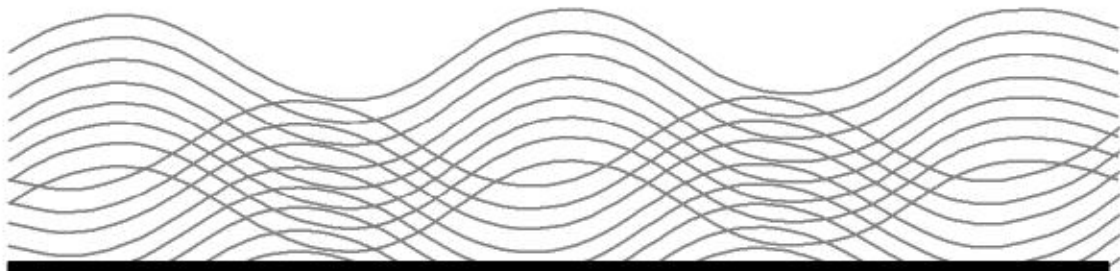
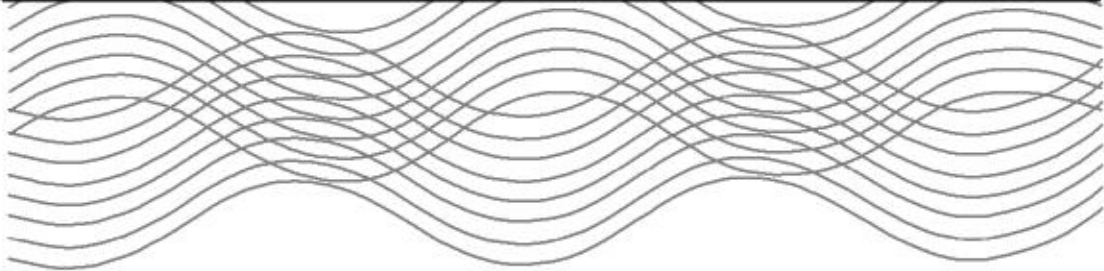


**QUARTERLY FINANCIAL STATEMENTS
(UNAUDITED)
MARCH 31, 2008**



**SECURITY INVESTMENT
BANK LIMITED**

— the money-wise bank



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Khursheed K. Marker (Chairman)
Haji Jan Muhammad
Mr. Muhammad Mehboob
Mr. Muhammad Younus Abdul Aziz Tabba
Mr. Maqbool H. H. Rahimtoola
Mr. Muhammad Iqbal Kasbati
Mr. Muhammad Saleem Rathod

PRESIDENT & CHIEF EXECUTIVE

Mr. Muhammad Saleem Rathod

AUDIT COMMITTEE

Mr. Khursheed K. Marker
Haji Jan Muhammad
Mr. Muhammad Iqbal Kasbati

COMPANY SECRETARY

Mr. Muhammad Shahzad

CHIEF FINANCIAL OFFICER

Mr. Muhammad Amin Khatri

AUDITORS

Avais Hyder Liaquat Nauman
Chartered Accountants

TAX ADVISORS

Anjum Asim Shahid Rahman
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners
Mr. Muhammad Tariq Qureshi

BANKERS

Habib Metropolitan Bank Limited.
Al-Baraka Islamic Bank B.S.C. (E.C.)
MCB Bank Limited.
The Bank of Khyber.
Habib American Bank, New York.

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

KARACHI OFFICE

606, 6th Floor, Unitowers,
I.I. Chundrigar Road, Karachi.
Tel : (021) 2418410-13 Fax : (021) 2418414
Email: sibl@sibl.com.pk



DIRECTORS' REPORT

The Directors of Security Investment Bank Limited (SIBL) are pleased to present the un-audited financial statements of SIBL for the quarter ended March 31, 2008.

At present Pakistan is going through a difficult political and economical environment. The first quarter of our current financial year has been extremely difficult. The State Bank of Pakistan (SBP) to control the inflation has continued to enforce tight monetary policy and in doing so it has increased the discount rate to 10.50%. In international market oil prices are increasing, which would put more pressure on Cost Push inflation in future. Capital Market remained volatile; however, it has witnessed improvements.

