3rd Quarterly Report 2026

SIB
SECURITY
INVESTMENT
BANK LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Haji Jan Muhammad - Chairman
Mr. Muhammad Mehboob
Mrs. Zillay Huma Khan
Mr. Ghazzanfar Ahsan
Mr. Saleem Jessani
Mr. Syed Zafar Hasan Reza
Mr. Muhammad Bilal Chaudhry

PRESIDENT & CEO

Mr. Zafar M. Sheikh

AUDIT COMMITTEE

Syed Zafar Hasan Reza - Chairman
Mr. Saleem Jessani
Mr. Muhammad Mehboob
Mr. Ghazzanfar Ahsan

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Muhammad Bilal Chaudhry - Chairman
Mr. Zafar M. Sheikh
Mr. Muhammad Mehboob
Mr. Syed Zafar Hasan Reza

RISK MANAGEMENT COMMITTEE

Mr. Ghazzanfar Ahsan - Chairman
Mr. Muhammad Mehboob
Mr. Syed Zafar Hasan Reza
Mr. Zafar M. Sheikh

CHIEF FINANCIAL OFFICER

Mr. Shakeel Ahmed

SHARIAH ADVISOR

Mufti Ghaffar Ahmed

HEAD OF INTERNAL AUDIT

Mr. Masrur Ahmed Siddiqui

AUDITORS

Parker Russell - A.J.S
Chartered Accountant

TAX ADVISORS

Grant Thornton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS

Mr. Muhammad Altaf
Advocate of the High Court

SHARE REGISTRAR

M/s. C&K Management
Associate (Pvt) Limited
M-13, Progressive Plaza,
Plot No. 5, CL-10,
Civil Lines Quarter,
Beaumont Road, Karachi.

BANKERS

JS Bank Limited
United Bank Limited
Bank Makramah Limited

REGISTERED OFFICE

Office No.15, 3rd Floor,
Al-Rehmat Mall, Sector G-11,
Markaz, Islamabad
Tel: (051) 2221222
Website: www.sibl.com.pk

KARACHI OFFICE

Suit No.502, 5th Floor,
Madina City Mall
Abdullah Haroon Road,
Saddar, Karachi
Tel: (021) 35659753-54
Fax: (021) 35659755
E-mail: sibl@sibl.com.pk

DIRECTOR'S REPORT

The directors of **Security Investment Bank Limited** (the Company) are pleased to present the Financial Statements of the Company for the quarter ended 30 September 2026.

Pakistan's economy remains challenging but is showing gradual stabilization, supported by tighter fiscal and monetary policies, improved foreign-exchange reserves, and external assistance. Inflation has moderated and economic growth is gradually improving, though high public debt, weak tax collection, energy-sector issues, and unemployment remain major challenges. The economy remains vulnerable to political uncertainty, global economic conditions, and climate-related shocks. The government is pursuing reforms in taxation, energy, exports, investment, and governance to strengthen macroeconomic stability and promote sustainable long-term growth.

During July–September 2026 (Q1 FY2026–27), Pakistan's current account remained in deficit, mainly due to a widening trade gap. The deficit stood at US$543 million during July–August 2026, 36% lower than the same period last year, supported by strong remittances.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth and improvement. The Committee considered that the evolving geopolitical developments significantly affected the macroeconomic outlook, with the Middle East conflict driving up global energy, freight, and insurance costs. Despite these shocks, FY26 macroeconomic outcomes remained broadly within the projection ranges. The SBP's prudent monetary tightening helped contain inflationary effects and keep inflation expectations anchored. Fiscal discipline, targeted subsidies, and energy-conservation measures moderated aggregate demand and kept demand-side pressures contained. Therefore, decided to keep the policy rate unchanged at 11.50%.

During July–September 2026, Pakistan's capital market remained active but experienced considerable volatility. The KSE-100 index ended September at around **169,969** points, after facing selling pressure during the month. Overall, investor participation remained strong, but geopolitical tensions and economic uncertainty affected market performance.

