on deposits and borrowings	136,617,817	73,317,552	43,061,034	21,834,593
Operating expenses	23,033,767	17,064,187	8,803,874	5,492,301
	159,651,584	90,381,739	51,864,908	27,326,894
PROFIT BEFORE TAXATION	76,094,096	81,769,850	14,582,963	19,431,332
Provision for taxation	10,000,000	13,500,000	2,000,000	3,500,000
PROFIT AFTER TAXATION	<u>66,094,096</u>	<u>68,269,850</u>	<u>12,582,963</u>	<u>15,931,332</u>
Earnings per share - Basic and diluted	<u>1.54</u>	<u>1.59</u>	<u>0.29</u>	<u>0.37</u>

The annexed notes 1 to 11 form an integral part of these accounts.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

	Nine months ended Sept. 30, 2007 Rupees	Nine months ended Sept. 30, 2006 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before taxation	76,094,096	81,769,850
Adjustments for non cash & other items		
Depreciation	1,30,173	897,388
Amortization of deferred cost	-	115,648
Gain on disposal of shares	(43,678,981)	(35,199,076)
Gain on disposal of fixed assets	(134,799)	(38,159)
(Gain)/loss on sale of securities	-	(221,770)
	(42,683,607)	(34,445,969)
Cash flow from operating activities before working capital changes	33,410,489	47,323,882
Decrease/(Increase) in operating assets		
(Increase)/Decrease in financing and placements	(456,949,901)	471,383,570
(Increase) in advances, deposits, prepayment and other receivables	(39,672,407)	(2,994,263)
	(496,622,308)	468,389,307
(Decrease)/Increase in operating liabilities		
(Decrease) in deposits	(284,016,443)	(149,855,814)
Increase/(Decrease) in borrowings	817,500,000	(597,500,000)
(Decrease) in accrued and other liabilities	(144,289)	(9,679,972)
	533,339,268	(757,035,786)
	36,716,960	(288,646,479)
Income tax paid	(25,460,698)	(11,364,093)
Gratuity paid	(120,000)	(498,541)
Dividend paid	(74,869,433)	(36,024,912)
	(100,450,131)	(47,887,546)
NET CASH USED IN OPERATING ACTIVITIES	(30,322,682)	(289,210,143)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/sale of fixed assets	(5,148,918)	186,753
(Purchase)/sale of investments (shares)	(240,467,567)	41,021,533
(Purchase)/sale of securities	(79,078,992)	8,599,636
Net cash used in investing activities	(324,695,477)	49,807,923
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(355,018,159)	(239,402,220)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	389,399,475	257,689,952
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	34,381,316	18,296,732

The annexed notes 1 to 11 form an integral part of these financial statements.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**

	Share Capital	Statutory Reserve	Un-appropriated Profit	Total
	-----Rupees-----			
Balance as at January 01, 2006	372,706,950	99,236,880	129,688,766	601,632,596
Net profit upto September 30, 2006	-	-	68,269,850	68,269,850
Issuance of bonus shares 2005	55,906,043	-	(55,906,043)	-
Cash dividend 2005	-	-	(37,270,695)	(37,270,695)
Transfer to Statutory reserve	-	13,653,970	(13,653,970)	-
Balance as at September 30, 2006	428,612,993	112,890,850	91,127,908	632,631,751
Net profit December 2006 quarter	-	-	17,933,162	17,933,162
Transfer to Statutory reserve	-	3,586,632	(3,586,632)	-
Balance as at December 31, 2006	428,612,993	116,477,482	105,474,438	650,564,913
Net profit for the period	-	-	66,094,096	66,094,096
Issuance of bonus shares	-	-	-	-
Dividend paid for the year 2006	-	-	(85,722,599)	(85,722,599)
Transfer to Statutory Reserve	-	13,218,819	(13,218,819)	-
Balance as at September 30, 2007	428,612,993	129,696,301	72,627,116	630,936,410

The annexed notes 1 to 11 form an integral part of these accounts.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



NOTES TO THE ACCOUNTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

1. STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. 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 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) (previously described under SRO 585(1)/87 dated July 13, 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 stable outlook and the short-term rating at 'A-1' (A One).

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 but subject to limited scope review performed by the external auditors of the company in accordance with the requirements of the clause (xxi) of the Code of Corporate Governance. 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, 2006. 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, 2006.

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, 2006.

