SIB | SECURITY INVESTMENT BANK LTD.

HALF YEARLY REPORT June 30, 2017

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 REMUNIRATION COMMITTEE

Mr. Zafar .M. Sheikh (Chairman)
Mr. Karim Muhammad Munir
Mr. Muhammad Mehboob

BUSINESS DEVELOPMENT COMMITTEE

Mr. Sheikh Asim Rafiq NIT Nominee (Chairmain)
Mr. Muhammad Mehboob
Mr. Muhammad Shoaib
Mr. Karim Muhammad Munir
Mr. Zafar .M. Sheikh

CFO & COMPANY SECRETARY
Mr. Shakeel Ahmed

HEAD OF INTERNAL AUDIT / COMPLAINCE
Mr. Shah Imran Ahmed

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountants

TAX ADVISORS

Grant Thoranton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners

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

SIB SECURITY INVESTMENT BANK LTD.

DIRECTORS' REPORT

BEGIN IN THE NAME OF ALLAH
THE MOST GRACIOUS AND MERCIFUL

The Board of Directors of **Security Investment Bank Limited** (the Company) are pleased to present the financial statement of the Company duly reviewed by the auditors for the half year ended 30 June 2017.

Positive updated macroeconomic indicators and continuous implementation and deepening of structural reforms continued in the FY-2017, on the back of strong growth led by China Pakistan Economic Corridor (CPEC). CPEC is not only a short term economic growth booster, but its impact is far reaching depending on the prudent response and flexible rules for local investors.

According to the figures announced by the statistical department (GOP) real GDP growth was above 4% in 2013-14 and has smoothly increased during the last four years to reach 5.28% in 2016-17, which is the highest in 10 years.

The upbeat economic sentiments and low interest rates have encouraged the private sector to undertake capacity expansions. Private sector credit posted a net expansion of Rs 503 billion during Jul-Apr FY17, which is significantly higher than the uptick of Rs 334 billion in the corresponding period of last year.

Consumer Price Index (CPI) inflation rate during the FY-2017 was stood at 3.9% YoY as compared to 2.9% YoY during the corresponding period last year. Throughout FY-2017, inflation remained within the State Bank of Pakistan (SBP) target range of 4.5% to 5.5% and as a result SBP maintained its policy rate unchanged at 5.75% in the monetary policy statement issued on July 22, 2017. During the second quarter of 2017, the KSE-100 index registered slightly decrease of 3.30% from 48,156 points as of 31 March 2017 to 46,565 points as of 30 June 2017.

Alhamdulillah, your company posted operating profit before taxes of Rs. 9.022 million added realized gain on sale of PSX shares of Rs. 51.615 million to the strategic investors, comprises total profit before tax of Rs. 60.637 million for the half year ended 30 June 2017 as compared to Rs. 0.865 million of the corresponding period. Your Company's EPS Rs. 1.006 as compared to only Rs. 0.012 of the corresponding period. Income on financing and placement increased by 35% compared with the same period of last year.

Our wholly owned subsidiary is in the final stage of process of transfer of TREC from SIB to its subsidiary, thereafter applying for the Brokerage License from SECP. The management of the Company is in process of establishing funding lines with different financial institutions so as to increase earnings and return for shareholders. The Board is in process of reviewing current business being undertaken and other business that could undertake by the Company.

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 employees of the company for their commitment and hard work. The company recognizes and records its gratitude for their efforts

On behalf of the Board

Karachi, 28 August 2017

Haji Jan Muhammad
(Chairman)

AUDITOR'S REPORT TO MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim balance sheet of SECURITY INVESTMENT BANK LIMITED ("the Investmetn Bank") as at June 30,2017, and the related conensed interim profit and loss account. condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the condensed interim financial information'), for the half year then ended June 30, 2017. The Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsiblity is to express a conlusion on this inrterim financial information based on our review.

The figures for the quarters ended June30, 2016 and June 30, 2017 in the condensed interim profit and loss account have not been reviewed and we are rrequired to review onyl the cumulative figutes for the half year ended June30, 2017.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagement 2410, "Review of Interim Financial information Performed by the Independent Auditor of the Entity". A reciew of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Internaitonal Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be indentified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended June30, 2017 is not prepared, in all material respects, in accordance with approved accountiung standards as applicable in Pakistan relating to interim financial reporting.