The management considering overall business environment have made adjustments to run SIBL profitably during the quarter. The total assets were Rs.2.254 billion as on March 31, 2008 as compared to Rs.2.737 billion on December 31, 2007, which on April 11, 2008 was Rs.2.829 billion. The overall earnings have remained around on same level as compared to the same period of last year.

During first quarter of current financial year, return on financing and placement decreased by 18% compared to the same period of last year. Return on investments increased by 13%, gain on sale of shares increased by 161% and profit on deposits with bank decreased by 68% compared to the same period of the last year. The pre-tax profit of SIBL for the quarter ended March 31, 2008 was Rs.24 million and profit after tax was Rs.20 million.

The deficit on revaluation of investment as on March 31, 2008 was Rs.73.814 million as compared to Rs.61.447 million on December 31, 2007. As of March 31, 2008 face of value of investment in Pakistan Investment Bonds (PIB) of SIBL was Rs.450 million, out of which Rs.50 million and Rs.400 million have been classified as "Held to maturity" and "Available for sale", respectively. As required by SBP to avail repo facility, PIBs of Rs.400 million have been classified as "Available for sale", which carries markup rate of 9% to 11%, is required to be reported at market value in the financial statements. Consequent to increase in discount rate by SBP during the quarter, market value of PIBs of Rs.400 million have decreased and deficit on revaluation on investment have increased.

We expect to maintain profitability in the second quarter. However, it would largely depend on political situation of the country and tight monetary policy being enforced by SBP.

The Directors are grateful to shareholders, the Securities and Exchange Commission of Pakistan, Stock Exchanges, and other regulators for their guidance, support and cooperation. We would also like to put on record praise for sincere and dedicated services of our company staff and management.

On behalf of the Board

Khursheed K. Marker
Chairman

Karachi;
April 28, 2008



BALANCE SHEET AS AT MARCH 31, 2008

	Note	March 31, 2008 Rupees	December 31, 2007 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets		5,436,003	5,747,315
Stock exchange membership card-intangible		36,000,000	36,000,000
Long term investments		151,240,144	151,299,508
Deferred tax asset		12,925,813	12,925,813
CURRENT ASSETS			
Short term financing		363,414,198	182,834,198
Short term placements	5	936,605,185	1,477,892,625
Short term investments	6	653,167,260	727,406,991
Advances, deposits, prepayments and other receivables		124,098,500	105,498,709
Cash and bank balances	7	35,328,742	102,460,234
		2,112,613,885	2,596,092,757
		2,318,215,845	2,802,065,393
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
100,000,000 ordinary shares of Rs. 10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital		428,612,993	428,612,993
Reserve		245,506,487	225,473,213
		674,119,480	654,086,206
(Deficit) on revaluation of investments - net	8	(73,813,999)	(61,447,148)
NON-CURRENT LIABILITIES			
Deferred liability		5,176,000	5,176,000
CURRENT LIABILITIES			
Borrowings	9	1,265,000,000	1,195,000,000
Short term deposits		427,471,258	971,844,854
Accrued and other liabilities		20,263,106	37,405,481
		1,712,734,364	2,204,250,335
Contingencies and commitments		2,318,215,845	2,802,065,393
		2,318,215,845	2,802,065,393

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



PROFIT & LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED MARCH 31, 2008

	Quarter ended March 31, 2008 Rupees	Quarter ended March 31, 2007 Rupees
INCOME		
Income on financing and placements	41,295,577	50,095,285
Return on investments	16,921,214	14,954,603
Gain on sale of shares	12,549,402	4,812,722
Profit on deposit with banks	1,283,537	4,057,265
Other Income	229,444	286,399
	72,279,174	74,206,274
EXPENDITURE		
Return on deposits and borrowings	41,256,248	43,903,684
Operating expenses	6,989,652	5,896,833
	48,245,900	49,800,517
PROFIT BEFORE TAXATION	24,033,274	24,405,757
Provision for taxation	4,000,000	5,000,000
PROFIT AFTER TAXATION	20,033,274	19,405,757
Earnings per share - basic and diluted	0.47	0.45

