



# SECURITY INVESTMENT BANK LIMITED



The Money Wise Bank

Half Yearly Report **2011**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)  
Mr. Muhammad Mehboob  
Mr. Muhammad Tafeeq Motiwala  
Mr. Shaikh Abdullah  
Mr. Sheikh Asim Rafiq (NIT Nominee)  
Mr. Muhammad Saleem Rathod  
Mr. Karim Muhammad Munir.

### PRESIDENT & CEO

Mr. Muhammad Saleem Rathod

### AUDIT COMMITTEE

Mr. Shaikh Abdullah (Chairman)  
Haji Jan Muhammad (Member)  
Mr. Muhammad Tafeeq  
motiwala (Member)  
Mr. Sheikh Asim Rafiq (Member)

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Amin Khatri

### COMPANY SECRETARY

Mr. Muhammad Shahzad

### AUDITORS

Avais Hyder Liaquat Nauman  
Chartered Accountants

### TAX ADVISORS

Anjum Asim Shahid Rahman  
Chartered Accountants

### LEGAL ADVISORS

Bawaney & Partners  
Mr. Muhammad Tariq Qureshi

### SHARE REGISTRAR

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

### BANKERS

Habib Metropolitan Bank Limited.  
Al-Baraka Islamic Bank B.S.C. (E.C.)  
MCB Bank Limited.  
Summit Bank Limited.

### REGISTERED OFFICE

Flat No. 4, 3rd Floor, Al-Baber Centre,  
Main Markaz, F-8, Islamabad.  
Tel : (051) 2856978-80  
Fax: (051) 2856987  
Website : [www.sibl.com.pk](http://www.sibl.com.pk)

### KARACHI OFFICE

606, 6th Floor, Unitowers,  
I.I. Chundrigar Road, Karachi.  
Tel : (021) 32418410-13 Fax : (021) 32418414  
Email: [sibl@sibl.com.pk](mailto:sibl@sibl.com.pk)



## DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors of Security Investment Bank Limited are pleased to present the financial statement of SIBL duly reviewed by the auditors for the half year ended 30th June 2011.

The period under review was very difficult for Pakistan as usual and business segment had been under pressure due to persistent general price inflation, coupled with increase in fuel, gas and electricity prices. However the KSE index showed an upward trend during this period.

During the period under review our Bank operated well despite non availability of funds. Adopting the policy to control the operating expenses, we have been able to earn profit of Rs 3.372 million as compared to loss of Rs 5.100 million for the half year ended on 30th June 2010. Overall cost of doing business registered significant reduction of 28% when compared to the same period of last year.

The premier rating agency JCR-VIS has reaffirmed medium to long term rating of our company at "A" (single A) with stable out look and short term rating at "A-2".

Following the current reduction in the State Bank's policy rate, we expect that SBP would further reduce discount rate in its next policy statement. This will reduce our cost of funds.

We thank our shareholders for their continued confidence and patronage. We also offer our sincere gratitude to the SECP, SBP, and other regulators for their guidance, support and cooperation. We acknowledge and appreciate the hard work put in by the staff for achieving these results.

On behalf of the Board  
Haji Jan Muhammad

Karachi  
20th August 2011



# INDEPENDENT REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF SECURITY INVESTMENT BANK LIMITED

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Security Investment Bank Limited ("the Company") as at June 30, 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2011 and June 30, 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2011.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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.

This condensed interim financial report of the company for the six months period ended June 30, 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of the directives issued under Companies Ordinance, 1984. In case where requirements differ the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended June 30, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Chartered Accountants  
Karachi

Dated: 20th August 2011

Engagement Partner: Adnan Zaman

Report for Half Year Ended June 30, 2011



## CONDENSED INTERIM BALANCE SHEET

As at 30 June 2011

|  | Note | Reviewed<br>June 30<br>2011<br>Rupees | Audited<br>December 31<br>2010<br>Rupees |
|--|------|---------------------------------------|--|
| <b>Non-current assets</b>                        |      |                                       |  |
| Property, Plant and equipment                    | 5    | 1,236,364                             | 1,171,193                                |
| Stock exchange membership card - Intangible      |      | 36,000,000                            | 36,000,000                               |
| Long term investments                            | 6    | 151,022,476                           | 151,062,052                              |
| Deferred tax asset                               |      | 40,006,261                            | 42,088,152                               |
| <b>Current assets</b>                            |      |                                       |  |
| Short term financing                             |      | 61,341,265                            | 40,341,265                               |
| Short term placements                            |      | -                                     | 45,000,000                               |
| Short term investments                           | 7    | 376,825,262                           | 423,135,838                              |
| Loans and advances                               |      | 77,794,521                            | 75,134,754                               |
| Deposits, prepayments and other receivables      |      | 5,547,372                             | 4,769,255                                |
| Accrued interest                                 |      | 8,933,064                             | 10,212,149                               |
| Cash and bank balances                           | 8    | 9,707,677                             | 6,727,743                                |
|  |      | <u>540,149,161</u>                    | <u>605,321,004</u>                       |
|  |      | <u>768,414,262</u>                    | <u>835,642,401</u>                       |
| <b>Equity and liabilities</b>                    |      |                                       |  |
| <b>Share capital and reserves</b>                |      |                                       |  |
| <b>Authorised capital</b>                        |      |                                       |  |
| 100,000,000 ordinary shares of Rs.10/- each      |      | <u>1,000,000,000</u>                  | <u>1,000,000,000</u>                     |
| Issued, subscribed and paid up capital           |      | 514,335,583                           | 514,335,583                              |
| Statutory reserves                               |      | 142,444,584                           | 141,611,410                              |
| Unappropriated loss                              |      | (154,795,448)                         | (158,128,144)                            |
|  |      | 501,984,719                           | 497,818,849                              |
| Deficit on revaluation of Investments-net of tax | 9    | (54,084,342)                          | (45,313,177)                             |
| <b>Current liabilities</b>                       |      |                                       |  |
| Borrowings                                       | 10   | 204,467,315                           | 257,678,086                              |
| Short term deposits                              |      | 107,028,782                           | 112,071,667                              |
| Accrued and other liabilities                    |      | 9,017,788                             | 13,386,976                               |
|  |      | 320,513,885                           | 383,136,729                              |
| Contingencies Commitments                        | 11   | -                                     | -  |
|  |      | <u>768,414,262</u>                    | <u>835,642,401</u>                       |