Chartered Accountants
Karachi
Date:
Engagement Partner: Sohail Saleem

SIB SECURITY INVESTMENT BANK LTD.

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2017

	Note	June 30 2017 (Un-audited)	December 31 2016 (Audited)
		<---------- Rupees	---------->
Non-current assets			
Property, plant and equipment	5	10,375,977	10,698,704
Intangible assets		2,500,000	750,000
Long term investments	6	50,000,000	50,000,000
Long term financing	7	17,241,118	17,766,190
Deferred tax asset - net		10,493,050	18,116,102
Current assets			
Short term financing	8	421,879,062	292,057,136
Short term investments	9	5,836,219	74,657,944
Loans and advances		91,481,264	92,355,682
Deposits, prepayments and other receivables		14,454,608	8,704,634
Accrued interest		19,276,305	49,442,704
Cash and bank balances	10	4,351,166	8,439,698
		557,278,624	525,657,798
		647,888,769	622,988,794
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		157,660,829	147,316,381
Accumulated loss		(97,053,877)	(138,431,667)
Unrealized gain on re-measurement of available for sale investment to fair value - net		-	51,614,948
		574,942,532	574,835,242
Deficit on revaluation of investments - net of tax	11	(1,945,406)	(2,055,095)
Current liabilities			
Short term deposits		7,700,000	7,700,000
Bank borrowing	12	23,670,336	-
Accrued and other liabilities		43,521,307	42,508,647
		74,891,643	50,208,647
Contingencies and commitments	13		
		647,888,769	622,988,794

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

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAIN

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Note	Six Months Ended		Quarter Ended	
		June 30 2017	June 30 2016	June 30 2017	June 30 2016
		<---------- Rupees ---------->			
Income					
Income on financing and placements		23,070,763	17,084,639	13,065,215	8,600,147
Return on investments		484,209	4,228,815	117,427	3,697,301
Capital gain		1,748,226	1,518,369	1,750,000	243,941
Profit on deposit with banks		25,761	85,374	12,119	29,895
Other income		2,159,631	429,001	1,558,672	144,697
		27,488,590	23,346,198	16,503,433	12,715,981
Expenditure					
Return on deposits and borrowings		1,114,742	564,883	815,553	369,758
Operating expenses		17,352,164	21,916,253	9,483,366	11,765,101
		18,466,906	22,481,136	10,298,919	12,134,859
Operating profit before tax		9,021,684	865,062	6,204,514	581,122
Realized gain on remeasurement PSX shares tansferred from unrealized gain		51,614,948	-	20,645,986	-
Taxation					
Current		(1,291,344)	(268,457)	(1,241,828)	(137,991)
Deferred	14	(7,623,050)	-	(7,623,050)	-
		(8,914,394)	(268,457)	(8,864,878)	(137,991)
Net Profit after tax		51,722,238	596,605	17,985,622	443,131
Other Comprehensive Income					
Other comprehensive income		-	(284,122)	-	(284,122)
Total comprehensive income - net of tax		51,722,238	312,483	17,985,622	159,009
Earning per share - basic and diluted		1.006	0.012	0.350	0.009

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

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAIN

SIB SECURITY INVESTMENT BANK LTD.

UNCONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2017

	Note	Half year ended June 30, 2017	2016
		<---------- Rupees	---------->
CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit before taxation		9,021,684	865,062
Adjustments for non-cash and other items			
Depreciation		957,794	963,910
Gain on disposal of shares		(1,748,226)	(1,518,369)
Gain on disposal of fixed assets		6,861	-
		(783,571)	(554,459)
Cash flows from operating activities before working capital changes		8,238,113	310,603
(Increase) / Decrease in operating assets			
(Increase) / Decrease in financing and placements		(129,821,926)	(25,578,884)
Decrease in loans and advances		(336,773)	(1,780,674)
Increase in deposits, prepayment and other receivables		(5,749,974)	618,677
(Increase) / Decrease in accrued interest		30,166,399	(5,928,622)
		(105,742,274)	(32,669,503)
Increase / (Decrease) in operating liabilities			
(Decrease) / Increase in short term deposits		-	(2,370,595)
(Increase) / Decrease in borrowings		23,670,336	-
(Decrease) / Increase in accrued and other liabilities		1,012,660	5,073,763
		24,682,996	2,703,168
Net changes in operating assets and liabilities		(81,059,278)	(29,966,335)
Income tax paid		(81,923)	(266,830)
Net cash used in operating activities		(72,903,088)	(29,922,562)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets - net		(641,930)	(326,555)
Sale of investments (shares)		1,607,374	9,259,190
Sale of PSX shares		67,324,040	570,297
Net cash generated from investing activities		68,289,484	9,502,932
CASH FLOW FROM FINANCING ACTIVITIES			
Long term financing		525,072	(4,160,957)
Net decrease in cash and cash equivalents		(4,088,532)	(24,580,587)
Cash and cash equivalents at the beginning of the period		8,439,698	51,986,367
Cash and cash equivalents at the end of the period		4,351,166	27,405,780