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED MARCH 31, 2008

	Three months ended March 31, 2008 Rupees	Three months ended March 31, 2007 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before taxation	24,033,274	24,405,757
Adjustment for non cash & other items		
Depreciation	381,702	333,707
Gain on disposal of shares	(12,549,402)	(4,812,722)
Gain on disposal of fixed assets	-	(134,799)
	(12,167,700)	(4613,814)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		
	11,865,574	19,791,943
Decrease/(Increase) in operating assets		
(Increase)/decrease in financing and placements	360,707,440	(467,376,490)
(Increase)/decrease in advances, deposits, prepayment and other receivables	(12,889,565)	(18,800,121)
	347,817,875	(486,176,611)
(Decrease)/Increase in operating liabilities		
(Decrease) in deposits	(544,373,596)	(166,566,332)
Increase/(Decrease) in borrowings	70,000,000	545,500,000
Increase/(Decrease) in accrued and other liabilities	(17,139,939)	3,020,929
	(491,513,535)	381,954,597
	(143,695,660)	(104,222,014)
Income tax paid	(5,710,227)	(6,154,405)
Gratuity paid	-	(120,000)
Dividend paid	-	(15,620)
	(5,710,227)	(6,290,025)
NET CASH USED IN OPERATING ACTIVITIES	(137,540,313)	(90,720,096)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/sale of fixed assets	(95,590)	(1,651,680)
(Purchase)/Sale of investments (shares)	72,235,735	(123,055,933)
(Purchase)/Sale of Securities	(1,731,324)	1,821,185
NET CASH FLOW FROM INVESTING ACTIVITIES	70,408,821	(122,886,428)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,131,492)	(213,606,524)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	102,460,234	389,399,475
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	35,328,742	175,792,951

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHED K. MARKER
Chairman



STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED MARCH 31, 2008

	Share Capital	Statutory Reserve	Reserve for issuance of bonus shares	Unappropriated Profit	Total
	-----Rupees-----				
Balance as at January 01, 2007	428,612,993	116,477,482	-	105,474,437	650,564,912
Net profit upto March 31, 2007	-	-	-	19,405,757	19,405,757
Transfer to Statutory reserve	-	3,881,151	-	(3,881,151)	-
Balance as at March 31, 2007	428,612,993	120,358,633	-	120,999,043	669,970,669
Net profit April to December, 2007	-	-	-	69,838,136	69,838,136
Transfer to Statutory reserve	-	13,967,628	-	(13,967,628)	-
Dividend paid for the year 2006	-	-	-	(85,722,599)	(85,722,599)
Balance as at December 31, 2007	428,612,993	134,326,261	-	91,146,952	654,086,206
Net profit for the period	-	-	-	20,033,274	20,033,274
Transfer to Statutory reserve	-	4,006,655	-	(4,006,655)	-
Transfer to Reserve for issuance of bonus shares	-	-	85,722,590	(85,722,590)	-
Balance as at March 31, 2008	428,612,993	138,332,916	85,722,590	21,450,981	674,119,480

NOTES TO THE ACCOUNTS FOR THE FIRST QUARTER ENDED MARCH 31, 2008

1. STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. 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, 2007 (previously this was covered under SRO 585(1)/87 dated July 13, 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-1' (A One).

2. BASIS OF PRESENTATION

These condensed interim financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34- Interim Financial Reporting" as applicable in Pakistan and are unaudited . These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2007. 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 December 31, 2007.

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, 2007.



