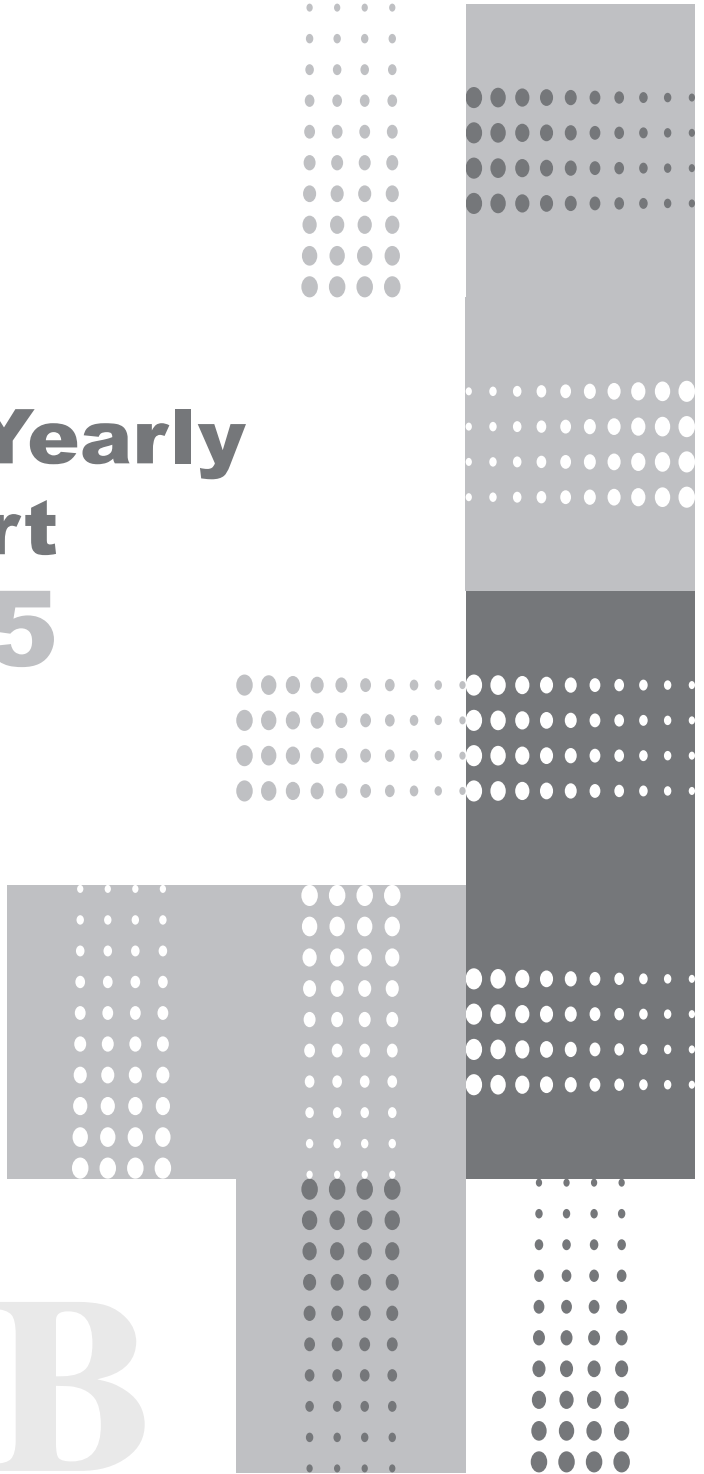




Half Yearly Report 2025



COMPANY INFORMATION

BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)
Mr Muhammad Mehboob
Mrs. Zillay Huma Khan
Mr. Ghazzanfar Ahsan
Mr. Salman Arshad
Mr. Saleem Jessani
Mr. Muhammad Bilal Chaudhry

PRESIDENT & CEO

Mr Zafar M Sheikh

AUDIT COMMITTEE

Mr. Salman Arshad (Chairman)
Mr. Saleem Jessani
Mr Muhammad Mehboob
Mr. Muhammad Bilal Chaudhry

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Muhammad Bilal Chaudhry (Chairman)
Mr. Zafar M Sheikh
Mr Muhammad Mehboob
Mr. Salman Arshad

RISK MANAGEMENT COMMITTEE

Mr. Ghazzanfar Ahsan (Chairman)
Mr. Muhammad Mehboob
Mr. Salman Arshad
Mr. Zafar M Sheikh

CHIEF FINANCIAL OFFICER

Mr. Shakeel Ahmed

SHARIAH ADVISOR

Mufti Ghaffar Ahmed

HEAD OF INTERNAL AUDIT

Mr. Hammad-Ur-Rehman

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountant

TAX ADVISORS

Grant Thoranton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS

Muhammad Altaf
(Advocate of the Highcourt)

SHARE REGISTRAR

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

BANKERS

JS Bank Limited.
United Bank Limited
Bank Makramah Limited

REGISTERED OFFICE

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

KARACHI OFFICE

502, 5th Floor, Madina City Mall,
Abdullah Haroon Road, Saddar Karachi.
Tel: (021) 35659753-54
Fax: (021) 35659755
E-mail : sibl@sibl.com.pk

DIRECTOR'S REPORT

The directors of **Security Investment Bank Limited** (the **Company**) are pleased to present the Financial Statements of the Company for the half year ended 30 June 2025.

