



# **Half Yearly Report**

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## **June 30, 2024**

SIB

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)  
Mr Muhammad Mehboob  
Mrs. Zillay Huma Khan  
Mr Faisal Zahid  
Mr. Shaukat Zaman  
Mr. Farrukh Siddiqui  
Mr. Muhammad Bilal Chaudhry

## PRESIDENT & CEO

Mr Zafar M Sheikh

## AUDIT COMMITTEE

Mr. Farrukh Siddiqui (Chairman)  
Haji Jan Muhammad  
Mr Muhammad Mehboob  
Mr Faisal Zahid

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr Faisal Zahid (Chairman)  
Mr Zafar M Sheikh  
Mr Muhammad Mehboob  
Mrs. Zillay Huma Khan

## RISK MANAGEMENT COMMITTEE

Mr. Shaukat Zaman  
Mr Muhammad Mehboob  
Mr. Farrukh Siddiqui  
Mr Faisal Zahid  
Mr Zafar M Sheikh

## CHIEF FINANCIAL OFFICER

Mr. Shakeel Ahmed

## SHARIAH ADVISOR

Mufti Muhammad Hanif

## SHARIAH COMPLIANCE OFFICER

Mufti Abdul Ghaffar

## AUDITORS

BKR International Muniff Ziauddin & Co.  
Chartered Accountant

## TAX ADVISORS

Grant Thoranton Anjum Rahman  
Chartered Accountants

## LEGAL ADVISORS

Rizwan Ahmed (Barrister at Law)  
Ahmad, Azim & Co (Advocates)

## SHARE REGISTRAR

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

## BANKERS

Habib Metropolitan Bank Limited.  
United Bank Limited  
Bank Makramah Limited

## REGISTERED OFFICE

Suite No. 3, 1st Floor, Junaid Plaza,  
I-10, Markaz, Islamabad.  
Tel : (051) 4102919  
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) 35659753-54  
Fax: (021) 35659755  
E-mail : [sibl@sibl.com.pk](mailto:sibl@sibl.com.pk)

# DIRECTORS' REPORT

The directors of **Security Investment Bank Limited** (the **Company**) are pleased to present the Financial Statements of the Company for the half year ended 30 June 2024.

Pakistan's economy is currently under severe stress with depletion of reserves and an overwhelming burden of ungovernable debt. The country is currently confronted with mounting challenges such as soaring inflation, political strife between different political parties, and a surge in terrorism. These factors along with Pakistan's massive external debt obligations, have placed the nation at risk of default. In addition, the devaluation of currency has resulted in the highest inflation rate in the country since its inception which in return accelerated poverty.

Pakistan and IMF reach standby agreement on \$3bn, this deal has had some positive impacts, along with inflow of \$2 billion from Saudi Arabia and \$1 billion from the United Arab Emirates may help Pakistan in gaining investor confidence, Looking ahead, Pakistan looks to address these challenges in a turbulent moment, it is important to develop political stability, adopting long run economic policies, attracts foreign investment, needs to privatize loss-making state-owned entities, and undertake reforms (particularly in the energy sector) with mutual consensus of all the parties and stakeholders.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth. The Committee considered that inflation was slightly better than anticipated, therefore decided to cut the policy rate by 100 basis points to 19.50%. Historically, the Pakistan Stock Market (KSE100) reached an all-time high at 78,528 points in June 2024 compared to 70,677 points as of April 2024.

## Business Performance Review

Alhamdulillah, your company recorded profit from its operation Rs. 48 million and incurred unrealized gain on re-measurement of investment Rs. 3 million, resulted operating profit before taxes Rs. 51 million for the half year ended 30 June 2024 as compared to operating profit before taxes Rs. 20 million of the corresponding period. Your Company's EPS was Rs. 0.870 as compared to Rs. 0.333 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  
Karachi, 28 Aug 2024

## ڈائریکٹرز رپورٹ

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والی ششماہی کے لیے کمپنی کے مالی بیانات پیش کرنے پر خوش ہیں۔

پاکستان کی معیشت اس وقت ذخائر کی کمی اور ناقابل تسخیر قرضوں کے بھاری بوجھ سے شدید دباؤ کا شکار ہے۔ ملک اس وقت بڑھتی ہوئی مہنگائی، مختلف سیاسی جماعتوں کے درمیان سیاسی جھگڑے اور دہشت گردی میں اضافے جیسے بڑھتے ہوئے چیلنجوں سے دوچار ہے۔ پاکستان کے بڑے بیرونی قرضوں کی ذمہ داریوں کے ساتھ ان عوامل نے قوم کو ڈیفالٹ کے خطرے میں ڈال دیا ہے۔ مزید برآں، کرنسی کی قدر میں کمی کے نتیجے میں ملک میں مہنگائی کی شرح اپنے آغاز سے لے کر اب تک بلند ترین سطح پر پہنچی ہے جس کے نتیجے میں غربت میں تیزی آئی ہے۔