The annexed notes 1 to 14 form an integral part of these financial statements.

MUHAMMAD SALEEM RATHOD  
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD  
CHAIRMAN



# INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

## For the Half Year ended 30 June 2011

|  | Six Months Ended  |                    | Quarter Ended      |                    |
|--|-------------------|--------------------|--------------------|--------------------|
|  | Reviewed          |                    | Unaudited          |                    |
|  | June 30<br>2011   | June 30<br>2010    | June 30<br>2011    | June 30<br>2010    |
| <b>Income</b>                                |                   |                    |                    |                    |
| Income on financing and placements           | 5,194,487         | 3,013,906          | 3,013,241          | 1,867,191          |
| Return on investments                        | 22,136,282        | 29,158,974         | 10,349,115         | 12,863,838         |
| Gain on sale of shares                       | 6,462,992         | 5,062,559          | 63,216             | 3,256,537          |
| Profit on deposit with banks                 | 185,727           | 398,885            | 185,727            | 398,885            |
| Other income                                 | 633,419           | 451,436            | 470,118            | 276,350            |
| Other income                                 | <u>34,612,907</u> | <u>38,085,760</u>  | <u>14,081,417</u>  | <u>18,662,801</u>  |
| <b>Expenditure</b>                           |                   |                    |                    |                    |
| Return on deposits and borrowings            | <u>17,963,599</u> | <u>28,423,053</u>  | <u>8,800,089</u>   | <u>14,325,645</u>  |
| Operating expenses                           | <u>13,277,121</u> | <u>14,762,746</u>  | <u>7,273,518</u>   | <u>9,076,750</u>   |
|  | <u>31,240,720</u> | <u>43,185,799</u>  | <u>16,073,607</u>  | <u>23,402,395</u>  |
| Operating profit / (Loss) before tax         | 3,372,187         | (5,100,039)        | (1,992,190)        | (4,739,594)        |
| Provision for taxation                       | 793,683           | 1,685,975          | 950,093            | 1,211,186          |
| Net Profit / (Loss) after tax                | <u>4,165,870</u>  | <u>(3,414,064)</u> | <u>(1,042,097)</u> | <u>(3,528,408)</u> |
| <b>Earning per share - basic and diluted</b> | <u>0.08</u>       | <u>(0.07)</u>      | <u>(0.02)</u>      | <u>(0.07)</u>      |

The annexed notes 1 to 14 form an integral part of these financial statements.

MUHAMMAD SALEEM RATHOD  
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD  
CHAIRMAN



Report for Half Year Ended June 30, 2011

# Report for Half Year Ended June 30, 2011

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year ended 30 June 2011

|  | Six Months Ended |                    | Quarter Ended      |                    |
|--|------------------|--------------------|--------------------|--------------------|
|  | Reviewed         | Unaudited          | June 30            | June 30            |
|  | June 30          | June 30            | 2011               | 2010               |
|  | Rupees           |                    | Rupees             |                    |
| Profit / (Loss) for the period after tax         | 4,165,870        | (3,414,064)        | (1,042,097)        | (3,528,408)        |
| Other comprehensive income                       | -                | -                  | -                  | -                  |
| <b>Total comprehensive income for the period</b> | <b>4,165,870</b> | <b>(3,414,064)</b> | <b>(1,042,097)</b> | <b>(3,528,408)</b> |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM RATHOD  
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD  
CHAIRMAN



