

# Half Yearly Report June 30, 2020



**SIB**

SECURITY  
INVESTMENT  
BANK LTD.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)  
Mr. Muhammad Mehboob  
Mr. Muhammad Shoaib  
Mrs. Samreen Shoaib  
Mr. Shaikh Abdullah  
Mr. Karim Muhammad Munir

## PRESIDENT & CHIEF EXECUTIVE

Mr. Zafar .M. Sheikh

## AUDIT COMMITTEE

Mr. Shaikh Abdullah (Chairman)  
Haji Jan Muhammad  
Mr. Karim Muhammad Munir

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Zafar .M. Sheikh  
Mr. Muhammad Mehboob

## RISK MANAGEMENT COMMITTEE

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

## CFO

Mr. Shakeel Ahmed

## AUDITORS

M/S BAKERS TILLY  
MEHMOOD IDREES QAMAR,  
Chartered Accountants

## TAX ADVISORS

Grant Thoranton Anjum Rahman  
Chartered Accountants

## LEGAL ADVISORS

Rehan Kayani (Barrister at Law)

## SHARE REGISTRAR

M/s. C&K Management  
Associates (Pvt) Limited  
404, Trade Tower,  
near Hotel Metropole, Karachi.

## BANKERS

Habib Metropolitan Bank Limited.  
UBL Bank Limited.  
Summit Bank Limited.

## REGISTERED OFFICE

Office No. 1, 1st Floor, Junaid Plaza,  
I-10 Markez, Islamabad.  
Tel : (051) 4102920  
Website : [www.sibl.com.pk](http://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](mailto:sibl@sibl.com.pk)

## DIRECTORS' REPORT

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 2020.

The economy will have received a severe hit from the corona virus pandemic and subsequent lockdown measures in the quarter 2 of FY 2020 (April-June). The present government took various measures to overcome the halted situation. To stabilize the wheel of economy SBP is in the process of taking regulatory measures to address pressure on cash flow of borrowers affected, facilitating deferment and restructuring of their loans and cut down its policy rate. Turning to Q3 (July-Sept), economic activity should be gaining some momentum as most nationwide lockdown measures were eased.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth and employment during these challenging times. The Committee issued policy statement on 25 June 2020, considered that growth and inflation in Pakistan is likely to be revised down further, accordingly the Committee has decided to cut the policy rate by a further 100 basis points to 7%, cumulative reduction in policy rate since March 2020 was 400 basis points.

During the quarter ended June 30, 2020, the KSE-100 index registered slightly increase 23% to 34,421 points as of 30 June 2020 from 28,023 points as of 31 March 2020.

Despite the negative outlook of the economy, the Management has managed to ensure growth. Alhamdulillah, your company generated profit from its operation Rs. 8.131 million and incurred unrealized loss on re-measurement of investment Rs. 17.844 million, resulted operating loss before taxes of Rs. 9.712 million for the half year ended 30 June 2020 as compared to Rs. 28.167 million of the corresponding period. Your Company's EPS Rs. (0.204) as compared to Rs. 0.499 of the corresponding period.

In view of the prevailing economic conditions and increased in the cost of doing business, the Management, foresee the industry to remain under stress. However, the Management will adopt appropriate strategy to maintain the positive growth.

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

Haji Jan Muhammad  
Chairman  
Karachi, 25 August 2020

## ڈائریکٹر رپورٹ

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ (The Company) کے ڈائریکٹرز 30 جون 2020ء کو ختم ہونے والی آدھے سال کی مالیاتی رپورٹ کو آڈیٹر کے جائزے کے ساتھ پیش کرنے پر خوش ہیں۔

مالی سال 2020ء (اپریل-جون) کے سد مہامی میں کرونا وائرس اور اسکے نتیجے میں لاک ڈاؤن کی وجہ سے معیشت سخت متاثر ہوئی۔ موجودہ حکومت نے اس غیر مستحکم صورتحال میں کئی اقدامات کئے ہیں۔ معیشت کے پیسے کو مستحکم کرنے کیلئے SBP متاثرہ قرضداروں کے Cash Flow پر دباؤ دور کرنے، ان قرضوں کو مزید کرنے اور قرضوں کی تنظیم نو کی سہولت کو فراہم کرنے اور اپنی پالیسی کی شرح کو کم کرنے کیلئے ریگولیٹری اقدامات کرنے کے عمل میں ہے۔ سد مہامی 3 (جولائی-ستمبر) میں معاشی سرگرمیوں میں کچھ تیزی دیکھنے میں آئے گی کیونکہ ملک بھر میں لاک ڈاؤن کے اقدامات میں نرمی کی گئی ہے۔

SBP مانیٹری پالیسی کمیٹی (Committee) نے اس مشکل وقت کے دوران نرمی اور روزگار کی حمایت کیلئے موزوں اقدامات اٹھائے اور اپنی پالیسی کا باقاعدہ جائزہ لیا۔