Pakistan's economy regained momentum in the second half (January–June) of the fiscal year 2024–25. Domestic demand indicators — including automobile, cement, and petroleum product sales — have shown an upward trend, while high value-added textile exports continue to grow. These developments signal a recovery in the industrial and services sectors, which are expected to drive economic expansion in the coming months. However, the agriculture sector remains a point of concern.

Key economic indicators that supporting economic developments includes State Bank of Pakistan's (SBP) foreign exchange reserves have crossed \$14 billion, driven by improved financial inflows and a current account surplus, reflecting strengthened external sector stability. A recent upgrade in Pakistan's sovereign credit rating is expected to enhance investor confidence and support the country's position in international financial markets. Consumer inflation expectations have risen slightly, whereas businesses report a decline in expected inflation, indicating a divergence in outlooks across sectors. Global oil prices remained volatile, whereas metal prices increased. Meanwhile, the ongoing uncertainty around global trade tariffs continues to influence monetary policy, reinforcing the need for a cautious stance. SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth and employment. The Committee considered that outlook for growth and inflation in Pakistan is likely to improve mainly due to a drop in food and energy prices, therefore decided to keep the policy rate unchanged at 11%. During the quarter under review, the Pakistan Stock Market (KSE100) registered slightly increased and KSE 100 index posted at 124,379 points in June, 30 2025 compared to 117,807 points as of 03 April 2025

Business Performance Review

Alhamdulillah, your company posted profit from its operation Rs. 22 million for the half year ended 30 June 2025 while gain on revaluation of assets comprising Rs. 18 million as compared to operating profit before taxes Rs. 50 million of the corresponding period. Your Company's EPS was Rs. 0.358 as compared to Rs. 0.655 of the corresponding period.

The board wishes to place on record the gratitude to Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan for their continued valued support, assistance and guidance. The board would also like to thank untiring efforts of the Management and staff.

On behalf of the Board

Haji Jan Muhammad
Chairman

Muhammad Mehboob
Director

Karachi, 27 Aug 2025

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز رپورٹ:

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے ششماہی کے لئے کمپنی کے مالی بیانات احسن طریقے سے پیش کر رہے ہیں۔

پاکستان کا معاشی جائزہ:

پاکستان کی معیشت نے مالی سال 2024-25 کی دوسری ششماہی (جنوری۔ جون) میں دوبارہ مضبوطی حاصل کی۔ گھریلو طلب کے اشارے بشمول آٹوموبائل، سیمنٹ اور پیٹرولیم مصنوعات کی فروخت میں اضافے کا رجحان دکھایا گیا ہے۔ جب کہ اعلیٰ ویلیو ایڈڈ ٹیکسٹائل کی برآمدات میں مسلسل اضافہ رہا۔ یہ پیش رفت صنعتی اور خدمات کے شعبوں میں بحالی کا اشارہ دیتی ہے۔ جس سے آنے والے مہینوں میں اقتصادی توسیع کی توقع ہے۔ تاہم، زرعی شعبے تشویش کا باعث ہے۔

اہم اقتصادی اشارے جو معاشی پیش رفت کو معاونت فراہم کرتے ہیں ان میں اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر 14 بلین ڈالر سے تجاوز کر گئے ہیں۔ پاکستان کی خود مختار کریڈٹ ریٹنگ میں حالیہ اپ گریڈ سے سرمایہ کاروں کے اعتماد میں اضافہ اور بین الاقوامی مالیات منڈیوں میں ملک کی حمایت کی توقع ہے۔ صارفین کی افراط زر کی توقعات میں قدرے اضافہ ہوا ہے، جبکہ کاروبار متوقع افراط زر میں کمی کی اطلاع دیتے ہیں جو تمام شعبوں میں آؤٹ لنک میں فرق کو ظاہر کرتا ہے۔ عالمی سطح پر تیل کی قیمتیں اتار چڑھاؤ کا شکار رہیں جبکہ دھات کی قیمتوں میں اضافہ ہوا۔ دریں اثناء، عالمی تجارتی ٹریف کے اردگرد جاری غیر یقینی صور حال مانیٹری پالیسی پر اثر انداز ہو رہی ہے۔ جس سے محتاط موقف کی ضرورت کو تقویت ملتی ہے۔