# CONDENSED INTERIM CASH FLOW STATEMENT

## For the Half Year ended 30 June 2011

|  | Reviewed                  | Reviewed                  |
|--|---------------------------|---------------------------|
| Note   | 30 June<br>2011<br>Rupees | 30 June<br>2010<br>Rupees |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                           |                           |
| Operating profit/(Loss) before taxation                                    | 3,372,187                 | (5,100,039)               |
| <b>Adjustments for non cash and other items</b>                            |                           |                           |
| Depreciation   | 198,888                   | 774,940                   |
| (Gain) on disposal of shares   | (6,462,992)               | (5,062,559)               |
| (Gain)/loss on disposal of fixed assets                                    | (4,999)                   | 6,637                     |
|  | (6,269,103)               | (4,280,982)               |
| <b>Cash flows from operating activities before working capital changes</b> | <b>(2,896,916)</b>        | <b>(9,381,021)</b>        |
| <b>Decrease / (Increase) in operating assets</b>                           |                           |                           |
| (Increase) / Decrease in financing and placements                          | 24,000,000                | (9,391,265)               |
| (Increase) / Decrease in loans and advances                                | 54,576                    | (46,537)                  |
| (Increase) / Decrease in deposits, prepayment and other receivable         | (778,117)                 | (931,347)                 |
| (Increase) / Decrease in accrued interest                                  | 1,279,085                 | (6,200,060)               |
|  | 24,555,544                | (16,569,209)              |
| <b>(Decrease) / Increase in operating liabilities</b>                      |                           |                           |
| Increase / (Decrease) in deposits  | (5,042,885)               | (7,520,831)               |
| Increase / (Decrease) in borrowings  | (53,210,771)              | 7,149,193                 |
| Increase / (Decrease) in accrued and other liabilities                     | (4,332,045)               | (238,822)                 |
|  | (62,585,701)              | (610,460)                 |
| Net changes in operating assets and liabilities                            | <b>(38,030,157)</b>       | <b>(17,179,669)</b>       |
| Income tax paid  | (2,887,800)               | (2,754,488)               |
| Gratuity paid  | -                         | (88,000)                  |
| Dividend paid  | (37,143)                  | (41,525)                  |
|  | (2,924,943)               | (2,884,013)               |
| <b>Net cash used in operating activities</b>                               | <b>(43,852,016)</b>       | <b>(29,444,703)</b>       |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |                           |                           |
| Sale / (Purchase) of fixed assets-net                                      | (259,059)                 | (48,086)                  |
| (Purchase)/sale of investments (shares)                                    | 45,378,291                | 15,948,914                |
| Sale / (purchase) of securities  | 1,712,718                 | 2,552,620                 |
| <b>Net cash flow from investing activities</b>                             | <b>46,831,950</b>         | <b>18,453,448</b>         |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                 |                           |                           |
| Net increase / (decrease) in cash and cash equivalents                     | 2,979,934                 | (10,991,255)              |
| <b>Cash and cash equivalents at the beginning of the period</b>            | <b>6,727,743</b>          | <b>28,116,634</b>         |
| <b>Cash and cash equivalents at the end of the period</b>                  | <b>9,707,677</b>          | <b>17,125,379</b>         |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

**MUHAMMAD SALEEM RATHOD**  
CHIEF EXECUTIVE

**HAJI JAN MUHAMMAD**  
CHAIRMAN



**Report for Half Year Ended June 30, 2011**



# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

## For the Half Year ended 30 June 2011

|   | Share Capital<br>Rupees | Statutory Reserve<br>Rupees | Unappropriated Profit<br>Rupees | Total<br>Rupees      |
|---|-------------------------|-----------------------------|---------------------------------|----------------------|
| Balance as at 01 January 2010             | 514,335,583             | 139,650,141                 | (165,973,221)                   | 488,012,503          |
| Net (Loss) upto 30 June 2010              | -                       | -                           | (3,414,064)                     | (3,414,064)          |
| Other comprehensive income for the period | -                       | -                           | -                               | -                    |
| Appropriations:                           |                         |                             |                                 |                      |
| Statutory Reserves                        | -                       | -                           | -                               | -                    |
| <b>Balance as at 30 June 2010</b>         | <b>514,335,583</b>      | <b>139,650,141</b>          | <b>(169,387,285)</b>            | <b>484,598,439</b>   |
| Net Profit July to Dec 2010               | -                       | -                           | 13,220,410                      | 13,220,410           |
| Other comprehensive income for the period | -                       | -                           | -                               | -                    |
| Appropriations:                           |                         |                             |                                 |                      |
| Statutory Reserves                        | -                       | 1,961,269                   | (1,961,269)                     | -                    |
| <b>Balance as at 31 December 2010</b>     | <b>514,335,583</b>      | <b>141,611,410</b>          | <b>(158,128,144)</b>            | <b>497,818,849</b>   |
| Net profit for the period                 | -                       | -                           | 4,165,870                       | 4,165,870            |
| Other comprehensive income for the period | -                       | -                           | -                               | -                    |
| Appropriations:                           |                         |                             |                                 |                      |
| Statutory Reserves                        | -                       | 833,174                     | (833,174)                       | -                    |
| <b>Balance as at 30 June 2011</b>         | <b>514,335,583</b>      | <b>142,444,584</b>          | <b>(154,795,448)</b>            | <b>(501,984,719)</b> |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

### For the half year ended 30 June 2011

#### 1. Status and principal activities

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 23 May 1991 and started its commercial operation on 31 December 1991. Its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of SIBL is situated at Flat No.4, 3rd floor, AL-Baber Centre, Main Markaz, F-8, Islamabad.

SIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1131(I)/2007 dated 21 November 2007 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (previously this was covered under SRO 585(1)/87 dated 13 July 1987 issued by the Ministry of Finance, Government of Pakistan).

JCR - VIS Credit Rating Company Limited has reaffirmed medium to long-term rating of SIBL at 'A' (Single A) with stable outlook and the short-term rating at 'A-2' (A Two).

These financial statements are the separate financial statements of the Company. In addition to these financial statements, consolidated financial statements of the Company and its subsidiary M/s. SIBL Exchange Company (Pvt) Limited, have also been prepared.

#### 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 but subject to limited scope review performed by the external auditors of the Company in accordance with the requirements of the clause (xxi) of the Code of Corporate Governance. 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 2010. 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 2010."

### 4. Estimates

The preparation of condensed interim financial statements requires management to make judgements, 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 judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2010."