کمیٹی نے 25 جون 2020ء کو پالیسی بیان جاری کیا اور اس پر غور بھی کیا کہ پاکستان میں شرح نمو اور افراط زر پر مزید نظر ثانی کی جاسکتی ہے۔ اسکے مطابق کمیٹی نے پالیسی کی شرح کو مزید 100 بنیادی نکات سے 7 فیصد تک کم کرنے کا فیصلہ کیا اور پالیسی کی شرح مارچ 2020ء میں مجموعی کمی کے بعد 400 پوائنٹس پر تھی۔

30 جون 2020ء کو ختم ہونے والے سد مہامی کے دوران KSE-100 انڈیکس 23% تک معمولی اضافے سے 34,421 پوائنٹس تک پہنچ گئی جو 31 مارچ 2020ء تک 28,023 پوائنٹس پر تھی۔

معیشت کے ضمنی نقطہ نظر کے باوجود انتظامیہ ترقی کو یقینی بنانے میں کامیاب رہی۔ الحمد للہ، آئی سی سی نے 8.131 ملین کاروباری منافع کمایا ہے۔ 30 جون 2020ء کو ختم ہونے والی نصف سال میں غیر حتمی نقصان 17.844 ملین روپے (ٹیکس سے پہلے) اور آپریٹنگ نقصان 9.712 ملین روپے تھا جو کہ پچھلے سال 28.167 ملین روپے تھا۔ آئی سی سی SIBL کا ای۔ پی۔ ایس (0.204) ہے، جو کہ پچھلے سال (0.499) تھا۔

موجودہ معاشی حالات اور کاروبار کی لاگت میں اضافے کے پیش نظر صنعت میں کم دباؤ رہنے کی پیش گوئی ہے۔ تاہم انتظامیہ مثبت نمو کو برقرار رکھنے کیلئے مناسب حکمت عملی اپنائے گی۔

بورڈ، پاکستان اسٹاک ایکسچینج اور SECP کی مسلسل معاونت اور رہنمائی کیلئے انکا شکریہ ادا کرتا ہے۔ بورڈ اس موقع پر تمام ملازمین اور انتظامیہ کی انتھک محنت اور کوششوں پر انکوداد و تحسین پیش کرتے ہوئے انکا شکریہ ادا کرتا ہے۔

برائے بورڈ آف

حاجی جان محمد

چیئر مین

کراچی 19 اگست 2020

## **INDEPENDENT AUDITOR'S REPORT ON REVIEW OF UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS**

### **Introduction**

We have reviewed, the accompanying condensed interim statement of financial position of **Security Investment Bank Limited** ("the Bank") as at June 30, 2020 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review 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 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 interim financial information as at and for the half year ended June 30, 2020 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### **Emphasis of matter**

We draw attention to note 10.1 to the condensed interim financial information which states that the Company is in non-compliance with Regulation 18(a), Regulation 23, and Regulation 24 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 as at June 30, 2020. Our conclusion is not qualified in respect of this matter.

### **Other matters**

The figures for the quarters ended June 30, 2020 and June 30, 2019 in the accompanying condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is

*Mehmood A. Razzak.*

**BAKER TILLY MEHMOOD IDREESQAMAR**  
**Chartered Accountants**

Karachi

Date: August 25, 2020

**CONDENSED INTERIM  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2020**

Assets	Note	June 2020 (Un-audited)	December 2019 (Audited)
		————— Rupees —————	
<b>Non - Current Assets</b>			
Property, plant and equipment	5	157,700,192	158,654,100
Intangible assets	6	3,198,338	3,353,336
Long term Investment	7	45,941,799	45,941,799
Long term loans and advances	8	5,088,936	7,567,047
Long term financing	9	2,500,000	2,500,000
		214,429,265	218,016,282
<b>Current Assets</b>			
Short term financing	10	7,394,078	242,654,793
Short term investments	11	333,345,535	288,064,541
Loans and advances	12	1,161,767	1,479,000
Deposits, prepayments and other receivables		5,326,650	3,510,029
Accrued interest		2,942,019	9,613,068
Tax refund due from Government	13	69,063,676	67,623,955
Cash and bank balances	14	13,302,495	8,033,947
		432,536,220	620,979,333
		<b>646,965,485</b>	<b>838,995,615</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorised Share Capital</b>			
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		170,798,844	170,798,844
Accumulated losses		(56,960,009)	(46,447,221)
		628,174,415	638,687,203
<b>Non-Current Liabilities</b>			
Deferred tax liabilities - net		980,476	980,476
<b>Current Liabilities</b>			
Subordinated loan	15	-	180,000,000
Unclaimed dividend		2,090,749	2,094,583
Accrued and other liabilities		15,719,845	17,233,353
		17,810,594	199,327,936
<b>Contingencies and commitments</b>			
		<b>646,965,485</b>	<b>838,995,615</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

