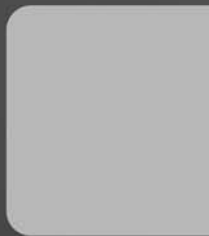


# QUARTERLY REPORT SEPTEMBER 30, 2020



**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 (SIB)** are pleased to present the financial statement of the Company for the quarter ended 30 September 2020.

Pakistan's economic activity is now in emerging recovery in the first quarter of financial year 2021 (FY-2021). Looking forward, based on current economic, fiscal, monetary and exchange rate policies and on prospects for the international environment, economic activity is rebound in the first quarter of FY21 compared to the last quarter of previous FY. During the first quarter of FY2021, current account posted a surplus of \$ 805 million (1.8 percent of GDP) against a deficit of \$ 1214 million last year (-2.8 percent of GDP), remittances rose to \$ 4.9 billion against \$ 3.7 billion last year, with a growth of 31.0 percent, fiscal deficit is remain as targeted for Q1 FY 2021.

The global economy is now looking for paths to recovery from the COVID-19 crisis. During September 2020, the world economy remained on track of economic recovery as seen in the past months. More specifically the economic activity in Pakistan's main trading partners continues to recover from the COVID-19 pandemic.

SBP, Monetary Policy Committee (Committee) issued policy statement on 21 September 2020, considered that outlook for growth and inflation in Pakistan is likely to improve, accordingly the Committee has decided to keep the policy rate unchanged at 7%.

During the quarter, the KSE-100 index registered slightly increase 20% to 41,204 points as of 30 September 2020 from 34,421 points as of 30 June 2020.

The Management has managed to ensure growth. Alhamdulillah, your company generated profit from its operation Rs. 14.867 million and incurred unrealized gain on re-measurement of investment Rs. 54.182 million, combining operating profit before taxes of Rs. 69.049 million for the quarter ended 30 September 2020 as compared to Rs. 33.865 million of the corresponding period. Your Company's EPS Rs. 1.327 as compared to Rs. 0.610 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. During the quarter the Board has decided to transform SIB into Microfinance Bank initially at provincial level.

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, 28 October 2020

## ڈائریکٹر رپورٹ

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ (ایس آئی بی) کے بورڈ آف ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی میں کمپنی کا مالی جائزہ پیش کرنے پر خوش ہیں۔

مالی سال 2021 (مالی سال 2021) کی پہلی سہ ماہی میں پاکستان کی معاشی سرگرمی میں بحالی دھکی جا رہی ہے۔ موجودہ معاشی، مالی، مالیاتی اور زرمبادلہ کی شرح کی پالیسیوں اور بین الاقوامی ماحول کے امکانات کی بنیاد پر موجودہ مالی سال کی آخری سہ ماہی کے مقابلے میں مالی سال 21 کی پہلی سہ ماہی میں اقتصادی سرگرمیاں مستحکم ہیں۔ مالی سال 2021 کی پہلی سہ ماہی کے دوران، کرنٹ اکاؤنٹ سر پلس 805 ملین ڈالر کا اضافہ دیکھا گیا ہے، جو کہ گذشتہ سال 1214 ملین ڈالر خسارے (جی ڈی پی کا 2.22 فیصد) کے مقابلے میں ہے، تریلیات زر 4.99 بلین ڈالر 31 فیصد کی شرح نمو کے ساتھ بڑھ گیا جو کہ گزشتہ 3.77 بلین ڈالر تھا۔ مالی خسارہ سہ ماہی ۲۰۲۱ کے لئے مخصوص ہدف پر برقرار ہے۔

عالمی معیشت اب COVID-19 بحران سے بحالی کی راہیں تلاش کر رہی ہے۔ ستمبر 2020 کے دوران، عالمی معیشت معاشی بحالی کے راستے پر تازم رہی جیسا کہ پچھلے مہینوں میں دیکھا گیا تھا۔ خاص طور پر پاکستان کے اہم تجارتی شراکت دار معاشی سرگرمیوں کی بحالی کی کوششوں میں ہیں۔ جو کہ COVID-19 سے متاثر ہوئی ہے۔