### 5 Property, plant and equipment

#### Cost

|                                       | Reviewed<br>30 June<br>2011<br>(Rupees) | Audited<br>31 December<br>2010<br>(Rupees) |
|---------------------------------------|---|--|
| As at January 01, 2011                | 12,767,265                              | 17,564,960                                 |
| Addition / (deletion) -net            | 186,912                                 | (4,797,695)                                |
| As at June 30, 2011                   | 12,954,177                              | 12,767,265                                 |
| <b>Less: Accumulated Depreciation</b> |   |  |
| As at 01 January 01, 2011             | 11,596,072                              | 13,934,746                                 |
| For the period                        | 198,888                                 | 774,940                                    |
| Adjustment for the period             | (77,147)                                | (3,113,614)                                |
| As at June 30, 2011                   | 11,717,813                              | 11,596,072                                 |
|                                       | <u>1,236,364</u>                        | <u>1,171,193</u>                           |

### 6 Long term investments

#### Held to maturity

|  |                    |                    |
|--|--------------------|--------------------|
| Pakistan Investment Bonds  | 51,022,476         | 51,062,052         |
| 10,000,000 Ordinary shares of Rs. 10/- each<br>SIBL Exchange Company (Private) Limited-<br>wholly owned subsidiary | 100,000,000        | 100,000,000        |
|  | <u>151,022,476</u> | <u>151,062,052</u> |

### 7 Short term investment - Available-for-sale

|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| Pakistan Investment Bonds | 343,348,534        | 336,310,158        |
| Term Finance Certificate  | 6,890,625          | 8,792,355          |
| Quoted Shares             | 26,586,103         | 78,033,325         |
|                           | <u>376,825,262</u> | <u>423,135,838</u> |

### 8 Cash and bank balances

|  |                  |                  |
|--|------------------|------------------|
| With State Bank of Pakistan in Current account | 2,038,537        | 223,092          |
| With other banks in                            |                  |                  |
| Current account                                | 1,929,889        | 4,038,984        |
| Deposit accounts                               | 5,729,299        | 2,454,134        |
|  | 7,659,188        | 6,493,118        |
| Cash in hand                                   | 9,952            | 11,533           |
|  | <u>9,707,677</u> | <u>6,727,743</u> |



**9 (Deficit) on revaluation of investment - net of tax**

|                            |              |              |
|----------------------------|--------------|--------------|
| Government securities      | (59,526,391) | (68,237,909) |
| Term finance certificates  | (2,296,875)  | (395,145)    |
|                            | (61,823,266) | (68,633,054) |
| Related deferred tax asset | 20,834,237   | 23,883,268   |
|                            | (40,989,029) | (44,749,786) |
| Quoted shares              | (13,095,313) | (563,391)    |
|                            | (54,084,342) | (45,313,177) |

**10 Borrowings**

|   |             |             |
|---|-------------|-------------|
| Secured under repurchase agreements against government securities | 196,013,427 | 250,047,600 |
| SIBL-Provident fund   | 5,178,690   | 5,201,193   |
| SIBL-Gratuity fund  | 3,275,198   | 2,429,293   |
|   | 204,467,315 | 257,678,086 |

**11 Contingencies commitments**

|  |            |            |
|--|------------|------------|
| Guarantees issued on behalf of customers | 73,432,889 | 77,650,500 |
|--|------------|------------|

**Commitments**

This were no commitments as at the balance sheet date.

**12. 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 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;

|  | Reviewed<br>30 June<br>2011<br>(Rupees) | Reviewed<br>30 June<br>2010<br>(Rupees) |
|--|---|---|
| <b>Financing</b>                                     |   |   |
| - Associated undertaking                             | 12,841,265                              | 6,991,265                               |
| - Others   | 48,500,000                              | 21,000,000                              |
| <b>Return on financing</b>                           |   |   |
| - Associated undertaking                             | 1,018,857                               | 679,676                                 |
| - Others   | 3,412,580                               | 2,344,752                               |
| <b>Un funded guarantee</b>                           |   |   |
| - Associated undertaking                             | 73,432,889                              | 68,834,500                              |
| <b>Deposits</b>                                      |   |   |
| - Associated undertaking                             | 89,611,384                              | 86,713,285                              |
| - Others   | 5,858,188                               | 11,632,855                              |
| <b>Return on deposits</b>                            |   |   |
| - Associated undertaking                             | 3,536,518                               | 3,230,074                               |
| - Others   | 345,065                                 | 555,819                                 |
| <b>Contribution to staff retirement benefit plan</b> | 237,870                                 | 436,133                                 |

**13 Date of authorisation**

These financial statements were authorised for issue by the Board of Directors on August 20, 2011.

**14 General**

Figures have been rounded off to the nearest rupee.

**MUHAMMAD SALEEM RATHOD  
CHIEF EXECUTIVE**

**HAJI JAN MUHAMMAD  
CHAIRMAN**



**CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2011**



# INDEPENDENT REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF SECURITY INVESTMENT BANK LIMITED

## Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Security Investment Bank Limited ("the Company") as at 30<sup>th</sup> June 2011 and the related condensed consolidated interim profit and loss account, condensed consolidated interim cash flow statement, condensed consolidated interim statement of comprehensive income and condensed consolidated interim statement of changes in equity for the half year then ended (condensed consolidated interim financial information). Management of holding company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. The reported figures of the condensed consolidated interim profit and loss account for the quarter ended 30<sup>th</sup> June 2011 and comparative figures of quarter ended 30<sup>th</sup> June 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 30<sup>th</sup> June 2011.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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.