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

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAIN

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2017

	Share capital	Statutory reserve	Unappropriated loss/profit	Unrealizezed gain on re measurement of available of sale of investments to fair value	Total
	<---------- Rupees ---------->				
Balance as at 01 January 2016	514,335,580	145,543,127	(145,524,683)	-	514,354,024
Total comprehensive income for the period	-	-	312,483	-	312,483
Appropriations:					
Statutory reserves	-	62,497	(62,497)	-	-
Balance as at 30 June 2016	**514,335,580**	**145,605,624**	**(145,274,697)**	**-**	**514,666,507**
Total comprehensive income for the period	-	-	8,553,787	51,614,948	60,168,735
Appropriations:					
Statutory reserves	-	1,710,757	(1,710,757)	-	-
Balance as at 31 December 2016	**514,335,580**	**147,316,381**	**(138,431,667)**	**51,614,948**	**574,835,242**
Total comprehensive income for the period	-	-	51,722,238	(51,614,948)	107,290
Appropriations:					-
Statutory reserves	-	10,344,448	(10,344,448)	-	-
Balance as at 30 June 2017	**514,335,580**	**157,660,829**	**(97,053,877)**	**-**	**574,942,532**

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

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2017

1 STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (Investment Bank) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984. The Bank 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 repealed 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 previous year, the Investment Bank made an investment in wholly owned subsidary company namely Security Capital & Investment (Private) Limited amounted 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 Entitlment 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.

2 STATEMENT OF COMPLIANCE

These unconsolidated 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 Investment Bank in accordance with the requirements of the Code of Corporate

Governance . These unconsolidated 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 Bank for the year ended 31 December 2016. Further, these unconsolidated interim financial statements are being circulated to the shareholders in accordance with the requirements of Section 245 of the repealed Companies Ordinance, 1984 and Listing Regulation of the Stock Exchange.

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 2016.

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 2016.

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	<---------- Rupees ---------->	
5 Operating Assets		
Cost		
As at January 01	14,521,542	16,256,917
Addition	663,430	2,704,975
Deletion	(560,995)	(4,440,350)
As at June 30	14,623,977	14,521,542
Less: Accumulated Depreciation		
As at January 01	3,822,838	4,688,043
Depreciation expenses	957,794	1,910,201
Adjustment made	(532,632)	(2,775,406)
As at June 30	4,248,000	3,822,838
	10,375,977	10,698,704
6 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
7 Long term financing		
Related parties - secured and considered good		
- Associated companies	29,117,075	29,642,147
- Others	7,727,021	7,727,021
Less: Deferred Murahaba income	(5,045,842)	(5,045,842)
Murahaba receiveable	31,798,254	32,323,326
Less: Current maturity	(14,557,136)	(14,557,136)
	17,241,118	17,766,190
8 Short term financing- secured and considered good		
Associated companies	407,321,926	277,500,000
Current maturity of long term financing	14,557,136	14,557,136
	421,879,062	292,057,136

9 Short term investment

Available for sale		
Investment in PSX Shares	-	67,324,040
Term Finance Certificates	5,836,219	5,836,219
Quoted shares	-	1,497,685
	5,836,219	74,657,944

10 Cash and bank balances

With State Bank of Pakistan in current account	179,935	97,197
With other banks in		
Current account	3,756,911	8,114,189
Deposit accounts	364,669	192,436
	4,121,580	8,306,625
Cash in hand	49,651	35,876
	4,351,166	8,439,698

11 Deficit on revaluation of investment - net of tax

Term Finance Certificates	(1,945,406)	(1,945,406)
Quoted shares	-	(109,689)
	(1,945,406)	(2,055,095)

