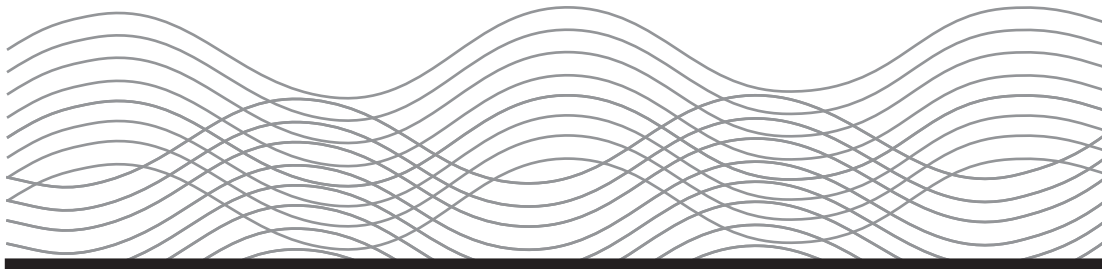
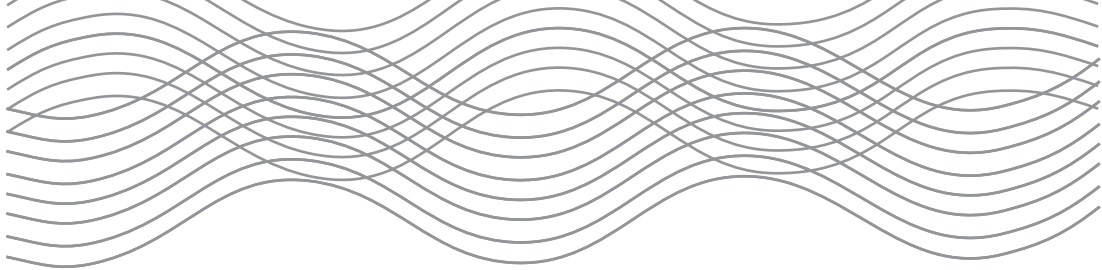


HALF YEARLY FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 2008



SECURITY INVESTMENT
BANK LIMITED

— *the money-wise bank*



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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 TO THE SHAREHOLDERS

The Directors of Secretary Investment Bank Limited (SIBL) are pleased to present the un-audited financial statements of SIBL, duly reviewed by our auditors, for the half year ended June 30, 2008.

At present Pakistan is having an unstable political situation and deteriorating economic conditions after 1971. Moody downgraded Pakistan's rating to B2 from B1 in May 2008 because of growing economic imbalances and political difficulties that analyst say have plagued the government that came to power after February 2008 elections.

Keeping in view the present environment we have adjusted our business activities by reducing our short term placements and consequently our borrowings have also reduced. The State Bank of Pakistan has further increased the discount rate and tightens its monetary policy, as a result of which the cost of funds has increased significantly. In view of these reasons our profitability and balance sheet size have been reduced.

We feel that it will be prudent to keep the business volume on a lower side until political and economic conditions improve.

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;
August 28, 2008



**INDEPENDENT REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION
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 30th June 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year 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 30th June 2007 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 30th June 2008.

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 Standard 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 condensed interim financial information as at and for the half year ended 30th June 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Avais Hyder Liaquat Nauman
Chartered Accountants