Business Performance Review

Alhamdulillah, your company declared profit from its operation Rs. 12.667 million for the quarter ended 30 September 2026 as compared to operating profit before taxes was Rs. 27.414 million of the corresponding period. Your Company's EPS was Rs. 0.172 compared to Rs. 0.448 of the corresponding period.

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 thank untiring efforts of the Management and staff.

On behalf of the Board

Haji Jan Muhammad
Chairman

Zafar M Sheikh
Chief Executive Officer

Karachi, 31 October 2026

ڈائریکٹرز کی رپورٹ

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ (جسے بعد ازاں ''کمپنی'' کہا جائے گا) کے ڈائریکٹرز کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ وہ 30 ستمبر 2026 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے مالی گوشوارے پیش کر رہے ہیں۔

پاکستان کی معیشت کو بدستور مختلف چیلنجز کا سامنا ہے، تاہم سخت مالیاتی اور زری پالیسیوں، زرمبادلہ کے ذخائر میں بہتری اور بیرونی مالی معاونت کے نتیجے میں معاشی استحکام کے آثار بتدریج نمایاں ہو رہے ہیں۔ افراطِ زر کی شرح میں کمی واقع ہوئی ہے اور معاشی ترقی کی رفتار میں بھی بتدریج بہتری آ رہی ہے۔ تاہم، سرکاری قرضوں کا بلند حجم، ٹیکس وصولیوں میں کمزوری، توانائی کے شعبے کے مسائل اور بے روزگاری بدستور اہم معاشی چیلنجز ہیں۔ ملکی معیشت سیاسی غیر یقینی صورتحال، عالمی معاشی حالات اور موسمیاتی تبدیلیوں کے باعث پیدا ہونے والے خطرات سے بھی متاثر ہونے کا خدشہ رکھتی ہے۔ حکومت معاشی استحکام کو مزید مضبوط بنانے اور طویل مدتی پائیدار ترقی کو فروغ دینے کے لیے ٹیکس کے نظام، توانائی، برآمدات، سرمایہ کاری اور طرز حکمرانی کے شعبوں میں اصلاحات پر عمل پیرا ہے۔

جولائی تا ستمبر 2026 (مالی سال 2026-27 کی پہلی سہ ماہی) کے دوران پاکستان کا جاری کھاتہ خسارے میں رہا، جس کی بنیادی وجہ تجارتی خسارے میں اضافہ تھا۔ جولائی تا اگست 2026 کے دوران جاری کھاتے کا خسارہ 543 ملین امریکی ڈالر ریکارڈ کیا گیا، جو گزشتہ سال کی اسی مدت کے مقابلے میں 36 فیصد کم تھا۔ اس بہتری میں بیرونِ ملک مقیم پاکستانیوں کی جانب سے موصول ہونے والی ترسیلاتِ زر نے اہم کردار ادا کیا۔

اسٹیٹ بینک آف پاکستان کی زری پالیسی کمیٹی نے معاشی ترقی کی معاونت اور مجموعی معاشی صورتحال میں بہتری کے لیے اپنی پالیسی کا باقاعدگی سے جائزہ لیا۔ کمیٹی نے اس بات کا مشاہدہ کیا کہ بدلتی ہوئی جغرافیائی و سیاسی صورتحال نے معاشی امکانات کو نمایاں طور پر متاثر کیا ہے، خصوصاً مشرقِ وسطیٰ میں جاری تنازعات کے باعث عالمی سطح پر توانائی، مال برداری اور انشورنس کے اخراجات میں اضافہ ہوا۔ ان بیرونی دباؤ کے باوجود مالی سال 2026 کے مجموعی معاشی نتائج بڑی حد تک متوقع حدود کے اندر رہے۔