12 Bank borrowing

Running finance facility	23,670,336	-

12.1 **The company has availed running finance facility from Summit Bank with a limit of Rs. 50.0 million @ 3 months KIBOR+4%**

13 Contingencies and commitments

13.1 Guarantees issued on behalf of customers	64,584,900	64,584,900

	Half year ended June 30,	
	2017	2016
	<---------- Rupees ---------->	
14 Deferred Tax		
Deferred taxation	7,623,050	-

14.1 **Unused business losses pertaining to the TY-2010 was expired in the current financial year. Relevant portion pertaining to business losses of Rs. 7.605 million charged to P & L account and portion pertaining to depreciation loss remained the part of deferred tax assets till adjusted.**

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 shareholder and their close family members, key management personnel and retirement benefit funds. The Bank 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;

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	<---------- Rupees ---------->	
BALANCES AS AT THE PERIOD END		
Financing		
Balance at year end		
- Associated undertakings	387,741,428	292,057,136
-Others	34,137,634	
Short term deposits		
Balance at year end		
- Associated undertakings	-	-
- Others	7,700,000	7,700,000
Un funded Guarantee		
- Associated undertakings	14,584,900	14,584,900
- Others	50,000,000	50,000,000
Investment in subsidiary		
Equity shares	50,000,000	50,000,000
Advance from subsidiary		
Advance against purchase of certain assets	14,000,562	-

	Half year ended June 30, 2017	2016
	<---------- Rupees ---------->	
TRANSACTIONS DURING THE PERIOD		
Return on financing		
- Associated undertakings	20,329,262	16,142,783
- Others	1,242,740	-
Return on deposits		
- Associated undertakings	-	368,991
- Others	-	139,649
Contribution to staff retirement benefit plan	236,447	380,707

16 **Date of authorisation**

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on August 28, 2017

17 **General**

Figures have been rounded off to the nearest rupee.

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAIN

CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

SIB | SECURITY INVESTMENT BANK LTD.

SIB SECURITY INVESTMENT BANK LTD.

REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION OT MEMBERS OF SECURITY INVESTMENT BANK LIMITED

introduction

We have reviewed the accompaying consolidated condensed interim balance sheet of Security investment Bank Limited (”the Company”) as at June 30, 2017 and the related consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity together with the notes forming part thereof for the six months ended June30, 2017 (here-in-after referred to as “the consolidated condensed interim financial information “). Management is reponsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsiblity is to express a conclusion on this consolidated cpndensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagement 2410, “Review of Interim Financial information Performed by the Independent Auditor of the Entity A Review of consolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conductted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly. we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as of and for the six months period ended June 30, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim fiancial reporting.

Other Matters

The figures of the consolidated condensed interim profit and loss account and consolidated condensed interim statement of eomprehensive income for the quarters ended June 30, 2017 and June, 2016 have not been review, as we are required to review only the cumulative figures for the half year ended June 30, 2017

The financials statements of the subsidiary for the year ended June 30, 2016 were audited by another firm of chartered accountants whose report dated July 25, 2016 expressed an unqualified opinion there on.

Karachi

Chartered Accountants
(Sohail Saleem)

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT 30 JUNE 2017

	Note	June 30 2017 (Un-audited	December 31 2016 (Audited
		<---------- Rupees	---------->
Non-current assets			
Property, plant and equipment	5	10,394,027	10,698,704
Intangible assets		7,500,000	5,750,000
Long term financing	6	17,241,118	17,766,190
Deferred tax asset - net		10,493,050	18,116,102
Current assets			
Short term financing		421,879,062	292,057,136
Short term investments	7	50,698,903	119,520,628
Loans and advances		91,763,659	92,503,913
Deposits, prepayments and other receivables		14,454,608	8,704,636
Accrued interest		19,276,305	49,442,705
Cash and bank balances	8	16,165,214	21,420,657
		614,237,751	583,649,674
		659,865,946	635,980,670
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		157,660,829	147,316,381
Accumulated loss		(98,744,557)	(138,830,727)
Unrealized gain on re-measurement of available for sale investment to fair value - net		27,363,246	78,978,194
		600,615,098	601,799,428
Deficit on revaluation of investments - net of tax	9	(1,945,406)	(2,055,095)
Current liabilities			
Borrowings	10	23,670,336	-
Short term deposits		7,700,000	7,700,000
Accrued and other liabilities		29,825,918	28,536,337
		61,196,254	36,236,337
Contingencies and commitments	11		
		659,865,946	635,980,670

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

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

SIB SECURITY INVESTMENT BANK LTD.