اسٹیٹ بینک، مانیٹری پالیسی کمیٹی (کمیٹی) نے 21 ستمبر 2020 کو پالیسی بیان جاری کیا، جس کے مطابق پاکستان میں نمو اور افراط زر کی صورت حال میں بہتری آنے کا امکان ہے، اسی کے تحت کمیٹی نے پالیسی کی شرح کو 7% پر برقرار رکھنے کا فیصلہ کیا ہے۔

اس سہ ماہی کے دوران، کے ایس ای 100 انڈیکس 30 ستمبر 2020 تک 20 فیصد اضافے سے 41,204 پوائنٹس پر 30 ستمبر 2020 تک 34,421 پوائنٹس تک پہنچ گیا۔

انتظامیہ ترقی کو یقینی بنانے میں کامیاب رہی۔ الحمد للہ، آپ کی کمیٹی نے اپنے کاروباری منافع سے 14.867 بلین روپیہ اور سرمایہ کاری کی از سر نو پیمائش پر 55.182 بلین روپیہ کا حقیقی فائدہ حاصل کیا۔ ۳۰ ستمبر ۲۰۲۰ کو آپریٹنگ پروفٹ ٹیکس سے پہلے 69.049 بلین روپیہ ریکارڈ کیا گیا جو کہ پچھلے سہ ماہی میں 33.865 بلین روپیہ تھا۔ آپ کی کمیٹی کا ای-پی-ایس 1.327 روپیہ ہے جو گزشتہ مدت 0.610 روپیہ تھا۔

موجودہ معاشی حالات اور کاروبار کرنے کی لاگت میں اضافہ کے پیش نظر، منجمنٹ، صنعت کو دباؤ میں دیکھتی ہے۔ تاہم، منجمنٹ مثبت شرح نمو کو برقرار رکھنے کے لئے مناسب حکمت عملی اپنائے گی۔ اس سہ ماہی کے دوران بورڈ نے ابتدائی طور پر صوبائی سطح پر ایس آئی بی کو مانیٹریڈ فنانس بینک میں تبدیل کرنے کا فیصلہ کیا ہے۔

بورڈ پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل معاونت، مدد اور رہنمائی پر ان کا شکریہ ادا کرنا چاہتا ہے۔ بورڈ اس موقع پر کمیٹی کے ملازمین سے وابستگی اور محنت کے اظہار کے لئے انکو داد و تحسین پیش کرنا چاہتا ہے۔ کمیٹی ان کی کوششوں کے لئے انکا شکریہ ادا کرتی ہے۔

منجانب بورڈ،

حاجی جان محمد

چیئرمین

کراچی، 128 اکتوبر 2020

**UNCONSOLIDATED  
CONDENSED INTERIM BALANCE SHEET  
AS AT 30 SEPTEMBER 2020**

	September 30 2020 (Un-audited)	December 31 2019 (Audited)
Note	←----- Rupees ----->	
<b>Non-current assets</b>		
Property, plant and equipment	5 157,227,819	158,654,100
Intangible assets	3,120,839	3,353,336
Long term investments	6 45,941,799	45,941,799
Long term financing	7 6,070,982	7,567,047
Long term Advances	2,500,000	2,500,000
	<b>214,861,439</b>	<b>218,016,282</b>
<b>Current assets</b>		
Short term financing	8 52,370,655	242,654,793
Short term investments	9 371,432,628	288,064,541
Loans and advances	1,152,757	1,479,000
Deposits, prepayments and other receivables	1,067,438	3,510,029
Accrued interest	3,225,859	9,613,068
Tax refund due from government	68,644,883	67,623,955
Cash and bank balances	10 12,134,827	8,033,947
	<b>510,029,047</b>	<b>620,979,333</b>
	<b>724,890,486</b>	<b>838,995,615</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	<b>1,000,000,000</b>	<b>1,000,000,000</b>
Issued, subscribed and paid up capital	514,335,580	514,335,580
Statutory reserves	184,448,759	170,798,844
Accumulated (loss) / profit	8,152,437	(46,447,221)
	<b>706,936,776</b>	<b>638,687,203</b>
<b>Non Current Liabilities</b>		
Deferred tax liabilities - net	<b>980,476</b>	<b>980,476</b>
	<b>980,476</b>	<b>980,476</b>
<b>Current liabilities</b>		
Subordinated Loan	11 -	180,000,000
Unclaimed Dividend	2,090,749	2,094,583
Accrued and other liabilities	14,882,485	17,233,353
	<b>16,973,234</b>	<b>199,327,936</b>
Contingencies and commitments	12 -	-
	<b>724,890,486</b>	<b>838,995,615</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN

**UNCONSOLIDATED CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Nine Months Ended		Quarter Ended	
	September 30 2020	September 30 2019	September 30 2020	September 30 2019
----- Rupees -----				
<b>Income</b>				
Income on financing and placements	9,531,356	44,082,639	405,333	12,411,797
Return on investments	7,576,029	1,226,805	(1,110,168)	(1,282,681)
Capital gain	20,326,679	490,378	14,637,704	490,378
Profit on deposit with banks	431,641	826,280	194,729	158,541
Other income	787,027	10,251,454	430,742	2,049,421
	<b>38,652,732</b>	<b>56,877,556</b>	<b>14,558,340</b>	<b>13,827,456</b>
<b>Expenditure</b>				
Return on deposits and borrowings	-	-	-	-
Operating expenses	23,785,113	23,011,997	7,822,709	8,128,937
	<b>23,785,113</b>	<b>23,011,997</b>	<b>7,822,709</b>	<b>8,128,937</b>
Operating profit	14,867,619	33,865,559	6,735,631	5,698,519
Unrealized gain/(loss) on remeasurement of investments classified as fair value through profit or loss	54,182,293	-	72,026,731	-
Profit before taxation	69,049,912	33,865,559	78,762,362	5,698,519
<b>Taxation</b>				
Current	(800,339)	(2,506,396)	-	-
Deferred	-	-	-	-
	<b>(800,339)</b>	<b>(2,506,396)</b>	<b>-</b>	<b>-</b>
Net Profit after tax	68,249,573	31,359,163	78,762,362	5,698,519
<b>Earning per share - basic and diluted</b>	<b>1.327</b>	<b>0.610</b>	<b>1.531</b>	<b>0.111</b>

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

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	<b>Nine months Ended Sep 30,</b>	<b>Quarter Ended Sep 30,</b>	<b>2020</b>	<b>2019</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Rupees</b>			
Net profit after tax	<b>68,249,573</b>	31,359,163	<b>78,762,362</b>	5,698,519
Other comprehensive income for the period				
Deficit on revaluation of investments - net of tax	-	(19,450,427)	-	-
<b>Total comprehensive income for the period</b>	<b>68,249,573</b>	11,908,736	<b>78,762,362</b>	5,698,519

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

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Share capital	Statutory reserve	Unappropriated loss/profit	Unrealized gain on re measurement of available of sale of investments to fair value	Total
	<b>Rupees</b>				
<b>Balance as at 01 January 2019</b>	514,335,580	162,897,175	(78,053,895)	(287,166)	598,891,694
Total comprehensive income for the period	-	-	31,359,163	-	31,359,163
Appropriations:					
Statutory reserves	-	6,271,833	(6,271,833)	-	-
<b>Balance as at 30 September 2019</b>	<b>514,335,580</b>	<b>169,169,008</b>	<b>(52,966,565)</b>	<b>(287,166)</b>	<b>630,250,857</b>
Total comprehensive income for the year	-	-	8,149,180	287,166	8,436,346
Appropriations:					
Statutory reserves	-	1,629,836	(1,629,836)	-	-
<b>Balance as at 31 December 2019</b>	<b>514,335,580</b>	<b>170,798,844</b>	<b>(46,447,221)</b>	<b>-</b>	<b>638,687,203</b>
Profit for the period	-	-	68,249,573	-	68,249,573
Other comprehensive income	-	-	-	-	-
Statutory reserves	-	13,649,915	(13,649,915)	-	-
<b>Balance as at 30 Sep 2020</b>	<b>514,335,580</b>	<b>184,448,759</b>	<b>8,152,437</b>	<b>-</b>	<b>706,936,776</b>