اسٹیٹ بینک آف پاکستان کی محتاط اور سخت زری پالیسی نے افراطِ زر کے اثرات کو محدود رکھنے اور مستقبل میں مہنگائی سے متعلق توقعات کو قابو میں رکھنے میں اہم کردار ادا کیا۔ مالیاتی نظم و ضبط، مخصوص شعبوں کے لیے ہدفی سبسڈیز اور توانائی کے تحفظ کے اقدامات نے مجموعی طلب کو معتدل رکھنے اور طلب کے باعث پیدا ہونے والے افراطِ زر کے دباؤ کو محدود کرنے میں مدد فراہم کی۔ ان حالات کو مدنظر رکھتے ہوئے زری پالیسی کمیٹی نے پالیسی شرح سود کو 11.50 فیصد پر برقرار رکھنے کا فیصلہ کیا۔

جولائی تا ستمبر 2026 کے دوران پاکستان کی کیپٹل مارکیٹ میں کاروباری سرگرمیاں جاری رہیں، تاہم مارکیٹ کو نمایاں اتار چڑھاؤ کا سامنا کرنا پڑا۔ ستمبر 2026 کے اختتام پر پاکستان اسٹاک ایکسچینج کا کے ایس ای 100 انڈیکس تقریباً 169,969 پوائنٹس پر بند ہوا، جبکہ اس ماہ کے دوران فروخت کے دباؤ کے باعث مارکیٹ کی کارکردگی متاثر ہوئی۔ مجموعی طور پر سرمایہ کاروں کی شرکت مضبوط رہی، تاہم جغرافیائی و سیاسی کشیدگی اور معاشی غیر یقینی صورتحال نے سرمایہ مارکیٹ کی کارکردگی پر اثر ڈالا۔

کاروباری کارکردگی کا جائزہ

الحمدللہ، آپ کی کمپنی نے 30 ستمبر 2026 کو ختم ہونے والی سہ ماہی کے دوران اپنی کاروباری سرگرمیوں سے 12.667 ملین روپے کا منافع حاصل کیا، جبکہ گزشتہ سال کی اسی مدت میں ٹیکس سے قبل آپریٹنگ منافع 27.414 ملین روپے تھا۔

زیرِ جائزہ سہ ماہی کے دوران کمپنی کی فی حصص آمدنی 0.172 (EPS) روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں فی حصص آمدنی 0.448 روپے تھی۔

بورڈ آف ڈائریکٹرز پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا ان کے مسلسل تعاون، معاونت اور قیمتی رہنمائی پر تہہ دل سے شکریہ ادا کرتا ہے۔

بورڈ کمپنی کی انتظامیہ اور تمام ملازمین کی انتھک محنت، لگن اور خدمات کو بھی قدر کی نگاہ سے دیکھتا ہے اور ان کی کوششوں کو سراہتا ہے۔

بحکم بورڈ آف ڈائریکٹرز

حاجی جان محمد	ظفر ایم شیخ
چیئرمین	چیف ایگزیکٹو آفیسر

کراچی، 31 اکتوبر 2026

FINANCIAL STATEMENTS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2026

	Note	September 2026 (Un-audited)	December 2025 (Audited)
		Rupees	
Non - Current Assets			
Fixed assets	4	**148,539,934**	149,073,342
Investment Property		**26,137,593**	26,137,593
Ijarah assets-under financing arrangements	5	**28,910,700**	47,960,509
Intangible assets	6	**2,500,000**	2,628,335
Long term financing	7	**61,831,475**	30,617,566
Deferred tax asset - net		**3,119,459**	3,704,697
Long term loans and advances	8	**2,575,439**	5,330,709
		273,614,600	265,452,751
Current Assets			
Current portion of long term financing	7	**10,771,023**	32,756,087
Investments	9	**523,284,694**	515,730,039
Current portiion of Loans and advances	8	**3,538,423**	2,391,891
Deposits, prepayments and other receivables		**20,263,320**	21,277,845
Ijarah rentals receiveable		**700,770**	2,774,557
Accured profit		**15,881,915**	15,522,052
Advance income tax	10	**32,513,992**	25,058,669
Cash and bank balances	11	**35,236,756**	30,586,603
		642,190,893	646,097,743
		915,805,493	911,550,493
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Share Capital			
100,000,000 ordinary shares of Rs.10/- each		**1,000,000,000**	1,000,000,000
Issued, subscribed and paid up capital		**591,485,917**	591,485,917
Statutory reserves		**150,576,614**	149,569,891
Surplus on revaluation property, plant and equipment		**12,598,068**	12,598,068
Unappropriated Profit		**39,039,841**	29,902,392
		793,700,440	783,556,268
Non-Current Liabilities			
Security Deposits against Ijarah		**8,935,170**	14,304,434
Deferred Income from Financing		**12,299,564**	6,192,991
		21,234,734	20,497,425
Current Liabilities			
Unclaimed dividend		**23,637,633**	28,852,079
Current portion of securities, deposit against ijarah		**-**	570,000
Advance against property	12	**73,333,326**	69,999,993
Current portion of deferred Income from Financing		**-**	6,907,518
Accrued and other liabilities		**3,899,361**	1,167,210
		100,870,320	107,496,800
Contingencies and commitments	14	**-**	-
		915,805,493	911,550,493