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2017

	Note	Six Months Ended		Quarter Ended	
		June 30 2017	June 30 2016	June 30 2017	June 30 2016
		<---------- Rupees ---------->			
Income					
Income on financing and placements		23,070,763	17,084,639	13,065,215	8,600,147
Return on investments		484,209	4,228,815	117,427	3,697,301
Gain on sale of shares		1,748,226	1,518,369	1,750,000	243,941
Profit on deposit with banks		127,171	85,374	12,119	29,895
Other income		2,159,631	429,001	1,558,672	144,697
		27,590,000	23,346,198	16,503,433	12,715,981
Expenditure					
Return on deposits and borrowings		1,114,742	564,883	815,553	369,758
Operating expenses		18,745,194	21,916,253	10,845,771	11,765,101
		19,859,936	22,481,136	11,661,324	12,134,859
Operating profit before tax		7,730,064	865,062	4,842,109	581,122
Realized gain on remeasurement PSX shares transferred from unrealized gain		51,614,948	-	20,645,986	-
Taxation					
Deferred	12	(7,623,050)	-	(7,623,050)	-
Current		(1,291,344)	(268,457)	(1,241,828)	(137,991)
		(8,914,394)	(268,457)	(8,864,878)	(137,991)
Net profit after tax		50,430,618	596,605	16,623,217	443,131
Other Comprehensive Income					
Other comprehensive income		-	(284,122)	-	(284,122)
Total comprehensive income - net of tax		50,430,618	312,483	16,623,217	159,009
Earning per share - basic and diluted		0.981	0.012	0.323	0.009

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

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAIN

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2017

	Half year ended June 30,	
	2017	2016
	<---------- Rupees ---------->	
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before taxation	7,730,064	865,062
Adjustments for non-cash and other items		
Depreciation	958,744	963,910
Gain on disposal of shares	(1,748,226)	(1,518,369)
Gain on disposal of fixed assets	6,861	-
	(782,621)	(554,459)
Cash flows from operating activities before working capital changes	6,947,443	310,603
(Increase) / Decrease in operating assets		
(Increase) / Decrease in financing and placements	(129,821,926)	(25,578,884)
(Increase) / Decrease in loans and advances	(470,937)	(1,780,674)
Decrease in deposits, prepayment and other receivables	(5,749,972)	618,677
(increase) / Decrease in accrued interest	30,166,400	(5,928,622)
	(105,876,435)	(32,669,503)
Increase / (Decrease) in operating liabilities		
(Decrease) / Increase in short term deposits	-	(2,370,595)
Increase / (Decrease) in borrowings	23,670,336	-
Decrease in accrued and other liabilities	1,289,581	5,073,763
	24,959,917	2,703,168
Net changes in operating assets and liabilities	(80,916,518)	(29,966,335)
Income tax paid	(81,924)	(266,830)
Net cash used in operating activities	(74,050,999)	(29,922,562)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets - net	(660,930)	(326,555)
Sale of investments (shares)	1,607,374	9,259,190
Sale of securities	67,324,040	570,297
Net cash generated from investing activities	68,270,484	9,502,932
CASH FLOW FROM FINANCING ACTIVITIES	525,072	(4,160,957)
Net decrease in cash and cash equivalents	(5,255,443)	(24,580,587)
Cash and cash equivalents at the beginning of the period	21,420,657	51,986,367
Cash and cash equivalents at the end of the period	16,165,214	27,405,780

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

SIB SECURITY INVESTMENT BANK LTD.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2017

	Share capital	Statutory reserve	Accumulated loss	Unrealized gain on re measurement of available of sale of investments to fair value	Total
	<----------	----------	Rupees	----------	---------->
Balance as at 01 January 2016	514,335,580	145,543,127	(145,865,073)	-	514,013,634
Total comprehensive income for the period	-		312,483		312,483
Appropriations:					
Statutory reserves	-	62,497	(62,497)		-
Balance as at 30 June 2016	514,335,580	145,605,624	(145,615,087)	-	514,326,117
Total comprehensive income for the period	-		8,495,117	78,978,194	87,473,311
Appropriations:					-
Statutory reserves	-	1,710,757	(1,710,757)		-
Balance as at 31 December 2016	514,335,580	147,316,381	(138,830,727)	78,978,194	601,799,428
Total comprehensive income for the period	-		50,430,618		50,430,618
Unrealized gain on re measurement of available of sale of investments to fair value				(51,614,948)	(51,614,948)
Appropriations:					-
Statutory reserves	-	10,344,448	(10,344,448)		-
Balance as at 30 June 2017	514,335,580	157,660,829	(98,744,557)	27,363,246	600,615,098

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

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

CONSOLIDATED CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2017

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).