**CONDENSED INTERIM STATEMENT PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020**

	Six Months Ended		Quarter Ended	
	June 2020	June 2019	June 2020	June 2019
	<b>Rupees</b>			
<b>Income</b>				
Income on financing and placements	9,126,023	31,670,842	1,559,537	14,751,220
Return on investments	8,686,197	2,509,486	3,556,056	1,003,133
Loss on sale of shares	(3,650,456)	-	(4,917,556)	-
Profit on deposit with banks	236,912	667,739	136,007	565,512
Other income	356,285	8,202,033	161,349	7,940,712
	14,754,961	43,050,100	495,393	24,260,577
<b>Expenditure</b>				
Return on deposits and borrowings	-	-	-	(2,889,369)
Operating expenses	15,967,278	14,883,060	8,514,521	7,994,789
	15,967,278	14,883,060	8,514,521	5,105,420
<b>Operating (loss) / profit before tax</b>	<b>(1,212,317)</b>	28,167,040	<b>(8,019,128)</b>	19,155,157
Unrealized gain/(loss) on remeasurement of investments classified as fair value through profit or loss	(8,500,132)	-	30,283,599	-
<b>(loss) / profit before taxation</b>	<b>(9,712,449)</b>	28,167,040	<b>(38,302,727)</b>	19,155,157
<b>Taxation</b>				
Current	(800,339)	(2,506,396)	(800,339)	(2,506,396)
	(800,339)	(2,506,396)	(800,339)	(2,506,396)
<b>Net (loss) / profit after tax</b>	<b>(10,512,788)</b>	25,660,644	<b>(39,103,066)</b>	16,648,761
<b>earning per share - basic and diluted</b>	<b>(0.204)</b>	0.499	<b>(0.760)</b>	0.324

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020**

	Six Months Ended		Quarter Ended	
	June 2020	June 2019	June 2020	June 2019
Rupees				
Net (loss) / profit after tax	(10,512,788)	25,660,644	(39,103,066)	16,648,761
<b>Other Comprehensive loss for the period</b>				
Deficit on revaluation of investments - net of tax	-	(7,159,946)	-	-
<b>Total comprehensive (loss) / income</b>	<b>(10,512,788)</b>	<b>18,500,698</b>	<b>(39,103,066)</b>	<b>16,648,761</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN



## CONDENSED CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2020

	June 2020	June 2019
	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	(1,212,317)	28,167,040
<b>Adjustments for non-cash and other items</b>		
Depreciation	990,406	1,133,912
Amortization	154,998	41,666
Gain on disposal of shares	3,650,456	-
Gain on disposal of fixed assets	-	(194,637)
	<b>4,795,860</b>	<b>980,941</b>
<b>Cash flows from operating activities before working capital changes</b>	<b>3,583,543</b>	<b>29,147,981</b>
<b>(Increase) / Decrease in operating assets</b>		
Financing and placements	235,260,715	224,924,645
Loans and advances	317,233	(417,956)
Deposits, prepayment and other receivables	(1,816,621)	(714,330)
Accrued interest	6,671,049	(2,584,757)
	<b>240,432,376</b>	<b>221,207,602</b>
<b>Increase / (Decrease) in operating liabilities</b>		
Borrowings	-	(2,759,096)
Accrued and other liabilities	(1,517,342)	6,999,031
	<b>(1,517,342)</b>	<b>4,239,935</b>
<b>Net changes in operating assets and liabilities</b>	<b>238,915,034</b>	<b>225,447,537</b>
Income tax paid	(2,240,060)	(802,861)
<b>Net cash inflow from operating activities</b>	<b>240,258,517</b>	<b>253,792,657</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Long term loan and advances	-	90,798
Purchase of fixed assets - net	(36,500)	(121,461,047)
Additions in intangible assets	-	(1,050,000)
Sale proceeds of quoted shares	52,780,385	804,800
Investments in quoted shares	(69,211,965)	(76,963,747)
Sale of Government securities	(41,000,000)	25,000,000
Long term financing	2,478,111	(78,587,993)
<b>Net cash used in investing activities</b>	<b>(54,989,969)</b>	<b>(252,167,189)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Subordinated loan	(180,000,000)	-
<b>Net cash used in financing activities</b>	<b>(180,000,000)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,268,548</b>	<b>1,625,468</b>
Cash and cash equivalents at the beginning of the period	<b>8,033,947</b>	<b>9,455,215</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>13,302,495</b>	<b>11,080,683</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

**CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020**

	Share capital	Statutory reserve	Accumulated losses	Unrealized loss on re measurement of available of sale of investments	Total
<i>Rupees</i>					
<b>Balance as at January 01, 2019</b>	<b>514,335,580</b>	<b>162,897,175</b>	<b>(78,053,895)</b>	<b>(287,166)</b>	<b>598,891,694</b>
Profit for the period	-	-	25,660,644	-	25,660,644
Other comprehensive loss	-	-	-	(7,159,946)	(7,159,946)
Statutory reserves	-	5,132,129	(5,132,129)	-	-
<b>Balance as at June 30, 2019</b>	<b>514,335,580</b>	<b>168,029,304</b>	<b>(57,525,380)</b>	<b>(7,447,112)</b>	<b>617,392,392</b>
<b>Balance as at January 01, 2020</b>	<b>514,335,580</b>	<b>170,798,844</b>	<b>(46,447,221)</b>	-	<b>638,687,203</b>
Loss for the period	-	-	(10,512,788)	-	(10,512,788)
Other comprehensive income	-	-	-	-	-
Statutory reserves	-	-	-	-	-
<b>Balance as at June 30, 2020</b>	<b>514,335,580</b>	<b>170,798,844</b>	<b>(56,960,009)</b>	-	<b>628,174,415</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2020**

### **1. STATUS AND PRINCIPAL ACTIVITIES**

- 1.1** Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was incorporated in Pakistan on 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.
- 1.2** The Company 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 (now Companies Act, 2017) and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1002 (I) /2015 dated October 15, 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated November 25, 2015 (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance).
- 1.3** During the year, the bank has not renewed its credit rating, previously JCR - VIS Credit Rating Company Limited (VIS) has placed the rating of the Company for medium to the long-term rating at 'BBB+' (Triple B plus) signifies adequate credit quality and the short-term rating of 'A-2' (A Two) signifies good certainty of timely payment. Outlook on the assigned rating is 'Stable'.
- 1.4** "In the year 2016, the Company made an investment in newly incorporated wholly owned subsidiary company namely Security Capital & Investment (Private) Limited amounting to Rs. 50 million. As per the agreement dated September 07, 2016 between the Company and the subsidiary, the Company ceded the legal right on Trading Right Entitlement Certificate (TREC) and 1,602,953 shares of the Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange (PMEX) membership card to the subsidiary. During the year 2017, the TREC has been transferred by the Company in the name of the subsidiary. However, title of shares of PSX and PMEX card has not yet been transferred in the name of the subsidiary due to the reason that the subsidiary has not obtained license to deal as broker from SECP till the date of unconsolidated statement of financial position."

Rahat Aziz, an advocate of High Court, had file an application on instruction of Security Capital & Investment (Private) Limited for striking off the name of the Company from the Register of Companies under Companies Easy Exit Scheme (CEES). And on 15 January 2020, via Letter No. CEER/MISC/1-1/2020 of Securities and Exchange Commission Of Pakistan, pursuant to the provisions of sub section (1) of section 426 of the Companies Act, 2017 (the Act) read with Companies (Easy Exit) Regulations, 2014 (the Regulations), same has been accepted and dissolution letter will be issued to the company after publication of company name under sub section 426(3) of the Companies Act, 2017.

### **2. BASIS OF PRESENTATION**

This unconsolidated condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017.

Where the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of Non-Banking Finance Companies

(Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations), directives issued by the Securities and Exchange Commission of Pakistan (SECP), and provisions of and directives issued under the Companies Act, 2017 shall prevail.

This unconsolidated condensed interim financial information 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, 2019. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017 and Listing Regulations of Pakistan Stock Exchange.

The comparative statement of financial position presented in this unconsolidated condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2019, whereas, the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended June 30, 2020.

### 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this unconsolidated 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, 2019.

### 4. ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial information 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 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, 2019.

### 5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Property	Building	Furniture and fixtures	Computer and equipments	Vehicles	Generator	Telephone system	Total
----- Rupees -----								
<b>Year ended December 31, 2019</b>								
<b>Net carrying value basis</b>								
Opening net book value (NBV)	-	31,946,666	5,856,399	1,035,534	837,833	73,728	154,251	39,904,411
Additions (at cost)	121,516,047	-	15,000	69,300	-	-	-	121,600,347
Disposals (NBV)	-	-	(10,163)	-	(600,000)	-	-	(610,163)
Depreciation charge	-	(640,000)	(889,742)	(423,437)	(219,112)	(11,640)	(56,565)	(2,240,496)
<b>Closing net book value</b>	<b>121,516,047</b>	<b>31,306,666</b>	<b>4,971,494</b>	<b>681,397</b>	<b>18,721</b>	<b>62,088</b>	<b>97,686</b>	<b>158,654,100</b>
<b>Gross carrying value basis</b>								
Cost	121,516,047	32,000,000	8,916,240	3,518,267	40,500	582,736	253,969	166,827,759
Accumulated depreciation / impairment	-	(693,334)	(3,944,746)	(2,836,870)	(21,779)	(520,648)	(156,282)	(8,173,659)
<b>Net book value</b>	<b>121,516,047</b>	<b>31,306,666</b>	<b>4,971,494</b>	<b>681,397</b>	<b>18,721</b>	<b>62,088</b>	<b>97,687</b>	<b>158,654,100</b>
<b>Period ended June 30, 2020</b>								
<b>Net carrying value basis</b>								
Opening net book value (NBV)	121,516,047	31,306,666	4,971,494	681,397	18,721	62,088	97,687	158,654,100
Additions (at cost)	-	-	-	36,500	-	-	-	36,500
Disposals (NBV)	-	-	-	(2)	-	-	-	(2)
Depreciation charge	-	(320,002)	(443,646)	(202,817)	(4,050)	(5,821)	(14,070)	(990,406)
<b>Closing net book value</b>	<b>121,516,047</b>	<b>30,986,664</b>	<b>4,527,848</b>	<b>515,078</b>	<b>14,671</b>	<b>56,267</b>	<b>83,617</b>	<b>157,700,192</b>
<b>Gross carrying value basis</b>								
Cost	121,516,047	32,000,000	8,916,240	3,554,765	40,500	582,736	253,969	166,864,257
Accumulated depreciation / impairment	-	(1,013,336)	(4,388,392)	(3,039,687)	(25,829)	(526,469)	(170,352)	(9,164,065)
<b>Net book value</b>	<b>121,516,047</b>	<b>30,986,664</b>	<b>4,527,848</b>	<b>515,078</b>	<b>14,671</b>	<b>56,267</b>	<b>83,617</b>	<b>157,700,192</b>
<b>Depreciation rate per annum (%)</b>								
	-	20%	10%	20%	20%	10%	10%	