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

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2026

	Nine Months Ended		Quarter Ended	
	September 2026	September 2025	**September 2026**	September 2025
	---------- Rupees ----------			
Income				
Income on financing and placements	**17,168,762**	40,762,973	**4,773,395**	12,312,049
Return on securities	**41,540,856**	45,448,523	**14,739,152**	13,268,873
Gain on sale of shares	**-**	255,028	**-**	255,028
Profit on deposit with banks	**288,314**	467,048	**84,096**	191,342
Other income	**5,056,172**	1,227,445	**2,244,866**	970,229
	64,054,104	88,161,017	**21,841,509**	26,997,521
Expenditure				
Operating expenses	**51,386,240**	60,746,221	**16,730,951**	21,642,166
Operating profit before tax	**12,667,864**	27,414,796	**5,110,558**	5,355,355
Unrealized gain on remeasurement of investments classified as fair value through profit or loss	**-**	-	**-**	-
Profit before taxation	**12,667,864**	27,414,796	**5,110,558**	5,355,355
Taxation	**(2,523,692)**	(892,718)	**-**	-
Profit after tax	**10,144,172**	26,522,078	**5,110,558**	5,355,355
Earning per share - basic and diluted	**0.172**	0.448	**0.086**	0.091

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

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2026

	Nine Months Ended		Quarter Ended	
	September 2026	September 2025	**September 2026**	September 2025
	---------- Rupees ----------			
Profit after tax	**10,144,172**	**26,522,078**	**5,110,558**	**5,355,354**
Other Comprehensive loss for the period				
Surplus on revaluation of proprety, plant and equipment	-	**17,985,498**	-	-
Related deferred tax on surplus	-	**(5,215,794)**	-	-
	-	**12,769,704**	-	
Total comprehensive income for the period	**10,144,172**	**39,291,782**	**5,110,558**	**5,355,354**

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

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2026

	Share capital	Statutory reserve	Revaluation surplus	Accumulated profit	Total
	---------- Rupees ----------				
Balance as at January 01, 2025	591,485,917	145,567,871	-	102,440,755	839,494,543
Profit for the period	-	-		26,522,078	26,522,078
Other comprehensive loss	-	-	12,769,704	-	**12,769,704**
	-	-	12,769,704	26,522,078	39,291,782
Profit distribution for the year Dec 31, 2024			(24,519)	(88,722,888)	(88,747,407)
Statutory reserves	-	5,304,416	-	(5,304,416)	-
Balance as at September 30, 2025	591,485,917	150,872,287	12,745,185	34,935,529	790,038,918
Balance as at January 01, 2026	**591,485,917**	**149,569,891**	12,598,068	**29,902,392**	**783,556,268**
Profit for the period	-	-	-	10,144,172	10,144,172
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,144,172	10,144,172
Transacitons with the owner of the Bank contributions and distributions					
Bonus shares	-	-		-	**-**
Profit distribution for the year ended December 31, 2025	-	-	-	-	-
Transfer to statutory reserves	-	1,006,723	-	(1,006,723)	-
Balance as at September 30, 2026	**591,485,917**	**150,576,614**	**12,598,068**	**39,039,841**	**793,700,440**