	September 30, 2007 Rupees	December 31, 2006 Rupees
5. SHORT TERM PLACEMENT		
Under reverse repurchase agreements of quoted shares-secured	1,391,603,196	911,653,295
	<u>1,391,603,196</u>	<u>911,653,295</u>
6. SHORT TERM INVESTMENTS		
Available-for-sale		
Pakistan Investment Bonds	383,376,122	290,798,150
Wapda Bonds - 10th issue	50,000,000	50,000,000
Term Finance Certificate	70,741,656	83,448,873
Quoted Shares	407,500,652	140,714,283
	<u>911,618,430</u>	<u>564,961,306</u>



	September 30, 2007 Rupees	December 31, 2006 Rupees
7. CASH AND BANK BALANCES		
With State Bank of Pakistan in		
Reserve account	6,725,000	6,725,000
Current account	1,325,279	1,370,009
	8,050,279	8,095,009
With other Banks in		
Current account	10,859,835	8,704,595
Deposit accounts	15,462,270	372,593,905
	26,322,105	381,298,500
Cash in hand	8,932	5,966
	<u>34,381,316</u>	<u>389,399,475</u>
8. BORROWINGS		
Secured under repurchase agreements against Government Securities	400,000,000	277,500,000
Unsecured from Financial Institutions	1,145,000,000	450,000,000
	<u>1,545,000,000</u>	<u>727,500,000</u>
	September 30, 2007 Rupees	September 30, 2006 Rupees
9. TRANSACTIONS WITH RELATED PARTIES		
Financing		
- Associated undertaking	166,866,398	121,395,857
- Others	-	45,470,641
Return on financing		
- Associated undertaking	16,100,294	8,129,963
- Others	-	3,215,126
Non funded guarantee		
- Associated undertaking	12,976,400	18,630,000
- Others	-	4,000,000
Deposit		
- Associated undertaking	224,527,732	59,633,482
- Others	-	54,392,889
Return on deposits		
- Associated undertaking	11,250,189	2,476,334
- Others	-	696,245
Contribution to staff retirement benefit plan	508,783	385,515

Transactions with associated undertakings / related parties i.e. shareholders, directors, key management personnel and their related concerns are accounted for in accordance with comparable uncontrolled price method and are in the normal course of business at contracted rates and terms determined in accordance with market rates.

10. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on October 29, 2007.

11. GENERAL

Figures have been rounded off to the nearest rupee.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**SECURITY INVESTMENT BANK LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2007
(UNAUDITED)**



CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2007

	Note	September 30, 2007 Rupees	December 31, 2006 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets		7,583,611	3,594,181
Intangible assets		36,291,669	36,344,167
Long term investments		51,319,296	51,378,660
Deferred tax asset		9,711,322	10,860,955
Deferred cost		196,716	281,024
CURRENT ASSETS			
Short term financing		172,834,198	195,834,198
Short term placements		1,391,603,196	911,653,295
Short term investments		936,618,430	589,961,306
Advances, deposits, prepayments and other receivables		114,650,045	71,522,144
Cash and bank balances	6	43,282,934	394,433,275
		2,658,988,803	2,163,404,218
		2,764,091,417	2,265,863,205
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
100,000,000 ordinary shares of Rs. 10/- each		1,000,000,000	500,000,000
Issued, subscribed and paid up capital		428,612,993	428,612,993
Statutory reserve		130,444,373	116,831,575
Unappropriated profit		75,619,407	106,890,812
		634,676,773	652,335,380
Surplus on revaluation of investments - net		(59,521,260)	(41,743,845)
NON-CURRENT LIABILITIES			
Deferred liability		4,205,000	4,325,000
CURRENT LIABILITIES			
Borrowings		1,545,000,000	727,500,000
Short term deposits		617,522,037	904,194,964
Accrued and other liabilities		22,208,867	19,251,706
		2,184,730,904	1,650,946,670
Contingencies and commitments		2,764,091,417	2,265,863,205

The annexed notes 1 to 8 form an integral part of these consolidated financial statements.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

	Nine Months Ended		Quarter Ended	
	September 30, 2007 Rupees	September 30, 2006 Rupees	September 30, 2007 Rupees	September 30, 2006 Rupees
INCOME				
Income on financing and placements	138,827,704	93,681,174	40,617,360	26,271,385
Return on investments	50,097,280	42,287,406	17,299,233	15,545,869
Gain on sale of shares	43,678,981	35,199,076	8,932,960	4,644,678
Profit on deposit with banks	4,286,778	1,536,578	108,363	244,860
Other Income	601,706	1,046,763	81,493	849,204
	237,492,449	173,750,997	67,039,409	47,555,996
EXPENDITURE				
Return on deposits and borrowings	132,444,226	71,621,578	41,575,072	21,637,119
Operating expenses	25,869,009	19,817,013	9,731,894	6,522,969
	158,313,235	91,438,591	51,306,966	28,160,088
PROFIT BEFORE TAXATION	79,179,214	82,312,406	15,732,443	19,395,908
Provision for taxation	11,115,222	13,930,000	2,402,318	3,500,000
PROFIT AFTER TAXATION	68,063,992	68,382,406	13,330,125	15,895,908
Earnings per share - Basic and diluted	1.59	1.60	0.31	0.37