Karachi :
August 28, 2008



CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2008

Note	Reviewed June 30, 2008 Rupees	Audited December 31, 2007 Rupees
NON-CURRENT ASSETS		
Tangible fixed assets	5,618,018	5,747,315
Stock exchange membership card-intangible	36,000,000	36,000,000
Long term investments	151,180,780	151,299,508
Deferred tax asset	16,635,824	12,925,813
CURRENT ASSETS		
Short term financing	326,734,198	182,834,198
Short term placements	335,322,291	1,477,892,625
Short term investments	742,303,178	727,406,991
Advances, deposits, prepayments and other receivables	113,321,026	105,498,709
Cash and bank balances	27,904,789	102,460,234
	1,545,585,482	2,596,092,757
	<u>1,755,020,104</u>	<u>2,802,065,393</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Capital		
100,000,000 ordinary shares of Rs. 10/- each	1,000,000,000	500,000,000
Issued subscribed and paid up capital	514,335,583	428,612,993
Reserve	173,654,066	225,473,213
	687,989,649	654,086,206
(Deficit) on revaluation of investments - net	(128,902,014)	(61,447,148)
NON-CURRENT LIABILITIES		
Deferred liability - gratuity	5,176,000	5,176,000
CURRENT LIABILITIES		
Borrowings	400,000,000	1,195,000,000
Short term deposits	772,302,556	971,844,854
Accrued and other liabilities	18,453,913	37,405,481
	1,190,756,469	2,204,250,335
Contingencies and commitments	12	12
	<u>1,755,020,104</u>	<u>2,802,065,393</u>

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE SIX MONTHS ENDED JUNE 30, 2008

	Six Months Ended Reviewed		Quarter Ended Reviewed	
	June 30, 2008 Rupees	June 30, 2007 Rupees	June 30, 2008 Rupees	June 30, 2007 Rupees
INCOME				
Income on financing and placements	84,280,349	98,210,344	42,984,772	48,115,059
Return on investments	32,385,906	31,789,030	15,464,692	16,834,427
Gain on sale of shares	23,577,450	34,746,021	11,028,048	29,933,299
Profit on deposit with banks	1,497,053	4,178,415	213,516	121,150
Other Income	503,721	373,999	274,277	87,600
	<u>142,244,479</u>	<u>169,297,809</u>	<u>69,965,305</u>	<u>95,091,535</u>
EXPENDITURE				
Return on deposits and borrowings	86,519,443	93,556,783	45,263,195	49,653,099
Operating expenses	16,821,593	14,229,893	9,831,941	8,333,060
	<u>103,341,036</u>	<u>107,786,676</u>	<u>55,095,136</u>	<u>57,986,159</u>
PROFIT BEFORE TAXATION	38,903,443	61,511,133	14,870,169	37,105,376
Taxation expenses	5,000,000	8,000,000	1,000,000	3,000,000
Net profit	<u>33,903,443</u>	<u>53,511,133</u>	<u>13,870,169</u>	<u>34,105,376</u>
Earnings per share - Basic and diluted	<u>0.66</u>	<u>1.04</u>	<u>0.27</u>	<u>0.66</u>

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED JUNE 30, 2008

	Reviewed June 30, 2008 Rupees	Audited June 30, 2007 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before tax	38,903,443	61,511,133
Adjustment for non cash & other items		
Depreciation	764,107	728,110
Gain on disposal of shares	(23,577,450)	(34,746,021)
Gain on disposal of fixed assets	(1,800)	(134,799)
	(22,815,143)	(34,152,710)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES		
	16,088,300	27,358,423
Decrease / (Increase) in operating assets		
(Decrease)/Increase in financing and placements	998,670,334	(447,310,425)
(Increase) in advances, deposits, prepayment and other receivables	(1,346,167)	(28,593,651)
	997,324,167	(475,904,076)
(Decrease) / Increase in operating liabilities		
(Decrease) in deposits	(199,542,298)	(238,856,286)
(Decrease)/Increase in borrowings	(795,000,000)	691,946,400
(Decrease)/Increase in accrued and other liabilities	(16,628,659)	2,945,322
	(1,011,170,957)	456,035,436
Net changes in operating assets and liabilities	(13,846,790)	(19,868,640)
Income tax paid	(11,476,149)	(21,011,253)
Gratuity paid	-	(120,000)
Dividend paid	(2,322,909)	(74,407,329)
	(13,799,058)	(95,538,582)
NET CASH USED IN OPERATING ACTIVITIES	(11,557,548)	(88,048,799)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of fixed assets	(634,811)	(5,125,118)
Sales proceed from fixed assets	1,800	-
(Purchase) of investments (shares)	(128,066,990)	(149,914,700)
Sale/(purchase) of securities	65,702,104	(80,727,045)
	(62,997,897)	(235,766,863)
NET CASH USED IN INVESTING ACTIVITIES	(62,997,897)	(235,766,863)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(74,555,445)	(323,815,662)
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	27,904,789	65,583,813