This condensed interim financial report of the company for the six months period ended 30<sup>th</sup> June 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of the directives issued under Companies Ordinance, 1984. In case where requirements differ the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at and for the half year ended 30<sup>th</sup> June 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Karachi

Dated: 20<sup>th</sup> August 2011

Engagement Partner: Adnan Zaman

Report for Half Year Ended June 30, 2011



**CONDENSED CONSOLIDATED INTERIM  
BALANCE SHEET**  
As at 30 June 2011

|  | Note | Reviewed<br>30 June<br>2011<br>Rupees | Audited<br>31 December<br>2010<br>Rupees |
|--|------|---------------------------------------|--|
| <b>Non-current assets</b>                          |      |                                       |  |
| Property, plant and equipment                      | 6    | 1,777,317                             | 1,812,554                                |
| Stock exchange membership card - Intangible        |      | 36,029,170                            | 36,064,168                               |
| Long term investments                              | 7    | 51,022,476                            | 51,062,052                               |
| Deferred tax asset                                 |      | 40,006,261                            | 42,088,152                               |
| <b>Current assets</b>                              |      |                                       |  |
| Short term financing                               |      | 61,341,265                            | 40,341,265                               |
| Short term placements                              |      | -                                     | 45,000,000                               |
| Short term investments                             | 8    | 401,825,262                           | 448,135,838                              |
| Loans and advances                                 |      | 81,695,780                            | 74,715,947                               |
| Deposits, prepayments and other receivables        |      | 5,562,877                             | 6,403,216                                |
| Accrued interest                                   |      | 8,933,064                             | 10,212,149                               |
| Cash and bank balances                             | 9    | 11,528,578                            | 7,664,111                                |
|  |      | <u>570,886,826</u>                    | <u>632,472,526</u>                       |
|  |      | <u>699,722,050</u>                    | <u>763,499,452</u>                       |
| <b>Equity and liabilities</b>                      |      |                                       |  |
| <b>Share capital and reserves</b>                  |      |                                       |  |
| <b>Authorized capital</b>                          |      |                                       |  |
| 100,000,000 ordinary shares of Rs.10/- each        |      | <u>1,000,000,000</u>                  | <u>1,000,000,000</u>                     |
| Issued, subscribed and paid up capital             |      | 514,335,583                           | 514,335,583                              |
| Unappropriated loss                                |      | (138,764,501)                         | (144,017,547)                            |
| Statutory reserves                                 |      | (142,444,584)                         | 141,611,410                              |
|  |      | 518,015,666                           | 511,929,446                              |
| Deficit on revaluation of investments - net of tax | 10   | (54,084,342)                          | (45,313,177)                             |
| <b>Current liabilities</b>                         |      |                                       |  |
| Borrowings   | 11   | 204,467,315                           | 257,678,086                              |
| Short term deposits                                |      | 19,615,201                            | 25,372,609                               |
| Accrued and other liabilities                      |      | 11,708,210                            | 13,832,488                               |
|  |      | 235,790,726                           | 296,883,183                              |
| Contingencies and commitments                      | 12   | -                                     | -  |
|  |      | <u>699,722,050</u>                    | <u>763,499,452</u>                       |

The annexed notes 1-15 form an integral part of these consolidated interim financial statements.



**MUHAMMAD SALEEM RATHOD**  
CHIEF EXECUTIVE

**HAJI JAN MUHAMMAD**  
CHAIRMAN

**CONDENSED CONSOLIDATED INTERIM  
PROFIT AND LOSS ACCOUNT  
For the Half Year ended 30 June 2011**

|                                       | Six Months Ended  |                 | Quarter Ended     |                 |
|---------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                       | Reviewed          |                 | Unaudited         |                 |
|                                       | June 30<br>2011   | June 30<br>2010 | June 30<br>2011   | June 30<br>2010 |
| <b>Income</b>                         |                   |                 |                   |                 |
| Income on financing and placements    | 5,194,487         | 3,013,906       | 3,013,241         | 1,867,191       |
| Return on investments                 | 23,695,095        | 30,564,242      | 11,116,317        | 13,575,322      |
| Gain on sale of shares                | 6,462,992         | 5,062,559       | 63,216            | 3,256,537       |
| Profit on deposit with banks          | 185,727           | 398,885         | 185,727           | 398,885         |
| Other income                          | 633,419           | 453,986         | 470,118           | 276,350         |
|                                       | <b>36,171,720</b> | 39,493,578      | <b>14,848,619</b> | 19,374,285      |
| <b>Expenditure</b>                    |                   |                 |                   |                 |
| Return on deposits and borrowings     | 14,543,928        | 25,342,241      | 7,079,100         | 12,809,611      |
| Operating expenses                    | 15,126,681        | 16,727,734      | 8,244,411         | 10,079,781      |
|                                       | <b>29,670,609</b> | 42,069,975      | <b>15,323,511</b> | 22,889,392      |
| Operating profit / (loss) before tax  | 6,501,111         | (2,576,397)     | (474,892)         | (3,515,107)     |
| Provision for taxation                | (414,892)         | 747,266         | 323,766           | 727,181         |
| Net profit / (loss) after tax         | <b>6,086,219</b>  | (1,829,131)     | <b>(151,126)</b>  | (2,787,926)     |
| Earning per share - basic and diluted | <b>0.12</b>       | (0.04)          | <b>(0.00)</b>     | (0.05)          |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**MUHAMMAD SALEEM RATHOD**  
CHIEF EXECUTIVE