The annexed notes 1 to 8 form an integral part of these consolidated financial statements.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

	Nine months ended Sept. 30, 2007 Rupees	Nine months ended Sept. 30, 2006 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before taxation	79,179,214	82,312,406
Adjustments for non cash & other items		
Depreciation	883,337	1,056,075
Amortization of deferred cost	136,806	192,930
Return on treasure bills	(1,519,062)	(513,090)
Gain on disposal of shares	(43,678,981)	(35,199,076)
Gain on disposal of fixed assets	(134,799)	(38,159)
(Gain)/loss on sale of securities	-	(221,770)
	(44,312,699)	(34,723,090)
Cash flow from operating activities before working capital changes	34,866,515	47,589,317
Decrease/(Increase) in operating assets (Increase)/Decrease in financing and placements (Increase)/Decrease in advances, deposits, prepayment and other receivables	(456,949,901)	471,383,570
	(35,621,501)	(2,754,032)
	(492,571,402)	468,629,538
(Decrease)/Increase in operating liabilities (Decrease) in deposits Increase/(Decrease) in borrowings Increase/(Decrease) in accrued and other liabilities	(286,672,927)	(71,121,766)
	817,500,000	(597,500,000)
	58,291	(9,186,120)
	530,885,364	(677,807,886)
	38,313,962	(209,178,348)
Income tax paid	(26,085,029)	(11,704,930)
Gratuity paid	(120,000)	(498,541)
Dividend paid	(74,869,433)	(36,024,912)
	(101,074,462)	(48,228,383)
NET CASH USED IN OPERATING ACTIVITIES	(27,893,985)	(209,817,414)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/sale of fixed assets	(5,236,431)	(972,682)
(Purchase)/sale of investments (shares)	(240,467,567)	41,134,997
(Purchase)/sale of securities	(77,552,358)	(15,770,100)
Net cash used in investing activities	(323,256,356)	24,392,215
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(351,150,341)	(185,425,200)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	394,433,275	259,708,952
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	43,282,934	74,283,752

The annexed notes 1 to 8 form an integral part of these financial statements.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007**

	Share Capital	Statutory Reserve	Un-appropriated Profit	Total
	-----Rupees-----			
Balance as at January 01, 2006	372,706,950	99,460,611	130,583,692	602,751,253
Net profit upto September 30, 2006	-	-	68,382,406	68,382,406
Issuance of bonus shares 2005	55,906,043	-	(55,906,043)	-
Cash dividend 2005	-	-	(37,270,695)	(37,270,695)
Transfer to Statutory reserve	-	13,676,481	(13,676,481)	-
Balance as at September 30, 2006	428,612,993	113,137,092	92,112,879	633,862,964
Net profit December 2006 quarter	-	-	18,472,416	18,472,416
Transfer to Statutory reserve	-	3,694,483	(3,694,483)	-
Balance as at December 31, 2006	428,612,993	116,831,575	106,890,812	652,335,380
Net profit for the period	-	-	68,063,992	68,063,992
Issuance of bonus shares	-	-	-	-
Dividend paid for the year 2006	-	-	(85,722,599)	(85,722,599)
Transfer to Statutory Reserve	-	13,612,798	(13,612,798)	-
Balance as at September 30, 2007	428,612,993	130,444,373	75,619,407	634,676,773

The annexed notes 1 to 8 form an integral part of these consolidated financial statements.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

1. STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. 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 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) (previously described under SRO 585(1)/87 dated July 13, 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 stable outlook and the short-term rating at 'A-1' (A One).

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 but subject to limited scope review performed by the external auditors of the company in accordance with the requirements of the clause (xxi) of the Code of Corporate Governance. 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, 2006. 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, 2006.

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, 2006.

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.

	September 30, 2007 Rupees	December 31, 2006 Rupees
6. CASH AND BANK BALANCES		
With State Bank of Pakistan in		
Reserve account	6,725,000	6,725,000
Current account	4,909,629	3,132,309
	11,634,629	9,857,309
With other Banks in		
Current account	11,789,611	9,079,815
Deposit accounts	15,462,270	372,593,905
	27,251,881	381,673,720
Cash in hand	4,396,424	2,902,246
	43,282,934	394,433,275



7. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on October 29, 2007.

8. GENERAL

Figures have been rounded off to the nearest rupee.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman

BOOK POST



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