6. INTANGIBLE ASSETS	Note	June 2020 (Un-audited)	December 2019 (Audited)
		Rupees	
PMEX card		2,500,000	2,500,000
NBFC license		458,338	583,336
DHA membership		240,000	270,000
		<b>3,198,338</b>	<b>3,353,336</b>

**7. INVESTMENT IN SUBSIDIARY**
**Investment- Subsidiary**

5,000,000 ordinary shares of Security  
Capital & Investments (Pvt) Ltd  
@ Rs. 10/- each

	<b>45,941,799</b>	45,941,799
	<b>45,941,799</b>	<b>45,941,799</b>

This represents investment in wholly owned subsidiary of the Company as detailed in note 1 to this unconsolidated financial statements. Break up value per share on 30 June 2020 is Rs. 9.188 (2019: Rs. 9.188).

**8. LONG TERM FINANCING**
**Secured and considered good**
**Murahaba Finance**

- Murahaba finance		<b>13,160,055</b>	12,979,298
- Deferred Murahaba income		<b>(677,041)</b>	(1,393,381)
Murahaba receiveable	<b>8.1</b>	<b>12,483,014</b>	11,585,917
Less: Current maturity		<b>(7,394,078)</b>	(4,018,870)
		<b>5,088,936</b>	<b>7,567,047</b>

**8.1** These represents financing of vehicle on murahaba basis against hypothecation of vehicles for a period of 3 years to 5 years, carrying mark up 1 Year KIBOR + 3% per annum (2019: 1 Year KIBOR+3%).

	June 2020 (Un-audited)	December 2019 (Audited)
<b>9. LONG TERM LOANS AND ADVANCES</b>	<b>Rupees</b>	
<b>Advances-secured</b>		
- Staff advance	736,767	1,129,000
- Against expenses	425,000	350,000
- Against office premises	2,500,000	2,500,000
	<b>3,661,767</b>	<b>3,979,000</b>
<b>Less: Current portion</b>		
Staff advance	(736,767)	(1,129,000)
Against expenses	(425,000)	(350,000)
	<b>(1,161,767)</b>	<b>(1,479,000)</b>
	<b>2,500,000</b>	<b>2,500,000</b>

**10. SHORT TERM FINANCING - Secured and considered good**

Current maturity of associated companies	-	238,635,923
Current maturity under Murahaba Finance	7,394,078	4,018,870
	<b>7,394,078</b>	<b>242,654,793</b>

**10.1** Non-compliance with Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).

**10.1.1** Regulation 18A of the Regulations states that an NBFC may provide unsecured Finance up to Rs. 200,000/- (Rupees two hundred thousand only) to a single borrower. However, as at June 30, 2020, the Company has extended unsecured financing to Stallion Deliveries (Private) Limited amounting to 1.56 million.

**10.1.2** Regulation 23 of the Regulations states that an NBFC while taking an Exposure shall not provide finance if the total Exposure availed by the Borrower from financial institutions exceeds 10 times the Equity of the Borrower as disclosed in the financial statements of the Borrower, provided that the fund-based Exposure of a Borrower shall not exceed 4 times of its equity as disclosed in the Borrower's latest financial statements. However, the equity of Stallion Deliveries Stallion Deliveries (Pvt) are negative, based on their financial statements as at June 30, 2019, by Rs. 52.68 million.