**HAJI JAN MUHAMMAD**  
CHAIRMAN



**Report for Half Year Ended June 30, 2011**



# Report for Half Year Ended June 30, 2011

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME For the Half Year ended 30 June 2011

|  | Six Months Ended<br>Reviewed |                    | Quarter Ended<br>Un-audited |                    |
|--|------------------------------|--------------------|-----------------------------|--------------------|
|  | June 30<br>2011              | June 30<br>2011    | June 30<br>2011             | June 30<br>2010    |
|  | Rupees                       |                    | Rupees                      |                    |
| Profit / (loss) for the period after tax         | 6086,219                     | (1,829,131)        | (151,126)                   | (2,787,926)        |
| Other comprehensive income                       | -                            | -                  | -                           | -                  |
| Total comprehensive income/(Loss) for the period | <u>6,086,219</u>             | <u>(1,829,131)</u> | <u>(151,126)</u>            | <u>(2,787,926)</u> |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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CHIEF EXECUTIVE

HAJI JAN MUHAMMAD  
CHAIRMAN



# CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

## For the Half Year ended 30 June 2011

|  | Reviewed                  | Reviewed                  |
|--|---------------------------|---------------------------|
|  | 30 June<br>2011<br>Rupees | 30 June<br>2010<br>Rupees |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                           |                           |
| Operating profit / (loss) before taxation                                  | 6,501,111                 | (2,576,397)               |
| <b>Adjustments for non cash and other items</b>                            |                           |                           |
| Depreciation   | 359,297                   | 1,132,731                 |
| Amortization   | 69,998                    | 70,000                    |
| (Gain) on disposal of shares   | (6,462,992)               | (5,062,559)               |
| (Gain) / loss on disposal of fixed assets                                  | (4,999)                   | 6,637                     |
|  | (6,038,696)               | (3,853,191)               |
| <b>Cash flows from operating activities before working capital changes</b> | 462,415                   | (6,429,588)               |
| <b>Decrease / (increase) in operating assets</b>                           |                           |                           |
| Decrease / (increase) in financing and placements                          | 24,000,000                | (9,391,265)               |
| Decrease / (increase) in loans and advances                                | 619,007                   | (5,599,995)               |
|  | 24,619,007                | (14,991,260)              |
| <b>(Decrease) in operating liabilities</b>                                 |                           |                           |
| (Decrease) in deposits   | (5,757,408)               | (9,778,280)               |
| (Decrease) / increase in borrowings  | (53,210,771)              | 7,149,193                 |
| (Decrease) in accrued and other liabilities                                | (3,676,132)               | (378,068)                 |
|  | (62,644,311)              | (3,007,155)               |
| Net changes in operating assets and liabilities                            | (38,025,304)              | (17,998,415)              |
| Income tax paid  | (5,307,450)               | (5,441,088)               |
| Gratuity paid  | -                         | (88,000)                  |
| Dividend paid  | (37,143)                  | (41,525)                  |
|  | (5,344,593)               | (5,570,613)               |
| <b>Net cash used in operating activities</b>                               | (42,907,482)              | (29,998,616)              |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |                           |                           |
| Sale / (Purchase) of fixed assets - net                                    | (319,060)                 | (145,394)                 |
| Sale of investments (shares)   | 45,378,291                | 15,948,914                |
| Sale of securities   | 1,712,718                 | 2,552,620                 |
| <b>Net cash flow from investing activities</b>                             | 46,771,949                | 18,356,140                |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                 | -                         | -                         |
| <b>Net increase (decrease) in cash and cash equivalents</b>                | 3,864,467                 | (11,642,476)              |
| <b>Cash and cash equivalents at the beginning of the period</b>            | 7,664,111                 | 29,715,075                |
| <b>Cash and cash equivalents at the end of the period</b>                  | 11,528,578                | 18,072,599                |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MUHAMMAD SALEEM RATHOD  
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD  
CHAIRMAN



Report for Half Year Ended June 30, 2011

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half Year ended 30 June 2011

|  | Share Capital      | Statutory Reserve  | Unappropriated Profit | Total              |
|--|--------------------|--------------------|-----------------------|--------------------|
|  | Rupees             | Rupees             | Rupees                | Rupees             |
| Balance as at January 01, 2010                   | 514,335,583        | 139,650,141        | (155,260,572)         | 498,725,152        |
| Net (loss) upto June 30, 2010                    | -                  | -                  | (1,829,131)           | (1,829,131)        |
| Other comprehensive income for the period        | -                  | -                  | -                     | -                  |
| Appropriations:                                  |                    |                    |                       |                    |
| Statutory reserves                               | -                  | -                  | -                     | -                  |
| <b>Balance as at June 30, 2010</b>               | <b>514,335,583</b> | <b>139,650,141</b> | <b>(157,089,703)</b>  | <b>496,896,021</b> |
| Net profit from July to December 2010            | -                  | -                  | 15,033,425            | 15,033,425         |
| Other comprehensive income for the period        | -                  | -                  | -                     | -                  |
| Appropriations:                                  |                    |                    |                       |                    |
| Statutory reserves                               | -                  | 1,961,269          | (1,961,269)           | -                  |
| <b>Balance as at December 31, 2010</b>           | <b>514,335,583</b> | <b>141,611,410</b> | <b>(144,017,547)</b>  | <b>511,929,446</b> |
| Net profit for the half year ended June 30, 2011 | -                  | -                  | 6,086,219             | 6,086,219          |
| Transfer to statutory reserve                    | -                  | -                  | -                     | -                  |
| Other comprehensive income for the period        | -                  | -                  | -                     | -                  |
| Appropriations:                                  |                    |                    |                       |                    |
| Statutory reserves                               | -                  | 833,174            | (833,174)             | -                  |
| <b>Balance as at June 30, 2011</b>               | <b>514,335,583</b> | <b>142,444,584</b> | <b>(138,764,502)</b>  | <b>518,015,665</b> |

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

## CONDENSED CONSOLIDATED INTERIM NOTES TO THE FINANCIAL STATEMENTS For the half year ended 30 June 2011

### 1. Status and principal activities

Security Investment Bank Limited and its subsidiary company ("The Group") comprises of holding company Security Investment Bank Limited (SIBL) and a wholly owned subsidiary company SIBL Exchange Company (Pvt) Limited (SIBLE).