پاکستان اور آئی ایم ایف کے درمیان 3 ارب ڈالر کے اسٹینڈ بائی معاہدے پر پہنچ گئے، اس معاہدے کے کچھ مثبت اثرات مرتب ہوئے ہیں، سعودی عرب سے 2 ارب ڈالر اور متحدہ عرب امارات سے 1 ارب ڈالر کی آمد سے پاکستان کو سرمایہ کاروں کا اعتماد حاصل کرنے میں مدد مل سکتی ہے، آگے دیکھتے ہوئے، پاکستان اس سے نمٹنے کے لیے نظر آتا ہے۔ اس ہنگامہ خیز لمبے میں ان چیلنجوں سے نمٹنے کے لیے ضروری ہے کہ سیاسی استحکام کو فروغ دیا جائے، طویل مدتی اقتصادی پالیسیاں اپنائیں، غیر ملکی سرمایہ کاری کو راغب کریں، خسارے میں چلنے والے سرکاری اداروں کی نجکاری کی ضرورت ہے، تمام فریقین اور اسٹیک ہولڈرز اور باہمی اتفاق رائے سے اصلاحات (خاص طور پر توانائی کے شعبے میں) کی ضرورت ہے۔

SBP، مانیٹری پالیسی کمیٹی (کمپنی) نے ترقی کو سپورٹ کرنے کے لیے مناسب اقدام کرنے کے لیے اپنی پالیسی کا اکثر جائزہ لیا۔ کمیٹی نے سمجھا کہ افراط زر متوقع سے قدرے بہتر ہے، اس لیے پالیسی ریٹ میں 100 بیس پوائنٹس کی کمی کر کے 19.50 فیصد کرنے کا فیصلہ کیا۔ تاریخی طور پر، پاکستان اشاک مارکیٹ (KSE100) اپریل 2024 تک 70,677 پوائنٹس کے مقابلے میں جون 2024 میں 78,528 پوائنٹس کی بلند ترین سطح پر پہنچ گئی۔

کاروباری کارکردگی کا جائزہ

الحمد للہ، آپ کی کمپنی نے اپنے آپریشن سے 48 ملین روپے کا منافع ریکارڈ کیا اور سرمایہ کاری کی دوبارہ پیمائش پر 3 ملین کا غیر حقیقی فائدہ اٹھایا گیا۔ ٹیکس سے پہلے آپریٹنگ منافع 51 ملین 30 جون 2024 کو ختم ہونے والے ششماہی کے مقابلے میں اسی مدت کا منافع 20 ملین تھا۔ آپ کی کمپنی کا 0.87EPS تھا اسی مدت کے مقابلے میں 0.333EPS تھا۔

بورڈ پاکستان اشاک ایکسچینج اور سیکورٹیز ریگولیشنز اینڈ ایکسچینج کمیشن آف پاکستان کے مسلسل قابل قدر تعاون، مدد اور رہنمائی کے لیے ان کا شکریہ ادا کرنا چاہتا ہے۔ بورڈ انتظامیہ کے عملے کی انتھک کوششوں کا بھی شکریہ ادا کرنا چاہتا ہے۔

بورڈ کی جانب سے

حاجی جان محمد

چیئر مین

کراچی، 28 اگست 2024

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

To the members of **Security Investment Bank Limited**  
Report on review of condensed Interim financial statements.

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of Security Investment Bank Limited (“the Bank”) as at June 30, 2024 the related condensed interim profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the interim financial statements for the six-month period then ended (here-in-after referred to as “condensed interim financial statements”). Management Company is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Statements Performed by the Independent Auditor of the Entity”. A review of condensed interim financial statements 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 statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## Other matter

The figures for the quarters ended June 30, 2024 and June 30, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed as we are required to review only the cumulative figures for the six-months period ended June 30, 2024.

The financial statements of the Company for the year and period ended December 31, 2023 and June 30, 2023 were audited and reviewed respectively by another firm of Chartered Accountants, whose reports dated March 21, 2024 and August 30, 2023 expressed an unqualified opinion and conclusion on such statements.