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

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN



**UNCONSOLIDATED CONDENSED  
CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Nine months ended Sep 30,	
	2020	2019
	←----- Rupees -----→	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	14,867,619	33,865,559
<b>Adjustments for non-cash and other items</b>		
Depreciation	1,462,781	1,669,159
Amortization	232,497	
Gain on disposal of shares	(20,326,679)	(490,378)
Gain on disposal of fixed assets	-	-
	<b>(18,631,401)</b>	<b>1,178,781</b>
<b>Cash flows from operating activities before working capital changes</b>	<b>(3,763,782)</b>	<b>35,044,340</b>
<b>(Increase) / Decrease in operating assets</b>		
(Increase) / Decrease in financing and placements	190,284,138	170,509,038
Decrease in loans and advances	326,243	4,376,551
Decrease in deposits, prepayment and other receivables	2,442,591	(6,735,591)
(Increase) / Decrease in accrued interest	6,387,209	1,374,775
	<b>199,440,181</b>	<b>169,524,773</b>
<b>Increase / (Decrease) in operating liabilities</b>		
(Decrease) / Increase in short term deposits	-	-
(Decrease) / Increase in borrowings	-	(2,759,096)
(Decrease) / Increase in accrued and other liabilities	(2,350,868)	(15,913,578)
	<b>(2,350,868)</b>	<b>(18,672,674)</b>
Net changes in operating assets and liabilities	<b>197,089,313</b>	<b>150,852,099</b>
Income tax paid	(1,821,267)	(908,852)
<b>Net cash used in operating activities</b>	<b>191,504,264</b>	<b>184,987,587</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Long term loan and advances	-	(121,600,347)
Purchase of fixed assets - net	(36,500)	-
Sale proceeds of quoted shares	112,513,625	-
Investments in quoted shares	(90,376,574)	(62,309,963)
Purchases of Government securities	(31,000,000)	-
<b>Net cash generated from investing activities</b>	<b>(8,899,449)</b>	<b>(183,910,310)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing	1,496,065	3,878,461
Subordinate loan	(180,000,000)	-
<b>Net cash generated from financing activities</b>	<b>(178,503,935)</b>	<b>3,878,461</b>
Net increase in cash and cash equivalents	<b>4,100,880</b>	<b>4,955,738</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8,033,947</b>	<b>9,455,215</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12,134,827</b>	<b>14,410,953</b>

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

SHAKEEL AHMED  
CFO

ZAFAR M. SHEIKH  
CHIEF EXECUTIVE

HAJI JAN MUMAMMAD  
CHAIRMAN

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2020

### 1 STATUS AND PRINCIPAL ACTIVITIES

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.

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). The license is valid until May 29, 2018.

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.

During the year the bank has not renewed its credit rating, prviously 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'.

### 2 BASIS OF PRESENTATION

These condensed interim financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34- Interim Financial Reporting" as applicable in Pakistan and are unaudited . These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchanges.

### 3 ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparation of the financial statements for the year ended 31 December 2019.