SIBL ("the company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 23 May 1991 and started its commercial operation on 31 December 1991. Its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of SIBL is situated at Flat No.4, 3rd floor, AL-Baber Centre, Main Markaz, F-8, Islamabad. SIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1131(I)/2007 dated November 21, 2007 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (previously this was covered under SRO 585(1)/87 dated July 13, 1987 issued by the Ministry of Finance, Government of Pakistan).

SIBLE ("the Subsidiary") is a private limited company incorporated in Pakistan on December 16, 2004 under the Companies Ordinance, 1984. The Company has been formed to operate under the Foreign Exchange Regulation Act, 1947 as amended by SBP through Foreign Exchange circular # 9 dated July 30, 2002. The Registered Office of the subsidiary is situated at Shope no. 2, Al-Rahim Tower, I. I. Chundrigar Road, Karachi.

### 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 but subject to limited scope review performed by the external auditors of the Company in accordance with the requirements of the clause (XXI) of the Code of Corporate Governance. 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 December 31, 2010. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

### 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 December 31, 2010.

### 4. Estimates

The preparation of condensed interim financial statements requires management to make judgements, 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 judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2010.

### 5. Basis of consolidation

The Consolidated financial statements include the Financial Statements of Parent Company (Security Investment Bank Limited) and a wholly owned Subsidiary Company (SIBL Exchange Company (Private) Limited). The Financial Statements of Subsidiary are included in the consolidated financial statements from the date of its incorporation. The financial statements of subsidiary has been consolidated on a line by line basis. All intercompany balance, transactions and resulting profit/(losses) have been eliminated.

|  | Reviewed<br>30 June<br>2011<br>Rupees | Audited<br>31 December<br>2010<br>Rupees |
|--|---------------------------------------|--|
| <b>6 Property, plant and equipment</b>         |                                       |  |
| <b>Cost</b>                                    |                                       |  |
| As at January 01, 2011                         | 15,033,598                            | 19,831,293                               |
| Additions / (deletions) - net                  | 246,912                               | (4,797,695)                              |
| As at June 30, 2011                            | 15,280,510                            | 15,033,598                               |
| <b>Less: Accumulated depreciation</b>          |                                       |  |
| As at January 01, 2011                         | 13,221,044                            | 15,215,460                               |
| For the period                                 | 359,297                               | 1,882,901                                |
| Adjustment for the period                      | (77,147)                              | (3,877,317)                              |
| As at June 30, 2011                            | 13,503,194                            | 13,221,044                               |
|  | <b>1,777,316</b>                      | <b>1,812,554</b>                         |
| <b>7 Long term investments</b>                 |                                       |  |
| <b>Held to maturity</b>                        |                                       |  |
| Pakistan Investment Bonds                      | 51,022,476                            | 51,062,052                               |
|  | <b>51,022,476</b>                     | <b>51,062,052</b>                        |
| <b>8 Short term investments</b>                |                                       |  |
| <b>Available-for-sale</b>                      |                                       |  |
| Pakistan Investment Bonds                      | 343,348,534                           | 336,310,158                              |
| Term Finance Certificate                       | 6,890,625                             | 8,792,355                                |
| Quoted Shares                                  | 26,586,103                            | 78,033,325                               |
| Treasury Bills                                 | 25,000,000                            | 25,000,000                               |
|  | <b>401,825,262</b>                    | <b>448,135,838</b>                       |
| <b>9 Cash and bank balances</b>                |                                       |  |
| With State Bank of Pakistan in current account | 3,542,437                             | 793,992                                  |
| With other banks in                            |                                       |  |
| current account                                | 2,007,627                             | 4,308,604                                |
| deposit account                                | 5,729,299                             | 2,454,134                                |
|  | 7,736,926                             | 6,762,738                                |
| Cash in hand                                   | 249,215                               | 107,381                                  |
|  | <b>11,528,578</b>                     | <b>7,664,111</b>                         |



**10 Deficit on revaluation of investment - net of tax**

|                            |                            |                            |
|----------------------------|----------------------------|----------------------------|
| Government securities      | (59,526,391)               | (68,237,909)               |
| Term finance certificates  | <u>(2,296,875)</u>         | <u>(395,145)</u>           |
|                            | (61,823,266)               | (68,633,054)               |
| Related deferred tax asset | <u>20,834,237</u>          | <u>23,883,268</u>          |
|                            | (40,989,029)               | (44,749,786)               |
| Quoted shares              | <u>(13,095,313)</u>        | <u>(563,391)</u>           |
|                            | <u><b>(54,084,342)</b></u> | <u><b>(45,313,177)</b></u> |