The engagement partner on the review resulting in this independent auditor's report is Sohail Saleem.

Chartered Accountants

Karachi

Date: August 28, 2024

UDIN: RR202410130msRre6QX

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

		June 2024 (Un-audited)	December 2023 (Audited)
		Rupees -----	
<b>Non - Current Assets</b>			
Property, plant and equipment	4	154,810,100	155,531,709
Ijarah assets-under financing arrangements	5	40,666,731	2,770,833
Intangible assets	6	2,500,000	2,530,000
Long term financing	7	5,356,575	21,568,239
Long term loans and advances	8	7,185,187	4,051,558
		210,518,593	186,452,339
<b>Current Assets</b>			
Short term financing		82,145,823	75,435,072
Current portion of long term financing	7	10,900,404	10,872,229
Short term investments	10	441,852,465	476,530,655
Current portion of Loans and advances	8	3,254,294	6,412,436
Deposits, prepayments and other receivables		2,275,122	6,519,332
Profit receivable		34,416,562	14,590,025
Tax refund due from Government	11	44,710,391	56,075,091
Cash and bank balances	12	48,459,150	3,282,919
		668,014,211	649,717,759
		878,532,804	836,170,098
<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		583,770,929	514,335,580
Statutory reserves		145,440,261	207,232,485
Unappropriated Profit		71,075,171	66,219,450
		800,286,361	787,787,515
<b>Non-Current Liabilities</b>			
Deferred tax		3,083,572	3,083,572
<b>Current Liabilities</b>			
Unclaimed dividend		21,123,953	2,090,749
Advance against property	13	13,333,333	-
Accrued and other liabilities		40,705,585	43,208,262
		75,162,871	45,299,011
<b>Contingencies and commitments</b>	14		
		878,532,804	836,170,098

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

**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024**

	Six Months Ended		Quarter Ended	
	June 2024	June 2023	June 2024	June 2023
----- Rupees -----				
<b>Income</b>				
Income on financing and placements	13,952,412	13,243,943	7,605,496	6,821,232
Return on securities	38,796,301	15,295,243	20,464,976	8,403,562
Gain on sale of shares	14,962,293	-	14,962,293	-
Profit on deposit with banks	1,180,514	526,470	888,538	359,916
Other income	728,970	764,962	357,271	364,077
	<b>69,620,490</b>	<b>29,830,618</b>	<b>44,278,574</b>	<b>15,948,787</b>
<b>Expenditure</b>				
Operating expenses	21,592,317	16,969,811	12,117,087	9,387,948
<b>Operating profit before tax</b>	<b>48,028,173</b>	<b>12,860,807</b>	<b>32,161,487</b>	<b>6,560,839</b>
Unrealized gain on remeasurement of investments classified as fair value through profit or loss	2,603,885	7,561,916	701,117	24,659,906
<b>Profit before taxation</b>	<b>50,632,058</b>	<b>20,422,723</b>	<b>32,862,604</b>	<b>31,220,745</b>
Taxation	(12,416,433)	(3,318,006)	(12,416,433)	(3,318,006)
<b>Profit after tax</b>	<b>38,215,625</b>	<b>17,104,717</b>	<b>20,446,171</b>	<b>27,902,739</b>
<b>Earning per share - basic and diluted</b>	<b>0.655</b>	<b>0.293</b>	<b>0.350</b>	<b>0.478</b>