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

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

UNCONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED) FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2026

	September 2026	September 2025
	---------- Rupees ----------	
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before taxation	**12,667,864**	27,414,796
Adjustments for non-cash and other items		
Depreciation - owned asset	1,818,078	1,763,970
Depreciation - ijarah asset	5,930,387	19,745,212
Amortization	128,335	4,666
Gain on disposal of shares	-	(255,028)
Unrealized gain on remeasurement of investments	-	-
Gain on sale of fixed assets	(1,419,859)	-
	6,456,941	21,258,820
Cash flows from operating activities before working capital changes	**19,124,805**	48,673,616
(Increase) / Decrease in operating assets		
Ijarah Receivebles	**2,073,787**	(2,674,059)
Deposit, Prepaymen and other receivables	**1,014,525**	1,473,450
Current portion of long-term financing	**21,985,064**	23,558,070
loan and Advances	**2,755,270**	369,561
Accrued Interest	**(359,863)**	8,001,518
	27,468,783	30,728,540
(Decrease) / Increase in operating liabilities		
Accrued and other liabilities	**2,732,151**	1,617,786
Security deposits and deferred financing income	**(6,740,209)**	-
	2,732,151	1,617,786
Net changes in operating assets and liabilities	**23,460,725**	32,346,326
Income tax paid	**(9,393,792)**	(1,399,479)
Net cash inflows from operating activities	**33,191,738**	**79,620,463**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in fixed assets	**(1,284,668)**	(5,093,287)
Additions in Ijarahassets	**-**	(25,586,000)
Termination of ijarah assets	**13,119,422**	-
Proceeds from disposal of fixed assets	**1,419,861**	41,295
Diminishing musharaka financing - net	**-**	-
Security deposit - net	**-**	-
Investment in Government securities - net	**(7,554,655)**	(5,021,726)
Sales of investment (shares)	**-**	-
Long-term desposit	**-**	(8,615,214)
Advance against property	**3,333,333**	29,999,997
Investment/sales of investment in securities	**-**	-
	-	
Net cash inflows /(outflows) from investing activities	**9,033,292**	(14,274,935)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	**(5,214,446)**	(73,652,471)
Short term financing	**(1,146,532)**	-
Deferred income from financing	**-**	-
Loan and advances net	**(31,213,899)**	20,734,578
Net cash inflows / (outflows) from financing activities	**(37,574,877)**	**(52,917,893)**
Net increase / (decrease) in cash and cash equivalents	**4,650,153**	12,427,635
Cash and cash equivalents at the beginning of the period	**30,586,603**	12,967,805
Cash and cash equivalents at the end of the period	**35,236,756**	25,395,440

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

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

Security Investment Bank Limited (the Bank) 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 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, 2028.

From the year 2020, the bank had not renewed its credit rating as the bank as there has been no change in the non deposit taking status of the company. Previously, VIS Credit Rating Company Limited (VIS) had assigned initial entity ratings of 'A-/A-2' to Security Investment Bank Limited (SIBL). The long term rating of 'A-' signifies adequate credit quality. The short term rating of 'A-2' signifies good certainty of timely payment.

During the current reporting period, the company continued the process of converting SIBL into a Sharia-compliant entity, following the submission of its application to the regulator. The conversion plan, which was submitted previously, remains under review by the regulator. As per the plan, SIBL is expected to complete the conversion process within two years, effective from September 1, 2023, the management subsequently applied for a one-year extension effective from September 01,2025. However, as the conversion process is still ongoing and could not be finalized within the previous timelines, the management has recently filed for an additional extension with the regulator.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards 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:
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations)
- Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- The condensed interim financial statements do not include all the information and disclosures required for full annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Bank as at and for the year ended December 31, 2025

2.2 New standards, amendments to approved accounting standards and new interpretations

2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year

There were certain amendments to accounting and reporting standards which became effective for the Bank for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Bank

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

3 MATERIAL ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, judgments and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

The judgments and estimates made by management in the preparation of these condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended December 31, 2025, except for the following:

– The building has been carried under the revaluation model during the period.