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, 2016.

The comparative balance sheet presented in this consolidated condensed interim financial information as at December 31, 2016 has been extracted from audited financial statements of the company for the year ended December 31, 2016, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the half year ended June 30, 2017 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, 2016.

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 2016.

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	<---------- Rupees ---------->	
5 OPERATING ASSETS		
Cost		
As at January 01	14,521,542	16,256,917
Addition	682,430	2,704,975
Deletion	(560,995)	(4,440,350)
As at June 30	14,642,977	14,521,542
Less: Accumulated Depreciation		
As at January 01	3,822,838	4,688,043
Depreciation expenses	958,744	1,910,201
Adjustment made	(532,632)	(2,775,406)
As at June 30	4,248,950	3,822,838
	10,394,027	10,698,704
6 LONG TERM FINANCING		
Murahaba Financing		
Related Parties-Secured and considered good		
Murahaba finance -Associated Companies	29,117,075	29,642,147
-Others	7,727,021	7,727,021
Less: Deferred Murahaba income	(5,045,842)	(5,045,842)
Murahaba receivable	31,798,254	32,323,326
Less: Current maturity	(14,557,136)	(14,557,136)
	17,241,118	17,766,190

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	<---------- Rupees ---------->	
7 SHORT TERM INVESTMENT - AVAILABLE FOR SALE		
Investment in PSX Shares	44,862,684	112,186,724
Term Finance Certificates	5,836,219	5,836,219
Quoted shares	-	1,497,685
	50,698,903	119,520,628
8 CASH AND BANK BALANCES		
With State Bank of Pakistan in current account	179,935	97,197
With other banks in		
Current account	3,756,911	8,114,189
Deposit accounts	12,178,717	13,173,395
	15,935,628	21,287,584
Cash in hand	49,651	35,876
	16,165,214	21,420,657
9 DEFICIT ON REVALUATION OF INVESTMENT - NET OF TAX		
Term Finance Certificates	(1,945,463)	(1,945,406)
Quoted shares	-	(109,689)
	(1,945,463)	(2,055,095)
10 BORROWINGS		
Running Finance Facility	23,670,336	-

10.1 SIBL availing Running Finance facility from Summit Bank 50.0 million prevailing rate of return 3 months KIBOR+4%

11 CONTINGENCIES AND COMMITMENTS		
Guarantees issued on behalf of customers	64,584,900	64,584,900
12 DEFERRED TAX		
Deferred taxation	7,623,050	-

Unused business losses pertaining to the TY-2010 was expired in the current financial year. Relevant portion pertaining to business losses of Rs. 7.605 million charged to P & L account and portion pertaining to depreciation loss remained the part of deferred tax assets till adjusted.

13 TRANSACTION WITH RELATED PARTIES

Related parties of group comprise of companies with common directorship, retirement fund and directors. Detail of transactions / balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	June 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	<---------- Rupees ---------->	
BALANCES AS AT THE PERIOD END		
Financing		
Balance at year end		
- Associated undertakings	387,741,428	292,057,136
-Others	34,137,634	
Short term deposits		
Balance at year end		
- Associated undertakings	-	-
- Others	7,700,000	7,700,000
Un funded Guarantee		
- Associated undertakings	14,584,900	14,584,900
- Others	50,000,000	50,000,000
Investment in subsidiary		
Equity shares	50,000,000	50,000,000
Advance from subsidiary		
Advance against purchase of certain assets	14,000,562	-

	Half year ended June 30, 2017	2016
	<---------- Rupees ---------->	
TRANSACTIONS DURING THE PERIOD		
Return on financing		
- Associated undertakings	20,329,262	16,142,783
- Others	1,242,740	
Return on deposits		
- Associated undertakings	-	368,991
- Others	-	139,649
Contribution to staff retirement benefit plan	236,447	380,707

16 Date of authorisation

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors on August 28, 2017

17 General

Figures have been rounded off to the nearest rupee.

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAIN

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