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

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024**

	<b>June 2024</b>	<b>June 2023</b>
	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	48,028,173	12,860,807
<b>Adjustments for non-cash and other items</b>		
Depreciation - owned asset	866,952	847,030
Depreciation - ijarah asset	653,102	-
Amortization	30,000	30,000
Gain on disposal of shares	(14,962,293)	-
Unrealized gain on remeasurement of investments	(2,603,885)	-
Gain on sale of fixed assets	-	(21,999)
	<b>(16,016,124)</b>	<b>855,031</b>
<b>Cash flows from operating activities before working capital changes</b>	<b>32,012,049</b>	<b>13,715,838</b>
<b>(Increase) / Decrease in operating assets</b>		
Deposits, prepayment and other receivables	4,244,210	4,318,754
Profit receivable	(19,826,537)	(3,075,104)
	(15,582,327)	1,243,650
<b>(Decrease) / Increase in operating liabilities</b>		
Accrued and other liabilities	(2,502,678)	686,223
	<b>(2,502,678)</b>	<b>686,223</b>
<b>Net changes in operating assets and liabilities</b>	<b>(18,085,005)</b>	<b>1,929,873</b>
Income tax paid	(3,550,550)	(1,370,839)
<b>Net cash inflows from operating activities</b>	<b>10,376,494</b>	<b>14,274,872</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital work in progress	-	(5,584,329)
Purchase of fixed assets	145,350	(278,194)
Sales proceed against sales of fixed assets	194,700	22,000
Purchase of ijarah assets	(38,549,000)	-
Investment in Government securities - net	(41,900,000)	(24,500,000)
Sale proceeds of quoted shares - net	98,761,878	-
Advance against property	13,333,333	-
Dividend paid	(6,683,575)	-
Short term financing	(6,710,751)	(4,502,589)
Long term financing - net	16,183,489	21,738,219
<b>Net cash inflows / (outflows) from investing activities</b>	<b>34,775,424</b>	<b>(13,104,893)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan and advances - net	24,513	(4,880,430)
<b>Net cash inflows / (outflows) from financing activities</b>	<b>24,513</b>	<b>(4,880,430)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>45,176,431</b>	<b>(3,710,451)</b>
Cash and cash equivalents at the beginning of the period	3,282,919	7,618,713
<b>Cash and cash equivalents at the end of the period</b>	<b>48,459,350</b>	<b>3,908,262</b>

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

**SHAKEEL AHMED**  
CHIEF FINANCIAL OFFICER

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF  
CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024**

	Share capital	Statutory reserve	Accumulated profit	Total
<i>Rupees</i>				
<b>Balance as at January 01, 2023</b>	514,335,580	191,277,571	2,399,795	708,012,946
Profit for the period	-	-	17,104,717	17,104,717
Other comprehensive loss	-	-	-	-
	-	-	17,104,717	17,104,717
Statutory reserves	-	3,420,943	(3,420,943)	-
<b>Balance as at June 30, 2023</b>	<b>514,335,580</b>	<b>194,698,514</b>	<b>16,083,569</b>	<b>725,117,663</b>
<b>Balance as at January 01, 2024</b>	<b>514,335,580</b>	<b>207,232,485</b>	<b>66,219,450</b>	<b>787,787,515</b>
Profit for the period	-	-	38,215,625	38,215,625
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	38,215,625	38,215,625
<b>Transactions with the owner of the Bank contributions and distributions</b>				
Bonus shares	69,435,349	(69,435,349)	-	-
Profit distribution for the year ended December 31, 2023	-	-	(25,716,779)	(25,716,779)
Transfer to statutory reserves	-	7,643,125	(7,643,125)	-
<b>Balance as at June 30, 2024</b>	<b>583,770,929</b>	<b>145,440,261</b>	<b>71,075,171</b>	<b>800,286,361</b>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL  
INFORMATION (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2024**

**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 registered office of SIBL is situated at Office No.3, 1st Floor, Junaid Plaza, 1-10 Markaz, 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 bank had not renewed its credit rating as the status of the bank was non deposit taking entity. 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.

**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
- 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)
- Directives issued by SECP

Where provisions of and directives issued under the Companies Act, 2017, Part VIII A 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 VIII A 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 Decemeber 31, 2023

## **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, judgements and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended December 31, 2023.

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, 2023.

		June 2024 (Un-audited)	December 2023 (Audited)
	Note	----- Rupees -----	
<b>4</b>	<b>PROPERTY, PLANT AND EQUIPMENTS - (OWNED)</b>		
Book value at the beginning of the period / year		155,531,709	153,697,765
Addition - at cost		145,350	3,541,771
Disposal			
Cost		(194,700)	(268,753)
Accumulated Depreciation		194,694	268,750
		(6)	(3)
Depreciation charged		(866,952)	(1,707,824)
Book value at the end of the period / year		<u>154,810,100</u>	<u>155,531,709</u>
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENTS - (IJARAH)</b>		
Book value at the beginning of the period		2,770,833	-
Addition - at cost		38,549,000	2,850,000
Deletion - net		-	-
Depreciation charged		(653,102)	(79,167)
Book value at the end of the period / year		<u>40,666,731</u>	<u>2,770,833</u>
<b>6</b>	<b>INTANGIBLES</b>		
		June 2024 (Un-audited)	December 2023 (Audited)
		----- Rupees -----	
PMEX card		2,500,000	2,500,000
DHA membership	6.1	-	30,000
		<u>2,500,000</u>	<u>2,530,000</u>
<b>6.1</b>	<b>DHA membership</b>		
Book value at the beginning of the period		30,000	90,000
Addition		-	-
Deletion		-	-
Amortization charged		(30,000)	(60,000)
Book value at the end of the period / year		<u>-</u>	<u>30,000</u>
<b>7</b>	<b>LONG TERM FINANCING</b>		
	<b>Secured and considered good</b>		
	<b>Murahaba Finance</b>		
- Murahaba finance		45,534,685	42,488,932
- Deferred Murahaba income		(29,277,706)	(10,048,464)
Murahaba receivable	7.1	16,256,979	32,440,468
Less: Current maturity		(10,900,404)	(10,872,229)
		<u>5,356,575</u>	<u>21,568,239</u>
<b>7.1</b>	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 + 3% to 4% per annum (2023: 1 Year KIBOR + 3% to 4%).		
<b>8</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	<b>Advances-secured</b>		
- Staff Advance	8.1	7,440,421	7,563,994
- Against expenses		499,060	400,000
- Against office premises	8.2	2,500,000	2,500,000
		10,439,481	10,463,994
Less: Current portion		(3,254,294)	(6,412,436)
		<u>7,185,187</u>	<u>4,051,558</u>