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2008

	Share Capital	Statutory Reserve	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 June 30, 2007	-	-	53,511,133	53,511,133
Dividend paid for the year 2006	-	-	(85,722,599)	(85,722,599)
Transfer to Statutory reserve	-	10,702,227	(10,702,227)	-
Balance as at June 30, 2007	428,612,993	127,179,709	62,560,744	618,353,446
Net profit upto December 31, 2007	-	-	35,732,760	35,732,760
Transfer to Statutory reserve	-	7,146,552	(7,146,552)	-
Balance as at December 31, 2007	428,612,993	134,326,261	91,146,952	654,086,206
Net Profit for the period	-	-	33,903,443	33,903,443
Transfer to Statutory reserve	-	6,780,689	(6,780,689)	-
Issuance of bonus shares	85,722,590	-	(85,722,590)	-
Balance as at June 30, 2008	514,335,583	141,106,950	32,547,116	687,989,649

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHED K. MARKER
Chairman

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 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-2' (A Two).

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.



	June 30, 2008	
	Additions cost Rupees	Disposals cost value Rupees
5. TANGIBLE FIXED ASSETS		
The following additions and disposals were made during half year		
Computer	108,000	1,800
Vehicles	60,490	-
Generators	466,321	-
	<u>634,811</u>	<u>1,800</u>
	Reviewed June 30, 2008 Rupees	Audited December 31, 2007 Rupees
6. LONG TERM INVESTMENTS		
Held To Maturity		
Pakistan Investment Bonds	51,180,780	51,299,508
Investment in Associated undertaking - SIBL Exchange Company (Private) Limited	100,000,000	100,000,000
	<u>151,180,780</u>	<u>151,299,508</u>
7. SHORT TERM PLACEMENT		
Under reverse repurchase agreements of quoted shares - secured	<u>335,322,291</u>	<u>1,477,892,625</u>
8. SHORT TERM INVESTMENTS		
Available-for-sale		
Pakistan Investment Bonds	367,353,220	379,547,242
WAPDA Bonds - 10th issue	-	50,000,000
Term Finance Certificate	49,332,410	63,270,922
Quoted Shares	325,617,548	234,588,827
	<u>742,303,178</u>	<u>727,406,991</u>
9. CASH AND BANK BALANCES		
With State Bank of Pakistan in		
- Reserve account	8,725,000	8,725,000
- Current account	1,301,357	1,540,758
	<u>10,026,357</u>	<u>10,265,758</u>
With other Banks in		
- Current account	13,016,860	8,714,499
- Deposit accounts	4,850,057	83,474,107
	<u>17,866,917</u>	<u>92,188,606</u>
Cash in hand	11,515	5,870
	<u>27,904,789</u>	<u>102,460,234</u>
10. (DEFICIT) on revaluation of investment		
Government Securities	(45,639,709)	(35,039,677)
Term Finance Securities	(2,834,117)	(2,884,991)
	<u>(48,473,826)</u>	<u>(37,924,668)</u>
Related deferred tax asset	15,973,898	12,263,887
	<u>(32,499,928)</u>	<u>(25,660,781)</u>
Quoted shares	(96,402,086)	(35,786,367)
	<u>(128,902,014)</u>	<u>(61,447,148)</u>



	Reviewed June 30, 2008	Audited December 31, 2006
11. BORROWINGS		
Secured under repurchase agreements against Government Securities	350,000,000	400,000,000
Unsecured from Financial Institutions	50,000,000	795,000,000
	<u>400,000,000</u>	<u>1,195,000,000</u>
12. CONTINGENCIES		
Guarantees issued on behalf of customers	<u>21,589,400</u>	<u>21,589,400</u>

13. 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 year, other than Director's remuneration, are as follows;