	March 31, 2008	December 31, 2007
5. SHORT TERM PLACEMENT		
Under reverse repurchase agreements of quoted shares - secured	936,605,185	1,477,892,625
	<u>936,605,185</u>	<u>1,477,892,625</u>
6. SHORT TERM INVESTMENTS		
Available-for-sale		
Pakistan Investment Bonds	366,923,006	379,547,242
WAPDA Bonds - 10th issued	50,000,000	50,000,000
Term Finance Certificates	62,404,707	63,270,922
Quoted Shares	173,839,547	234,588,827
	<u>653,167,260</u>	<u>727,406,991</u>
7. CASH AND BANK BALANCES		
With State Bank of Pakistan in		
Reserve account	8,725,000	8,725,000
Current account	1,022,105	1,540,758
	9,747,105	10,265,758
With other Banks in		
Current account	18,925,532	8,714,499
Deposit accounts	6,641,826	83,474,107
	25,567,358	92,188,606
Cash in hand	14,279	5,870
	<u>35,328,742</u>	<u>102,460,234</u>
8. (DEFICIT) ON REVALUATION OF INVESTMENTS		
Government securities	(46,866,918)	(35,039,677)
Term Finance Certificates	(2,876,241)	(2,884,991)
	<u>(49,743,159)</u>	<u>(37,924,668)</u>
Related deferred tax asset/(liability)	12,263,887	12,263,887
	<u>(37,479,272)</u>	<u>(25,660,781)</u>
Quoted shares	(36,334,727)	(35,786,367)
	<u>(73,813,999)</u>	<u>(61,447,148)</u>
9. BORROWINGS		
Secured under repurchase agreements against Government Securities	400,000,000	400,000,000
Unsecured from Financial Institutions	865,000,000	795,000,000
	<u>1,265,000,000</u>	<u>1,195,000,000</u>
10. TRANSACTIONS WITH RELATED PARTIES		
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes subsidiary company, associated companies with or without common directors, directors and major 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 quarter are as follows:		
	March 31, 2008	March 31, 2007
Financing		
- Associated undertaking	202,295,857	145,566,398
- Others	277,650,641	21,300,000



	March 31, 2008	March 31, 2007
Return on financing		
- Associated undertaking	4,813,254	3,956,351
- Others	4,718,093	536,877
Non funded guarantee		
- Associated undertaking	21,589,400	12,976,400
Deposits		
- Associated undertaking	159,331,696	175,110,754
- Others	140,070,743	43,116,562
Return on deposits		
- Associated undertaking	3,069,852	2,808,372
- Others	2,079,490	534,181
Contribution to staff retirement benefit plan	182,490	153,273

11. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on April 28, 2008.

12. GENERAL

Figures have been rounded off to the nearest rupee.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2008
(UNAUDITED)**



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	Note	March 31, 2008 Rupees	December 31, 2007 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets		6,862,494	7,256,220
Intangible Assets		36,256,669	36,274,170
Long term investments		51,240,144	51,299,508
Deferred tax asset		12,925,813	12,925,813
Deferred cost		140,511	168,615
CURRENT ASSETS			
Short term financing		363,414,198	182,834,198
Short term placements		936,605,185	1,477,892,625
Short term investments		678,167,260	752,406,991
Advances, deposits, prepayments and other receivables		124,313,649	105,479,982
Cash and bank balances	6	44,237,101	110,406,415
		2,146,737,393	2,629,020,211
		2,254,163,024	2,736,944,537
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
100,000,000 ordinary shares of Rs. 10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital		428,612,993	428,612,993
Reserve		250,681,290	229,823,914
		679,294,283	658,436,907
Surplus on revaluation of investments - net		(73,813,999)	(61,447,148)
NON-CURRENT LIABILITIES			
Deferred liability		5,176,000	5,176,000
CURRENT LIABILITIES			
Borrowings		1,265,000,000	1,195,000,000
Short term deposits		357,021,356	902,642,700
Accrued and other liabilities		21,485,384	37,136,078
		1,643,506,740	2,134,778,778
Contingencies and commitments		2,254,163,024	2,736,944,537

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED MARCH 31, 2008

	Quarter ended March 31, 2008 Rupees	Quarter ended March 31, 2007 Rupees
INCOME		
Income on financing and placements	41,295,577	50,095,285
Return on investments	17,414,210	15,459,119
Gain on sale of shares	12,549,402	4,812,722
Profit on deposit with banks	1,283,537	4,057,265
Other Income	471,161	343,298
	73,013,887	74,767,689
EXPENDITURE		
Return on deposits and borrowings	39,863,463	42,654,905
Operating expenses	7,849,301	6,791,050
	47,712,764	49,445,955
PROFIT BEFORE TAXATION	25,301,123	25,321,734
Provision for taxation	4,443,747	5,320,592
PROFIT AFTER TAXATION	20,857,376	20,001,142
Earnings per share - basic and diluted	0.49	0.47