**11 Borrowings**

|   |                           |                           |
|---|---------------------------|---------------------------|
| Secured under repurchase agreements against government securities | 196,013,427               | 250,047,600               |
| SIBL-Provident fund   | 5,178,690                 | 5,201,193                 |
| SIBL-Gratuity fund  | <u>3,275,198</u>          | <u>2,429,293</u>          |
|   | <u><b>204,467,315</b></u> | <u><b>257,678,086</b></u> |

**12 Contingencies and commitments**

**Contingencies**

|  |                   |                   |
|--|-------------------|-------------------|
| Guarantees issued on behalf of customers | <u>73,432,889</u> | <u>77,650,500</u> |
|--|-------------------|-------------------|

**12.1** Other receivables includes an amount of Rs. 1.624 million due from insurance company against claim filed for the loss of cash due to armed robbery outside the office premises in June 2009. The Company filed FIR against the robbery. The police Investigated the matter and submitted an investigation report to judicial Magistrate, who accepted the report and concluded in his order that the robbery did not take place. The company has successfully taken the stay against the order of Judicial Magistrate and the appeal is pending before the Honorable High Court of Sindh. The management and its legal advisor are confident that the matter will be decided in favour of the company, therefore no provision has been made in these financial statements against the receivables.

**Commitments**

There were no commitment as at the balance sheet date.

**13. SEGMENT INFORMATION**

The group's activities are broadly categorized into two primary business segments namely Investment Banking activities and Exchange Company activities within Pakistan. Investment Banking activities includes all those activities carried out by SIBL and Exchange Company's activities includes all those activities carried out by SIBL Exchange.

|   | <u>June 30, 2011</u>                         |  | Total                     |
|---|--|--|---------------------------|
|   | <u>Investment<br/>Banking<br/>Activities</u> | <u>Exchange<br/>Company<br/>Activities</u> |                           |
| Return on financing and placements          | 5,194,487                                    | -  | 5,194,487                 |
| Return on securities                        | 22,136,282                                   | 1,558,813                                  | 23,695,095                |
| Gain on sale of investments                 | 6,462,992                                    | -  | 6,462,992                 |
| Profit on deposits with banks               | 185,727                                      | -  | 185,727                   |
| Other income                                | <u>633,419</u>                               | -  | <u>633,419</u>            |
| <b>Total income for reportable segments</b> | <u><b>34,612,907</b></u>                     | <u><b>1,558,813</b></u>                    | <u><b>36,171,720</b></u>  |
| Return on deposits and borrowings           | 14,543,928                                   | -  | 14,543,928                |
| Administrative and Operating expenses       | <u>13,348,934</u>                            | <u>1,777,747</u>                           | <u>15,126,681</u>         |
| <b>Segment result</b>                       | <u><b>6,720,045</b></u>                      | <u><b>(218,934)</b></u>                    | <u><b>6,501,111</b></u>   |
| <b>Loss before taxation</b>                 | <u><b>1,720,045</b></u>                      | <u><b>(218,934)</b></u>                    | <u><b>6,501,111</b></u>   |
| <b>Segment Assets</b>                       | <u><b>668,414,262</b></u>                    | <u><b>31,307,788</b></u>                   | <u><b>699,722,050</b></u> |
| <b>Segment Liabilities and Equities</b>     | <u><b>580,673,727</b></u>                    | <u><b>119,048,323</b></u>                  | <u><b>699,722,050</b></u> |



|   | <b>June 30, 2010</b> |                             |                    |
|---|----------------------|-----------------------------|--------------------|
|   | <b>Banking</b>       | <b>Exchange<br/>Company</b> | <b>Total</b>       |
| Return on financing and placements          | 3,013,906            | -                           | 3,013,906          |
| Return on securities                        | 29,158,974           | 1,405,268                   | 30,564,242         |
| Gain on sale of investments                 | 5,062,559            | -                           | 5,062,559          |
| Profit on deposits with banks               | 398,885              | -                           | 398,885            |
| Other income                                | 451,436              | 2,550                       | 453,986            |
| <b>Total income for reportable segments</b> | <b>38,085,760</b>    | <b>1,407,818</b>            | <b>39,493,578</b>  |
| Return on deposits and borrowings           | 25,342,241           | -                           | 25,342,241         |
| Administrative and Operating expenses       | 14,762,746           | 1,964,988                   | 16,727,734         |
| <b>Segment result</b>                       | <b>(2,019,227)</b>   | <b>(557,170)</b>            | <b>(2,576,397)</b> |
| <b>Loss before taxation</b>                 | <b>(2,019,227)</b>   | <b>(557,170)</b>            | <b>(2,576,397)</b> |
| <b>Segment Assets</b>                       | <b>841,061,501</b>   | <b>28,386,544</b>           | <b>869,448,045</b> |
| <b>Segment Liabilities and Equities</b>     | <b>856,042,297</b>   | <b>13,405,748</b>           | <b>869,448,045</b> |

#### 14. Date of authorization

These financial statements were authorized for issue by the Board of Directors on 20th August 2011.

#### 15. General

Figures have been rounded off to the nearest rupee.

**MUHAMMAD SALEEM RATHOD**  
CHIEF EXECUTIVE

**HAJI JAN MUHAMMAD**  
CHAIRMAN





**ISLAMABAD OFFICE**

**GPO Box No. 2967, Suit # 4, 3rd Floor,  
Al-Babar Centre, Main Markaz F-8 v.  
Ph: (051) 2856978-80 Fax: (051) 2856987**

**KARACHI OFFICE**

**606, 6th Floor, Unitowers,  
I.I. Chundrigar Road, Karachi-74000.  
Tel: (021) 32418410-13 Fax: (021) 32418414**

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