	Reviewed June 30, 2008	Reviewed June 30, 2007
Financing		
- Associated undertaking	202,295,857	167,566,398
- Others	155,470,641	-
Return on financing		
- Associated undertaking	11,270,889	9,916,408
- Others	7,099,997	-
Non fund guarantee		
- Associated undertaking	21,589,400	12,976,400
- Others	-	-
Deposits		
- Associated undertaking	163,894,325	219,857,744
- Others	128,845,853	-
Return on deposits		
- Associated undertaking	5,749,762	6,847,864
- Others	4,076,237	-
Contribution to staff retirement benefit plan	496,090	325,003

14. DATE OF AUTHORIZATION

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

15. GENERAL

Figures have been rounded off to the nearest rupee.

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2008
(UNAUDITED)**



**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 30th June 2008 and the related condensed consolidated interim profit and loss account, condensed consolidated interim cash flow statement 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 figures of the condensed consolidated interim profit and loss account for the quarters ended 30th June 2007 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 30th June 2008.

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 consolidated 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.

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 30th June 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Avais Hyder Liaquat Nauman
Chartered Accountants

Karachi :
August 28, 2008



**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT JUNE 30, 2008**

	Note	June 30, 2008 Rupees	December 31, 2007 Rupees
NON-CURRENT ASSETS			
Tangible fixed assets		6,962,102	7,256,220
Intangible assets		36,239,168	36,274,170
Long term investments		51,180,780	51,299,508
Deferred tax asset		16,635,824	12,925,813
Deferred cost		112,407	168,615
CURRENT ASSETS			
Short term financing		326,734,198	182,834,198
Short term placements		335,322,291	1,477,892,625
Short term investments		767,303,178	752,406,991
Advances, deposits, prepayments and other receivables		113,439,638	105,479,982
Cash and bank balances	6	36,745,872	110,406,415
		<u>1,579,545,177</u>	<u>2,629,020,211</u>
		<u>1,690,675,458</u>	<u>2,736,944,537</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
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	428,612,993
Reserve		179,290,567	229,823,914
		693,626,150	658,436,907
Surplus on revaluation of investments - net		(128,902,014)	(61,447,148)
NON-CURRENT LIABILITIES			
Deferred liability		5,176,000	5,176,000
CURRENT LIABILITIES			
Borrowings		400,000,000	1,195,000,000
Short term deposits		700,782,526	902,642,700
Accrued and other liabilities		19,992,796	37,136,078
		1,120,775,322	2,134,778,778
Contingencies and commitments		-	-
		<u>1,690,675,458</u>	<u>2,736,944,537</u>

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**CONDENSED CONSOLIDATED INTERIM
PROFIT & LOSS ACCOUNT
FOR THE SIX MONTHS ENDED JUNE 30, 2008**

	Six Months Ended		Quarter Ended	
	June 30, 2008 Rupees	June 30, 2007 Rupees	June 30, 2008 Rupees	June 30, 2007 Rupees
INCOME				
Income on financing and placements	84,280,349	98,210,344	42,984,772	48,115,059
Return on investments	33,371,505	32,798,047	15,957,295	17,338,928
Gain on sale of shares	23,577,450	34,746,021	11,028,048	29,933,299
Profit on deposit with banks	1,497,053	4,178,415	213,516	121,150
Other Income	1,039,383	520,213	568,222	176,915
	143,765,740	170,453,040	70,751,853	95,685,351
EXPENDITURE				
Return on deposits and borrowings	84,153,017	90,869,154	44,289,554	48,214,249
Operating expenses	18,658,426	16,137,115	10,809,125	9,346,065
	102,811,443	107,006,269	55,098,679	57,560,314
PROFIT BEFORE TAXATION	40,954,297	63,446,771	15,653,174	38,125,037
Provision for taxation	5,765,054	8,712,904	1,321,307	3,392,312
PROFIT AFTER TAXATION	35,189,243	54,733,867	14,331,867	34,732,725
Earnings per share - Basic and diluted	0.68	1.06	0.28	0.68

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**CONDENSED CONSOLIDATED INTERIM
CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2008**