#### 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 2019.

	Sep 30, 2020 (Un-audited)	Dec 31, 2019 (Audited)
	<----- Rupees ----->	
<b>5 Operating Assets</b>		
<b>Cost</b>		
As at January 01	166,827,759	46,195,275
Addition	36,500	121,600,347
Deletion	-	(610,163)
As at Sep 30	<b>166,864,259</b>	167,185,459
<b>Less: Accumulated Depreciation</b>		
As at January 01	8,173,659	6,290,864
Depreciation expenses	1,462,781	2,240,496
Adjustment made	-	
As at Sep 30	<b>9,636,440</b>	8,531,360
	<b>157,227,819</b>	158,654,099
<b>6 Long term investments</b>		
<b>INVESTMENT IN SHARES OF PSX - AVAILABLE FOR SALE</b>		
5,000,000 ordinary shares of Security Capital & Investments (Pvt) Ltd @ Rs. 10/- each	45,941,799	45,941,799
	<b>45,941,799</b>	45,941,799
<b>7 Long term financing</b>		
Related parties - secured and considered good		
- Others	9,321,148	12,979,298
Less: Deferred Murahaba income	(879,511)	(1,393,381)
Murahaba receiveable	8,441,637	11,585,917
Less: Current maturity	(2,370,655)	(4,018,870)
	<b>6,070,982</b>	7,567,047
<b>8 Short term financing- secured and considered good</b>		
Associated companies	-	238,635,923
Others	50,000,000	-
Current maturity of long term financing	2,370,655	4,018,870
	<b>52,370,655</b>	242,654,793

	Sep 30, 2020 (Un-audited)	Dec 31, 2019 (Audited)
	←----- Rupees -----→	
<b>9 Short term investment</b>		
<b>Held to Maturity</b>		
Market Treasury Bills	56,000,000	25,000,000
<b>Available for sale</b>		
Term Finance Certificates	5,836,219	5,836,219
Quoted shares	309,596,409	257,228,322
	371,432,628	288,064,541
<b>10 Cash and bank balances</b>		
With State Bank of Pakistan in current account	5,419	5,419
With other banks in		
Current account	1,805,809	1,825,147
Deposit accounts	10,243,599	6,155,583
	12,049,408	7,980,730
Cash in hand	80,000	47,798
	12,134,827	8,033,947
<b>11 SUBORDINATED LOAN</b>		
Subordinated loan	-	180,000,000
<b>12 Contingencies and commitments</b>		
<b>12.1</b> Guarantees issued on behalf of customers	-	-
<b>13 Transaction with related parties</b>		
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes subsidiary company, associated companies with or without common directors, directors and major share holder and their close family members, key management personnel and retirement benefit funds. The company has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method and are in the normal course of business at contracted rates and terms determined in accordance with market rates. Transactions with related parties during the year, other than Director's remuneration, are as follows;		
<b>BALANCES AS AT THE PERIOD END</b>		
<b>Financing</b>		
Balance at year end		
- Associated undertakings	-	235,135,923
<b>Investment in subsidiary</b>		
Equity shares	45,941,799	45,941,799
<b>Advance from subsidiary</b>		
Advance against purchase of certain assets	14,000,562	14,000,562

	<b>Nine Months ended Sep 30,</b>	
	<b>2020</b>	<b>2019</b>
	<i>&lt;----- Rupees -----&gt;</i>	
<b>TRANSACTIONS DURING THE PERIOD</b>		
<b>Return on financing</b>		
- Associated undertakings	<b>8,236,329</b>	42,841,095
<b>Contribution to staff retirement benefit plan</b>		
	<b>234,442</b>	270,124

**14 Date of authorisation**

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on 28th October 2020.