- 8.1 This includes interest free loan to CEO amounting to Rs. 6.5 million (2023: Rs.6.5 million) for a period of 5 years.
- 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.

	Note	June 2024 (Un-audited)	December 2023 (Audited)
		----- Rupees -----	
<b>9</b>	<b>SHORT TERM FINANCING - Secured and considered good</b>		
	Murahaba finance	<b>82,145,823</b>	75,435,072
<b>10</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>Measured at amortized cost</b>		
	Government Securities - T Bill	<b>411,000,000</b>	369,100,000
	Sukkuks	<b>20,000,000</b>	20,000,000
	<b>Measured at fair value through profit or loss</b>		
	Quoted shares	<b>10,852,465</b>	87,430,655
		<b>441,852,465</b>	476,530,655
<b>11</b>	<b>TAX REFUND DUE FROM GOVERNMENT</b>		
	Advance tax	<b>297,447,332</b>	296,395,600
	Less: Accumulated provisions for taxation	<b>(252,736,941)</b>	(240,320,509)
		<b>44,710,391</b>	56,075,091
<b>12</b>	<b>CASH AND BANK BALANCES</b>		
	With State Bank of Pakistan in current account	<b>3,538</b>	5,021
	<b>With other banks in</b>		
	- Current accounts	<b>21,106,720</b>	1,922,462
	- Deposit accounts	<b>27,270,674</b>	1,323,086
		<b>48,377,394</b>	3,245,548
	Cash in hand	<b>78,218</b>	32,350
		<b>48,459,150</b>	3,282,919

### 13 ADVANCE AGAINST PROPERTY

Advance against property	<b>13,333,333</b>	<b>-</b>
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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.

### 14 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitment as disclosed in note 23 to the annual audited financial statements of the Bank for the year ended December 31, 2023

### 15 TRANSACTION WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes subsidiary company, associated companies with or without common directors, directors and major shareholder and their close family members, key management personnel and retirement benefit funds. The Bank has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method and are in the normal course of business at contracted rates and terms determined in accordance with market rates. Transactions with related parties during the period are as follows:

Name of the related party	Nature of transactions	Relationship	(Un-audited)	
			June 2024 Rupees	June 2023 Rupees
ARY Services (Private) Limited	Office rent payable	Associated Company	377,520	343,200
ARY Laguna (Private) Limited	Advance against property	Associated Company	13,333,333	-
	<b>Balance as at the year end</b>		<b>June 2024 (Un-audited)</b>	<b>December 2023 (Audited)</b>
ARY IQ Precious Metals (Private) Limited	Accrued and other liabilities	Associated Company	23,535	23,535
ARY Services (Private) Limited	Office rent payable	Associated Company	377,520	343,200
ARY Laguna (Private) Limited	Advance against property	Associated Company	13,333,333	-

## 16 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

### "Fair value hierarchy;

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). "

The table below analyse financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Quoted shares	10,852,465	-	-	10,852,465
	<b>10,852,465</b>	<b>-</b>	<b>-</b>	<b>10,852,465</b>

	December 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Quoted shares	87,430,655	-	-	87,430,655
	<b>87,430,655</b>	<b>-</b>	<b>-</b>	<b>87,430,655</b>

**17 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.

**18 DATE OF AUTHORIZATION**

These condensed interim financial statements were authorised for issue by the Board of Directors on \_\_\_\_\_.

**19 GENERAL**

Figures have been rounded off to the nearest rupee.





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