	Six months ended June 30, 2008 Rupees	Six months ended June 30, 2007 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before tax	40,954,297	63,446,771
Adjustment for non cash & other items		
Depreciation	928,928	897,322
Amortization of software and deferred cost	91,210	(1,678,086)
Gain on disposal of shares	(23,577,450)	(34,746,021)
Gain on disposal of fixed assets	(1,800)	(134,799)
	(22,559,112)	(35,661,584)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	18,395,185	27,785,187
Decrease / (Increase) in operating assets		
(Increase)/decrease in financing and placements	998,670,334	(447,310,425)
(Increase)/decrease in advances, deposits, prepayment and other receivables	(3,698,575)	(25,052,401)
	994,971,759	(472,362,826)
(Decrease) / Increase in operating liabilities		
(Decrease) in deposits	(199,542,298)	(240,199,733)
Increase/(Decrease) in borrowings	(795,000,000)	691,946,400
Increase/(Decrease) in accrued and other liabilities	(14,820,373)	3,602,842
	(1,009,362,671)	455,349,509
	(14,390,912)	(17,013,317)
Income tax paid	(12,795,783)	(21,521,737)
Gratuity paid	-	(120,000)
Dividend paid	(2,322,909)	(74,407,329)
	(15,118,692)	(96,049,066)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(11,114,419)	(85,277,196)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/sale of fixed assets	(633,011)	(5,212,631)
(Purchase)/Sale of investments (shares)	(128,066,990)	(149,914,700)
(Purchase)/Sale of Securities	66,153,877	(78,952,758)
NET CASH USED IN INVESTING ACTIVITIES	(62,546,124)	(234,080,089)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(73,660,543)	(319,357,285)
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	36,745,872	75,075,990

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman



**CONDENSED CONSOLIDATED INTERIM
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2008**

	Share Capital	Statutory Reserve	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 June 30, 2007	-	-	54,733,867	54,733,867
Dividend paid for the year 2006	-	-	(85,722,599)	(85,722,599)
Transfer to Statutory reserve	-	10,946,773	(10,946,773)	-
Balance as at June 30, 2007	428,612,993	127,778,348	64,955,307	621,346,648
Net profit July to December 31, 2007	-	-	37,090,259	37,090,259
Transfer to Statutory reserve	-	6,547,913	(6,547,913)	-
Balance as at December 31, 2007	428,612,993	134,326,261	95,497,653	658,436,907
Net Profit for the period January 2008 to June 2008	-	-	35,189,243	35,189,243
Transfer to Statutory reserve	-	6,780,689	(6,780,689)	-
Issuance of Bonus Shares	85,722,590	-	(85,722,590)	-
Balance as at June 30, 2008	514,335,583	141,106,950	38,183,617	693,626,150

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

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHED K. MARKER
Chairman

**NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 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 described 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-2' (A Two).

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.

	June 30, 2008 Rupees	December 31, 2007 Rupees
6. LONG TERM INVESTMENTS		
Held to maturity		
Pakistan Investment Bonds	<u>51,180,780</u>	<u>51,299,508</u>
7. CASH AND BANK BALANCES		
With State Bank of Pakistan in		
- Reserve account	8,725,000	8,725,000
- Current account	6,655,532	5,125,108
	15,380,532	13,850,108
With other Banks in		
- Current account	14,308,147	9,605,261
- Deposit accounts	4,850,057	83,474,107
	19,158,204	93,079,368
Cash in hand	2,207,136	3,476,939
	<u>36,745,872</u>	<u>110,406,415</u>
8. CONTINGENCIES		
Guarantees issued on behalf of customers	<u>21,589,400</u>	<u>21,589,400</u>
9. DATE OF AUTHORIZATION		
These financial statements were authorized for issue by the Board of Directors on August 28, 2008.		
10. GENERAL		
Figures have been rounded off to the nearest rupee.		

MUHAMMAD SALEEM RATHOD
Chief Executive

KHURSHEED K. MARKER
Chairman

BOOK POST



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