The Bank's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2025

		Note	September 2026 (Un-audited)	December 2025 (Audited)
			<---------- Rupees ---------->	
4	**PROPERTY, PLANT AND EQUIPMENTS - (OWNED)**			
	Book value at the beginning of the period / year		149,073,342	154,224,814
	Addition - at cost		1,284,668	5,342,728
	Revaluation surplus		-	17,985,498
	Transfer to investment property		-	(26,137,593)
	Disposal			
	Cost		(105,275)	4,259,635
	Accumulated Depreciation		105,273	(4,259,630)
			(2)	5
	Depreciation charged		(1,818,078)	(2,342,100)
	Book value at the end of the period / year		148,539,934	149,073,342
5	**PROPERTY, PLANT AND EQUIPMENTS - (IJARAH)**			
	Book value at the beginning of the period		47,960,509	51,728,480
	Addition - at cost		-	25,586,000
	Deletion - net		(13,119,422)	(3,340,625)
	Depreciation charged		(5,930,387)	(26,013,346)
	Book value at the end of the period / year		28,910,700	47,960,509
6	**INTANGIBLES**			
	PMEX card		2,500,000	2,500,000
	Website Development	6.1	-	128,335
			2,500,000	2,628,335
6.1	DHA membership			
	Book value at the beginning of the period		2,628,335	2,500,000
	Addition		-	128,335
	Deletion		-	-
	Amortization charged		(128,335)	-
	Book value at the end of the period / year		2,500,000	2,628,335
7	**LONG TERM FINANCING**			
	Secured and considered good			
	Murahaba Finance			
	- Murahaba finance		72,775,198	63,373,653
	- Less; expected credit loss / provision against long term		(172,700)	-
	Murahaba receivable	7.1	72,602,498	63,373,653
	Less: Current maturity		(10,771,023)	(32,756,087)
			61,831,475	30,617,566

7.1 These represent 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 + 2% to 5% per annum (December 31, 2025: K+2.5% to 5%).

7.2 Regulation 19(h) of the NBFC Regulations, 2008 prohibits financing to major shareholders, executives, directors, or related parties with significant interests. However, certain financing arrangements have been made with related parties.

7.3 Regulation 28(a) of the NBFC Regulations, 2008 requires an NBFC to invest at least 70% of its total assets in its core business. However, the company has invested only 16.6% of its assets in financing activities.

	Note	September 2026 (Un-audited)	December 2025 (Audited)
		<---------- Rupees ---------->	
8 LONG TERM LOANS AND ADVANCES			
Advances-secured		3,613,863	4,594,287
- Staff Advance	8.1	(1)	628,313
- Against expenses		2,500,000	2,500,000
- Against office premises	8.2	6,113,862	7,722,600
Less: Current portion		(3,538,423)	(2,391,891)
		2,575,439	5,330,709

8.1 This includes interest free loan to CEO for the purchase of a motor vehicle as per the terms of employment and entitlement, since the Company does not provide a company-maintained vehicle.

8.2 This amount represents advance paid for office space in National Commodity Exchange Limited Building (NCEL) in the year 2003-2004 and 2004-2005. The said building is still under construction.

	September 2026 (Un-audited)	December 2025 (Audited)
	<---------- Rupees ---------->	
9 SHORT TERM INVESTMENTS		
Measured at amortized cost		
Government Securities - T Bill	523,284,694	471,866,846
Measured at fair value through profit or loss		
Quoted shares	-	13,447,265
	523,284,694	515,730,039
10 TAX REFUND DUE FROM GOVERNMENT		
Advance tax	312,827,524	34,031,997
Add tax deducted/(Paid)		5,121,119
Less: Accumulated provisions for taxation	(280,313,532)	(14,094,447)
	32,513,992	25,058,669

		September 2026 (Un-audited)	December 2025 (Audited)
		<---------- Rupees ---------->	
11	**CASH AND BANK BALANCES**		
	With State Bank of Pakistan in current account	15,000	13,538
	With other banks in		
	- Current accounts	23,464,066	28,712,564
	- Deposit accounts	11,656,790	1,760,487
		35,120,856	30,473,051
	Cash in hand	100,900	100,014
		35,236,756	30,586,603
12	**ADVANCE AGAINST PROPERTY**		
	Advance against property	73,333,326	69,999,993