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED MARCH 31, 2008

	Three months ended March 31, 2008 Rupees	Three months ended March 31, 2007 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before taxation	25,301,123	25,321,734
Adjustment for non cash & other items		
Depreciation	464,116	413,933
Amortization of software and deferred cost	45,605	45,603
Gain on disposal of shares	(12,549,402)	(4,812,722)
Gain on disposal of fixed assets	-	(134,799)
Return on T-Bills	(492,996)	(504,516)
	(12,532,677)	(4,992,501)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		
	12,768,446	20,329,233
Decrease/(Increase) in operating assets		
(Increase)/decrease in financing and placements	360,707,440	(467,376,490)
(Increase)/decrease in advances, deposits, prepayment and other receivables	(13,671,564)	(20,363,793)
	347,035,876	(487,740,283)
(Decrease)/Increase in operating liabilities		
(Decrease) in deposits	(544,373,596)	(166,634,732)
Increase/(Decrease) in borrowings	70,000,000	545,500,000
Increase/(Decrease) in accrued and other liabilities	(15,648,258)	4,347,346
	(490,021,854)	383,212,614
	(142,985,978)	(104,527,669)
Income tax paid	(6,257,929)	(6,423,576)
Gratuity paid	-	(120,000)
Dividend paid	-	(15,620)
	(6,257,929)	(6,559,196)
NET CASH USED IN OPERATING ACTIVITIES	(136,475,461)	(90,757,632)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/sale of fixed assets	(95,590)	(1,651,680)
(Purchase)/Sale of investments (shares)	72,235,735	(123,055,933)
(Purchase)/Sale of Securities	(1,833,998)	3,642,950
NET CASH USED IN INVESTING ACTIVITIES	70,306,147	(121,064,663)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(66,169,314)	(211,822,295)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	110,406,415	394,433,275
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	44,237,101	182,610,980

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHED K. MARKER
Chairman



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED MARCH 31, 2008

	Share Capital	Statutory Reserve	Reserve for issuance of bonus shares	Unappropriated Profit	Total
	-----Rupees-----				
Balance as at January 01, 2007	428,612,993	116,831,575	-	106,890,812	652,335,380
Net profit upto March 31, 2007	-	-	-	20,001,142	20,001,142
Transfer to Statutory reserve	-	4,000,228	-	(4,000,228)	-
Balance as at March 31, 2007	428,612,993	120,831,803	-	122,891,726	672,336,522
Net profit April to December, 2007	-	-	-	71,822,984	71,822,984
Transfer to Statutory reserve	-	13,494,458	-	(13,494,458)	-
Dividend paid for the year 2006	-	-	-	(85,722,599)	(85,722,599)
Balance as at December 31, 2007	428,612,993	134,326,261	-	95,497,653	658,436,907
Net profit for the period	-	-	-	20,857,376	20,857,376
Transfer to Statutory reserve	-	4,171,475	-	(4,171,475)	-
Transfer to Reserve for issuance of bonus shares	-	-	85,722,590	(85,722,590)	-
Balance as at March 31, 2008	428,612,993	138,497,736	85,722,590	26,460,964	679,294,283

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

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE FIRST QUARTER ENDED MARCH 31, 2008

1. STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. 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, 2007 (previously this was covered under SRO 585(1)/87 dated July 13, 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-1' (A One).

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, 2007. 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, 2007.



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, 2007.

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.

	March 31, 2008	December 31, 2007
6. CASH AND BANK BALANCES		
With State Bank of Pakistan in		
Reserve account	8,725,000	8,725,000
Current account	6,376,280	5,125,108
	15,101,280	13,850,108
With other Banks in		
Current account	19,464,579	9,605,261
Deposit accounts	6,641,826	83,474,107
	26,106,405	93,079,368
Cash in hand	3,029,416	3,476,939
	44,237,101	110,406,415

7. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors on April 28, 2008.

8. GENERAL

Figures have been rounded off to the nearest rupee.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman

BOOK POST



ISLAMABAD

GPO Box No. 2967, Flat No. 4, 3rd Floor,
Al-Baber Centre, Main Markaz, F-8, Islamabad (Pakistan)
Phones: (051) 2856978-80
Fax : (051) 2856987 Telex : 54649 SIBL PK.

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