**10.1.3** Regulation 24 of the Regulations states that, at the time of allowing fresh exposure/enhancement/renewal, the NBFC shall ensure that the current assets to current liabilities ratio of the borrower is not lower than such ratio as may be required under the credit policy of the NBFC. NBFCs shall prescribe the minimum current ratio under the credit policy keeping in view the quality of the current assets, nature of the current liabilities, nature of industry to which borrower belongs to, average size of current ratio of that industry, appropriateness of risk mitigates available to the NBFCs etc. However, the Company has not established any such clause in its credit policy. Further, the Company has sanctioned financing facilities to Stallion Deliveries (Pvt) Limited amounting to Rs. 3.5 million during the year 2019, whose equity was negative at the time of sanction.

However, subsequent to the current period, financing to Stallion Deliveries (Private) Limited amounting to Rs. 3.5 million has been settled along with markup thereon.

**10.2** These were secured by way of hypothecation and a charge on assets of customers. The mark-up rates are 13% per annum (2019: 13%).

	<b>June 2020 (Un-audited)</b>	<b>December 2019 (Audited)</b>
	----- Rupees -----	
<b>11. SHORT TERM INVESTMENT</b>		
<b>Fair value through other comprehensive income</b>		
Government Securities - T Bill	66,000,000	25,000,000
Term Finance Certificates	5,836,219	5,836,219
Quoted shares	261,509,316	257,228,322
	<u>333,345,535</u>	<u>288,064,541</u>
<b>12. LOANS AND ADVANCES</b>		
Current portion of staff advance	736,767	1,129,000
Current portion of against expenses	425,000	350,000
	<u>1,161,767</u>	<u>1,479,000</u>
<b>13. TAX REFUND DUE FROM GOVERNMENT</b>		
Advance tax	272,107,151	269,867,091
Less: Accumulated provisions for taxation	(203,043,475)	(202,243,136)
	<u>69,063,676</u>	<u>67,623,955</u>
<b>14. CASH AND BANK BALANCES</b>		
With State Bank of Pakistan in current account	5,419	5,419
<b>With other banks in</b>		
- Current account	1,806,076	1,825,147
- Deposit accounts	11,426,840	6,155,583
	13,232,916	7,980,730
Cash in hand	64,160	47,798
	<u>13,302,495</u>	<u>8,033,947</u>

	<b>June 2020 (Un-audited)</b>	<b>December 2019 (Audited)</b>
	----- Rupees -----	
<b>15. SUBORDINATED LOAN</b>		
Current portion of Subordinated loan	<i>15.1</i>	-
	-	180,000,000
	-	180,000,000

- 15.1** "This subordinated loan was raised by the Company from Sponsors Directors. The loan is granted for a terms of three years, commencing from date of the said agreement dated April 10, 2018. The interest rate implicit in the agreement is six month KIBOR, which is ratified by the Securities and Exchange Commission of Pakistan ( SECP) via letter no. SC/NBFC/SIBL/42/2018/233 dated September 17, 2018. The principal amount and interest thereon will be repayable at the maturity of the loan i.e. April 10, 2021."

In accordance with the requirement of Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (vide SRO No. 1002(I)/2015 dated October 15, 2015 and SRO No. 1160(I)/2015 dated November 25, 2015), the Securities and Exchange Commission of Pakistan has instructed existing NBFCs to meet with Minimum Capital requirement of Rs.750 million to raise deposits. In order to avail the license of deposit taking NBFC, during the year 2018, the Company has raised subordinated loan of Rs. 180 million from related parties under Clause xix of Rule 2 of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

During the year 2019, the Company decided to adjust the entire amount of subordinated loan against the outstanding amount of group financing as on December 31, 2019 through Circular Resolution of the Board dated February 14, 2020. The said Resolution was submitted to the SECP vide letter Ref. 2020-010010-MS dated February 18, 2020.

During the current period, upon request of the Company, SECP through letter No. SC/NBFC-42/SIBL/2019-90 dated April 15, 2020 has acceded the Company's request and issued a directive to adjust the subordinated loan of Rs. 180,000,000 against settlement of group financing / loan; accordingly, the Company has adjusted its book of accounts with the same amount.

## **16. 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 period are as follows:





	June 2020 (Un-audited)	June 2019 (Audited)
	Rupees	
<b>Return on financing</b>		
- Associated undertakings	8,250,263	28,815,426
- Others	875,760	1,962,494
<b>Return on Subordinated Loan</b>	-	(1,637,309)
<b>Remuneration of Directors and Chief Executive</b>		
- Directors' remuneration	385,000	315,000
- Remuneration of Chief Executive	3,435,006	3,684,762
<b>Contribution to staff retirement benefit plan</b>	156,595	195,660
<b>Office rent</b>	312,000	312,000
	June 2020 (Un-audited)	June 2019 (Audited)
	Rupees	
<b>16.1 PERIOD END BALANCES</b>		
<b>Financing</b>		
<b>Balance at period end</b>		
- Associated undertakings	-	238,635,923
- Other related parties	3,500,000	3,500,000
<b>Subordinated Loan</b>	-	180,000,000
<b>Investment in Subsidiary</b>		
- Equity shares	45,941,799	45,941,799