**15 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 Quarter Ended Sep 30, 2020





**CONSOLIDATED  
CONDENSED INTERIM BALANCE SHEET  
AS AT 30 SEP 2020**

	Sep 30 2020 (Un-audited)	December 31 2019 (Audited)
	Note <----- Rupees ----->	
<b>Non-current assets</b>		
Property, plant and equipment	5 157,227,819	158,654,100
Intangible assets	3,120,839	3,353,336
Long term financing	6,070,982	7,567,047
Long Term Advances	2,500,000	2,500,000
	<b>168,919,640</b>	<b>172,074,483</b>
<b>Current assets</b>		
Short term financing	52,370,655	242,654,793
Short term investments	371,432,628	288,064,541
Loan and Advances	1,152,757	1,479,000
Deposits, prepayments and other receivables	1,067,438	3,510,029
Accrued interest	3,225,859	9,613,068
Tax Refund due from Government	68,644,883	67,623,955
Cash and bank balances	6 12,134,827	8,033,947
	<b>510,029,047</b>	<b>620,979,332</b>
Non current assets held for distribution	38,263,225	31,941,238
	<b>717,211,912</b>	<b>824,995,053</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	<b>1,000,000,000</b>	<b>1,000,000,000</b>
Issued, subscribed and paid up capital	514,335,580	514,335,580
Statutory reserves	184,448,759	171,610,484
Accumulated Profit	14,474,425	(47,258,860)
	<b>713,258,764</b>	<b>638,687,204</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	980,476	980,476
	<b>980,476</b>	<b>980,476</b>
<b>Current liabilities</b>		
Subordinated loan	-	180,000,000
Unclaimed Dividend	2,090,749	2,094,583
Accrued and other liabilities	881,923	3,232,791
	<b>2,972,672</b>	<b>185,327,374</b>
Contingencies and commitments		
	<b>717,211,912</b>	<b>824,995,053</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 QUARTER ENDED SEP 30 2020

	Nine Months Ended		Quarter Ended	
	Sep 30 2020	Sep 30 2019	Sep 30 2020	Sep 30 2019
	<i>Rupees</i>			
<b>Income</b>				
Income on financing and placements	9,531,356	44,082,639	405,333	12,411,796
Return on investments	7,576,029	1,226,805	(1,176,551)	(1,282,681)
Gain on sale of shares	20,326,679	490,378	14,637,704	157,501
Profit on deposit with banks	836,953	1,509,368	268,483	509,424
Other income	787,027	10,251,454	431,582	2,049,422
	<b>39,058,044</b>	57,560,644	<b>14,566,551</b>	13,845,462
<b>Expenditure</b>				
Return on deposits and borrowings	-	-	-	-
Operating expenses	23,917,937	25,681,035	7,824,623	8,144,000
	<b>23,917,937</b>	25,681,035	<b>7,824,623</b>	8,144,000
Operating profit before tax	15,140,106	31,879,609	6,741,927	5,701,462
Realized gain on remeasurement of investments classified as fair value through profit and loss	63,131,580	-	82,606,221	-
<b>Taxation</b>				
Deferred	-	-	-	-
Current	(1,194,711)	(2,506,396)	(821)	-
	<b>(1,194,711)</b>	(2,506,396)	<b>(821)</b>	-
Net profit after tax	<b>77,076,976</b>	29,373,213	<b>89,347,328</b>	5,701,462
<b>Other Comprehensive Income</b>				
Other comprehensive income	-	(27,689,605)	-	-
<b>Total comprehensive income - net of tax</b>	<b>77,076,976</b>	1,683,608	<b>89,347,328</b>	5,701,462
<b>Earning per share - basic and diluted</b>	<b>1.499</b>	0.571	<b>1.737</b>	0.111

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

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEP 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>	<b>514,335,580</b>	<b>162,897,175</b>	<b>(80,882,642)</b>	<b>3,965,468</b>	<b>600,315,581</b>
Total comprehensive income for the period	-	-	29,373,213	(27,689,605)	<b>1,683,608</b>
Transfer to Statutory Reserve	-	6,271,833	(6,271,833)		-
<b>Balance as at 30 September , 2019</b>	<b>514,335,580</b>	<b>169,169,008</b>	<b>(57,781,262)</b>	<b>(23,724,137)</b>	<b>601,999,189</b>
Total comprehensive income for the period	-		12,963,877	23,724,137	<b>36,688,014</b>
Appropriations:					-
Statutory reserves	-	1,629,836	(1,629,836)		-
<b>Balance as at 31 December 2019</b>	<b>514,335,580</b>	<b>170,798,844</b>	<b>(46,447,221)</b>	<b>-</b>	<b>638,687,203</b>
Total comprehensive income for the period	-		77,076,976	-	77,076,976
Realized gain on remeasurement of investments classified as fair value through profit and loss			(2,505,415)		(2,505,415)
Statutory reserves	-	13,649,915	(13,649,915)		-
<b>Balance as at 30 Sep 2020</b>	<b>514,335,580</b>	<b>184,448,759</b>	<b>14,474,425</b>	<b>-</b>	<b>713,258,764</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 QUARTER ENDED SEP 30 2020