This amount represents arrangement made through sales agreement dated January 11, 2024 wherein both the parties i.e. Security Investment Bank Limited and ARY Laguna (Pvt) Limited. Both the parties agreed to sale/purchase a commercial plot situated at 49-C, Bader Commercial, Street 12, Phase V, DHA Karachi at the sale consideration of Rs. Rs.120 million to be paid in 36 equal monthly installment. Security Investment Bank Limited has agreed to execute the deed of conveyance in favor of ARY Laguna (Pvt) Limited only upon full and final and complete payment of the purchase price.

13 IFRS 9 FINANCIAL INSTRUMENTS ECL MODEL

A. Forward-looking ECL Reserve Estimate- General Approach

30-Sep-26

<---------- Rupees ---------->

Stage 1	**Gross outstanding amount**	**ECL provision**
	PKR	**PKR**
Murahaba and other finance	53,944,217	13,715
Diminishing Musharaka Financing	18,830,973	16,323

Stage 2	**Gross outstanding amount**	**ECL in PKR**
Murahaba and other finance	Nil	Nil

Stage 3	**Gross outstanding amount**	**ECL in PKR**
Nil	Nil	Nil

Methodological Overview

The ERP system calculates the ECL at an instrument level using the standard parameter-driven approach:

ECL = PD x LGD x EAD x Discount Factor
Where:
EAD (Exposure at Default): The gross carrying amount at the time of default
PD (Probability of Default): The likelihood of a borrower defaulting, assessed over a 12-month period (Stage 1) or lifetime

LGD (Loss Given Default): The percentage of exposure expected to be lost in the event of default, adjusted for collateral values

PD has been calculated using Z score method for the following scenarios: Base case, up case and down case

LGD has been calculated based on management assumptions whereby growth is applied to the collateral values, followed by the application of appropriate haircuts. The adjusted collateral value is then compared against the loan-to-value (LTV) ratio. Accordingly, the Loss Given Default is determined on the basis that 70% of the exposure will be recovered, inclusive of a curing rate of 25%.

B. Rental receivables -Simplified Approach

Stage 1	Gross outstanding amount	ECL provision
	PKR	PKR
Ijarah rentals receivable	18,293,715	89,616

A. Forward-looking ECL Reserve Estimate- General Approach

31-Dec-25

<---------- Rupees ---------->

Stage 1	Gross outstanding amount	ECL provision
	PKR	PKR
Murahaba and other finance	55,638,653	17,429
Diminishing Musharaka Financing	7,735,000	8,750

Stage 2	Gross outstanding amount	ECL provision
Nil	Nil	Nil

Stage 3	Gross outstanding amount	ECL provision
Nil	Nil	Nil

Methodological Overview

The ERP system calculates the ECL at an instrument level using the standard parameter–driven approach:

ECL = PD x LGD x EAD x Discount Factor
Where:
EAD (Exposure at Default): The gross carrying amount at the time of default.
PD (Probability of Default): The likelihood of a borrower defaulting, assessed over a 12–month period (Stage 1) or lifetime LGD (Loss Given Default): The percentage of exposure expected to be lost in the event of default, adjusted for collateral values.

PD has been calculated using Z score method for the following scenarios :Base case , Up case and Down case

LGD has been calculated based on management assumptions whereby growth is applied to the collateral values, followed by the application of appropriate haircuts. The adjusted collateral value is then compared against the loan–to–value (LTV) ratio. Accordingly, the Loss Given Default is determined on the basis that 70% of the exposure will be recovered, inclusive of a curing rate of 25%.

B. Rental receivables -Simplified Approach

Stage 1	Gross outstanding amount	ECL provision
	PKR	PKR
Ijarah rentals receivable	2,774,557	21,087

14 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitment.