## 17. DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue by the Board of Directors on August 25, 2020.

## 18. 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 half year ended June 30, 2020

**CONSOLIDATED CONDENSED INTERIM FINANCIAL  
POSITION (UNAUDITED)  
AS AT JUNE 30, 2020**

	Note	June 2020 (Un-audited)	December 2019 (Audited)
		Rupees	
<b>Non-current assets</b>			
Property, plant and equipment	5	157,700,192	158,654,100
Intangible assets		3,198,338	3,353,336
Long term financing		5,088,936	7,567,047
Long term advances		2,500,000	2,500,000
		<b>168,487,466</b>	<b>172,074,483</b>
<b>Current assets</b>			
Short term financing		7,394,078	242,654,793
Short term investments		333,345,535	288,064,541
Loan and advances		1,161,767	1,479,000
Deposits, prepayments and other receivables		5,326,650	3,510,029
Accrued interest		2,942,019	9,613,068
Tax Refund due from Government		69,063,676	67,623,956
Cash and bank balances	6	13,302,495	8,033,947
		432,536,220	620,979,333
Non current assets held for distribution		27,678,261	31,941,238
		<b>628,701,947</b>	<b>824,995,054</b>
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
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		171,610,484	171,610,484
Accumulated loss		(62,034,627)	(47,258,860)
		623,911,437	638,687,204
<b>Non-Current Liabilities</b>			
Deferred tax liabilities - net		980,476	980,476
		980,476	980,476
<b>Current liabilities</b>			
Subordinated loan		-	180,000,000
Unclaimed dividend		2,090,749	2,094,583
Accrued and other liabilities		1,719,285	3,232,791
		3,810,034	185,327,374
Contingencies and commitments			
		<b>628,701,947</b>	<b>824,995,054</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

## CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2020

	Six Months Ended		Quarter Ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019
	←----- Rupees -----→			
<b>Income</b>				
Income on financing and placements	9,126,023	31,670,843	1,559,537	14,751,221
Return on investments	8,752,580	2,509,486	3,622,439	1,003,133
Gain on sale of shares	5,688,975	332,877	4,421,875	332,877
Profit on deposit with banks	568,470	999,944	77,365	688,617
Other income	355,445	8,202,032	160,509	7,940,711
	<b>24,491,493</b>	43,715,182	<b>9,841,725</b>	24,716,559
<b>Expenditure</b>				
Return on deposits and borrowings	-	-	-	(2,889,369)
Operating expenses	16,093,314	17,537,035	8,566,225	10,609,576
	<b>16,093,314</b>	17,537,035	<b>8,566,225</b>	7,720,207
Operating profit before tax	8,398,180	26,178,147	1,275,501	16,996,352
Unrealized gain/(loss) on remeasurement of investments classified as fair value through profit or loss	(19,474,641)	-	26,650,613	-
<b>Taxation</b>				
Current	(1,193,890)	(2,506,396)	(1,193,890)	(2,506,396)
	<b>(1,193,890)</b>	(2,506,396)	<b>(1,193,890)</b>	(2,506,396)
(Loss) / net profit after tax	<b>(12,270,351)</b>	23,671,751	<b>26,732,224</b>	14,489,956
<b>Other Comprehensive Income</b>				
Other comprehensive income	-	(8,073,629)	-	-
<b>Total comprehensive income - net of tax</b>	<b>(12,270,351)</b>	15,598,122	<b>26,732,224</b>	14,489,956
<b>Earning per share - basic and diluted</b>	<b>(0.239)</b>	0.460	<b>0.520</b>	0.282

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020**

	Share capital	Statutory reserve	Accumulated loss	Unrealized gain on re measurement of available of sale of investments to fair value	Total
	←----- Rupees -----→				
<b>Balance as at 01 January 2019</b>	514,335,580	162,897,175	(80,882,642)	3,965,468	600,315,581
Total comprehensive income for the period	-		23,671,751		23,671,751
Unrealize gain on re measurement of available of sale of investment to fair value				(8,073,629)	(8,073,629)
Appropriations:					
Statutory reserves	-	5,132,129	(5,132,129)		-
<b>Balance as at 30 June 2019</b>	<b>514,335,580</b>	<b>168,029,304</b>	<b>(62,343,020)</b>	<b>(4,108,161)</b>	<b>615,913,703</b>
Total comprehensive income for the period	-		18,665,339	4,108,161	22,773,500
Appropriations:					
Statutory reserves	-	3,581,180	(3,581,180)		-
<b>Balance as at 31 Dec 2019</b>	<b>514,335,580</b>	<b>171,610,484</b>	<b>(47,258,861)</b>	<b>-</b>	<b>638,687,203</b>
Total comprehensive income for the period	-		(12,270,351)		(12,270,351)
Unrealized gain on re measurement of available of sale of investments to fair value			(2,505,415)	-	(2,505,415)
Appropriations:					
Statutory reserves	-	-	-		-
<b>Balance as at 30 June 2020</b>	<b>514,335,580</b>	<b>171,610,484</b>	<b>(62,034,627)</b>	<b>-</b>	<b>623,911,437</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN



**CONSOLIDATED CONDENSED INTERIM  
CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020**

	Half year ended June 30,	
	2020	2019
	----- Rupees ----->	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	8,398,180	26,178,147
<b>Adjustments for non-cash and other items</b>		
Depreciation	990,406	1,171,985
Amortization	154,998	-
Gain on disposal of shares	(5,688,975)	-
Gain on disposal of fixed assets	-	(194,637)
	(4,543,571)	977,348
<b>Cash flows from operating activities before working capital changes</b>	<b>3,854,609</b>	<b>27,155,495</b>
(Increase) / Decrease in financing and placements	235,260,715	224,924,645
(Increase) / Decrease in loans and advances	317,233	(6,305,439)
Decrease in deposits, prepayment and other receivables	(1,816,621)	(1,101,326)
(increase) / Decrease in accrued interest	6,671,049	(2,917,634)
	240,432,376	214,600,246
<b>Increase / (Decrease) in operating liabilities</b>		
(Decrease) / Increase in unclaimed dividend	(3,834)	-
Increase / (Decrease) in borrowings	-	(2,759,096)
Decrease in accrued and other liabilities	(1,513,505)	7,019,389
	(1,517,339)	4,260,293
Net changes in operating assets and liabilities	238,915,037	218,860,539
Income tax paid	(2,511,128)	(802,861)
<b>Net cash used in operating activities</b>	<b>240,258,517</b>	<b>245,213,173</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets - net	(36,500)	(122,842,535)
Investments in government securities	(41,000,000)	25,000,000
Investment in quoted shares	(69,211,965)	(76,963,747)
Sale proceed of quoted shares	52,780,385	-
Long term financing	2,478,111	(78,587,993)
<b>Net cash generated from investing activities</b>	<b>(54,989,969)</b>	<b>(253,394,275)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	<b>(180,000,000)</b>	<b>-</b>
Net decrease in cash and cash equivalents	5,268,548	(8,181,102)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8,033,947</b>	<b>19,663,073</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>13,302,495</b>	<b>11,481,971</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2020

### 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 Office No. 01, 1st Floor, Junaid Plaza, I-10 Markaz, 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.

Rahat Aziz, an advocate of High Court, had file an application on instruction of Security Capital & Investment (Private) Limited for striking off the name of the Company from the Register of Companies under Companies Easy Exit Scheme (CEES). And on 15 January 2020, via Letter No. CEER/MISC/1-1/2020 of Securities and Exchange Commission Of Pakistan, pursuant to the provisions of sub section (1) of section 426 of the Companies Act, 2017 (the Act) read with Companies (Easy Exit) Regulations, 2014 (the Regulations), same has been accepted and dissolution letter will be issued to the company after publication of company name under sub section 426(3) of the Companies Act, 2017.

The subsidiary company discontinued its business of undertaking stock brokerage business, and to act as Trading Right Entitlement Certificate (TREC) Holder of the stock exchange and as broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 . Accordingly, the assets have been classified as held for distribution as at 31 December 2019 in accordance with the requirement of IFRS-5 "Non Current Assets - Held For Sale" in the consolidated financial statements.

### 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, 2019.

The comparative balance sheet presented in this consolidated condensed interim financial information as at December 31, 2019 has been extracted from audited financial statements of the company for the year ended December 31, 2019, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the half year ended June 30, 2020 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, 2019.

### 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 2019.

<b>June 30, 2020 (Un-audited)</b>	<b>December 31, 2019 (Audited)</b>
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<----- Rupees ----->

### 5 OPERATING ASSETS

#### Cost

As at January 01	<b>166,827,759</b>	45,837,575
Addition	<b>36,498</b>	121,600,347
Deletion	<b>-</b>	(610,163)
As at June 30	<b>166,864,257</b>	166,827,759

#### Less: Accumulated Depreciation

As at January 01	<b>8,173,659</b>	5,933,163
Depreciation expenses	<b>990,406</b>	2,240,496
Adjustment made	<b>-</b>	-
As at June 30	<b>9,164,065</b>	8,173,659
	<b>157,700,192</b>	158,654,100

### 6 CASH AND BANK BALANCES

With State Bank of Pakistan in current account	<b>5,419</b>	5,419
With other banks in		
Current account	<b>1,806,076</b>	1,825,147
Deposit accounts	<b>11,426,840</b>	6,155,583
	<b>13,232,916</b>	7,980,730
Cash in hand	<b>64,160</b>	47,798
	<b>13,302,495</b>	8,033,947

### 7 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors on August 25, 2020.

### 8 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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