	Quarter ended Sep. 30,	
	2020	2019
	<----- Rupees ----->	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	15,140,106	25,324,305
<b>Adjustments for non-cash and other items</b>		
Depreciation	1,497,070	1,274,847
Gain on disposal of shares	(20,326,679)	(1,204,766)
Gain on disposal of fixed assets	-	(50,000)
Amortization	232,497	-
	(18,597,112)	20,081
<b>Cash flows from operating activities before working capital changes</b>	(3,457,006)	25,344,386
(Increase) / Decrease in financing and placements	190,284,138	(151,244,610)
(Increase) / Decrease in loans and advances	326,243	387,820
Decrease in deposits, prepayment and other receivables	2,442,591	8,004,116
(increase) / Decrease in accrued interest	6,387,209	680,663
	199,440,181	(142,172,011)
<b>Increase / (Decrease) in operating liabilities</b>		
(Decrease) / Increase in unclaimed dividend	(3,834)	(7,700,000)
Increase / (Decrease) in sub ordinate loan	(180,000,000)	(37,398,225)
Decrease in accrued and other liabilities	(2,350,868)	(10,661,680)
	(182,354,702)	(55,759,905)
Net changes in operating assets and liabilities	17,085,479	(197,931,916)
Long term financing	-	-
Income tax paid	(2,215,639)	(249,336)
<b>Net cash used in operating activities</b>	11,412,835	(172,836,866)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Long term loan and advances	-	(490,680)
Purchase of fixed assets - net	(36,500)	-
Sale proceeds of quoted shares	112,605,054	-
Investments in quoted shares	(90,376,574)	-
Purchases of Government securities	(31,000,000)	-
<b>Net cash generated from investing activities</b>	(8,808,020)	(490,680)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing	1,496,065	5,169,599
Subordinate loan	-	180,000,000
Net increase in cash and cash equivalents	4,100,880	11,842,053
<b>Cash and cash equivalents at the beginning of the period</b>	8,033,947	34,443,155
<b>Cash and cash equivalents at the end of the period</b>	12,134,827	46,285,208

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 FOR THE QUARTER ENDED SEP 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. 1, 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 quarter ended Sep 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>Sep 30, 2020</b>	December 31, 2019
	<b>(Un-audited)</b>	(Audited)
	←----- Rupees ----->	
<b>5 OPERATING ASSETS</b>		
<b>Cost</b>		
As at January 01, 2020	<b>166,827,759</b>	13,907,164
Addition	<b>36,500</b>	32,603,380
Deletion	-	(124,906)
As at Sep 30, 2020	<b>166,864,259</b>	46,385,638
<b>Less: Accumulated Depreciation</b>		
As at January 01	<b>8,173,659</b>	4,564,608
Depreciation expenses	<b>1,462,781</b>	1,784,315
Adjustment made	-	-
As at Sep 30, 2020	<b>9,636,440</b>	6,348,923
	<b>157,227,819</b>	40,036,715
<b>6 CASH AND BANK BALANCES</b>		
With State Bank of Pakistan in current account	<b>5,419</b>	11,257
With other banks in		
Current account	<b>1,805,809</b>	2,196,079
Deposit accounts	<b>10,243,599</b>	17,431,673
	<b>12,049,408</b>	19,627,752
Cash in hand	<b>80,000</b>	24,064
	<b>12,134,827</b>	19,663,073
<b>7 DATE OF AUTHORISATION</b>		
These consolidated condensed interim financial statements were authorised for issue by the Board of Directors on 28th October 2020.		
<b>8 GENERAL</b>		
Figures have been rounded off to the nearest rupee.		

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MUMAMMAD**  
CHAIRMAN





**SIB**

SECURITY  
INVESTMENT  
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