15. BALANCES AND TRANSACTIONS 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 shareholders 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:

Transactions During the period

Nature of Transaction	Nature of Relationship	Basis of Relationship	2026 Quarter Rupees	2025 Quarter Rupees
Other				
OTHER LIABILITIES & PROVISIONS				
- ARY Laguna (Pvt) Limited	Associated Company	Common Director	**3,333,333**	29,999,997
Income on Financing - Ijara Rentals				
Related Parties				
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	**330,340**	744,759
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	**1,523,835**	1,523,835
- New Delite Company (Pvt) Limited	Associated Company	Common Director	**-**	18,022,275
			1,854,175	20,290,869
Others			**6,752,642**	6,846,781
			8,606,817	27,137,650
Income on Financing - Under Islamic Mode				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	**236,391**	4,318,304
- Madina Electronics	Associated Company	Common Director	**1,664,815**	3,612,793
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	**72,760**	220,585
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	**1,906,071**	2,277,724
			3,880,037	10,429,406
Others			**4,681,908**	3,195,917
			8,561,945	13,625,323
Misc. Income				
Related Parties				
- ARY Laguna (Pvt.) Limited	Associated Company	Common Director	**1,323,864**	198,556
- ARY Communication Ltd	Associated Company	Common Director	**1,932,075**	0
- Shakeel Ahmed	Chief Financial Officer	CFO	**106,828**	30,113
			3,362,767	228,669
Others			**1,693,405**	998,776
			5,056,172	1,227,445
Personal loan				
- Zafar M. Sheikh				
- Loan paid during the period	Chief Executive	Directorship	**1,200,000**	1,800,000
- Loan received during the period			**1,374,997**	2,774,995
- Shakeel Ahmed				
- Loan paid during the period	Chief Financial Officer	CFO	**-**	1,500,000
- Loan received during the period			**642,767**	1,202,460

Balances as at the period end

Nature of Balances	Nature of Relationship	Basis of Relationship	2026 Half Year Rupees	2025 Audited Rupees
Murabaha and other finance				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	**896,071**	1,745,244
- Madina Electronics	Associated Undertaking	Common Director	**13,551,438**	20,146,841
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	**307,318**	1,019,352
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	**9,679,716**	11,209,387
			24,434,543	34,120,824
Others			**48,167,955**	29,252,820
			72,602,498	63,373,644
Accured profit				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	**84,289**	302,381
- Madina Electronics	Associated Undertaking	Common Director	**1,529,569**	2,996,644
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	**176,313**	259,620
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	**3,684,459**	5,394,588
			5,474,630	8,953,233
- Others			**10,407,285**	6,568,819
			15,881,915	15,522,052
Ijarah rental receiveable				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	**-**	2,002,475
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	**169,315**	-
- Stallion Deliveries (Pvt) Limited	**Associated Company**	**Common Director**	**-**	-
			169,315	2,002,475
Others			**531,455**	772,082
			700,770	2,774,557
Other Receiveable				
- **ARY Communication Ltd**	Associated Company	Common Director	**-**	322,997
- **Haji Jan Mohammad**	Associated Company	Common Director	**17,781,920**	17,781,920
Personal loan				
- Zafar M. Sheikh	Chief Executive	Directorship	**2,858,363**	3,033,360
- Shakeel Ahmed	Chief Financial Officer	CFO	**680,060**	1,322,827
OTHER LIABILITIES & PROVISIONS				
Advance against property				
- ARY Laguna (Pvt) Limited	Associated Company	Common Director	73,333,326	69,999,993

16 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison, however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

17 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Board of Directors on _____.

18 GENERAL

Figures have been rounded off to the nearest rupee.

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director



Islamabad Office: Office No.15, 3rd Floor, Al Rehmat Mall,
Sector G-11, Markaz, Islamabad
Tel: (051) 2221222 Website: www.sibl.com.pk

Karachi Office: Suit No. 502, 5th Floor, Madina City Mall,
Abdullah Haroon Road,Saddar, Karachi.
Tel: (021) 35659753-54 Fax: (021) 35659755 E-mail: sibl@sibl.com.pk