SBP، مانیٹری پالیسی کمیٹی نے ترقی اور روزگار میں معاونت کے لئے مناسب اقدامات اٹھائے اور اپنی پالیسی کا از سر نو جائزہ لیا۔ کمیٹی نے غور کیا کہ خوراک اور توانائی کی قیمتوں میں کمی کی وجہ سے پاکستان میں شرح نمو اور افراط زر میں بہتری آنے کا امکان ہے، اس لئے پالیسی ریٹ کو 11 فیصد پر برقرار رکھنے کا فیصلہ کیا۔ زیر نظر سہ ماہی کے دوران، پاکستان اسٹاک مارکیٹ (KSE100) میں قدرے اضافہ ہوا اور KSE100 انڈیکس 30 جون 2025 میں 124,379 پوائنٹس پر رہا جبکہ 3 اپریل 2025 کو یہ 117,807 پوائنٹس تھا۔

کاروباری کارکردگی کا جائزہ:

الحمد للہ، ادارے نے اپنے آپریشن سے 30 جون 2025 کو ختم ہونے والے ششماہی میں مبلغ بائیس ملین روپے کا منافع کمایا۔ جبکہ پچھلے سال یہ منافع مبلغ پچاس ملین قبل از ٹیکس تھا۔ ادارے کا شیئر پر آمدنی 0.358 روپے ہوئی جبکہ پچھلے سال یہ آمدنی 0.655 تھی۔

بورڈ پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مسلسل قابل قدر تعاون، مدد اور رہنمائی کے لئے ان کا شکریہ ادا کرنا چاہتا ہے، بورڈ انتظامیہ اور عملے کی انتھک کوششوں کا بھی شکریہ ادا کرنا چاہے گا۔

بورڈ کی جانب سے

حاجی جان محمد

چیئر مین

کراچی 27 اگست 2025

ڈائریکٹر

محمد محبوب

Independent Auditor's Review Report to the members of Security Investment Bank Limited

Report on review of the Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position SECURITY INVESTMENT BANK LIMITED (the Company), as at June 30, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "Condensed Interim Financial Statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

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 interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to;

1. Note 10.1 to the financial statements which states that the legal title of the MCB shares has not been transferred in the name of the Company as the share transfer process remains ongoing.
2. Note 7.2 and 7.3 to the financial statements which provides details regarding non-compliance with the Regulation 19(h), and Regulation 28(a) respectively of Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Our opinion is not qualified in respect of these matters.

Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statements of comprehensive income for the quarters ended June 30 2025 and 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2025.

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

**Chartered Accountants
Karachi**

**Date: 27-Aug-2025
UDIN: RR202510130yEazXQZh0**

SECURITY INVESTMENT BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	Note	----- Rupees -----	
Non - Current Assets			
Property, plant and equipment	4	175,665,927	154,224,814
Ijarah assets-under financing arrangements	5	58,216,723	51,728,480
Intangible assets	6	2,500,000	2,500,000
Long term deposits		-	537,280
Deferred tax asset - net		12,321,891	10,030,724
Long term financing	7	33,032,166	41,568,718
Long term loans and advances	8	2,383,360	6,274,632
		284,120,067	266,864,648
Current Assets			
Short term financing		-	45,000,000
Current portion of long term financing	7	62,155,626	22,541,960
Short term investments	10	485,314,111	504,084,309
Current portion of Loans and advances	8	6,231,055	2,789,190
Deposits, prepayments and other receivables		5,232,051	4,577,445
Ijarah rentals receivable		633,309	67,665
Profit receivable		19,872,455	23,717,726
Advance income tax	11	25,721,699	34,031,945
Cash and bank balances	12	46,373,896	12,967,805
		651,534,202	649,778,045
		935,654,269	916,642,696
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised Share Capital			
100,000,000 ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital			
Statutory reserves		591,485,917	591,485,917
Surplus on revaluation Property, Plant and Equipment	15	149,801,216	145,567,871
Unappropriated Profit		12,745,184	-
		30,680,574	102,445,564
		784,712,891	839,499,352
Non-Current Liabilities			
Deferred tax		-	-
Security Deposits against Ijarah		17,770,659	12,670,659
Deferred Income from Financing		13,922,485	11,940,311
		31,693,144	24,610,970
Current Liabilities			
Unclaimed dividend		36,760,745	7,598,446
Advance against property	13	56,666,661	33,333,330
Current portion of deferred Income from Financing		1,760,876	9,408,762
Accrued and other liabilities		24,059,958	2,191,835
		119,248,234	52,532,374
Contingencies and commitments	14		
		935,654,269	916,642,696

The annexed notes form 1 to 20 an integral part of these condensed interim financial statements.

Statement under section 232 (1) of the Companies Act, 2017

At the time of the meeting of the Board of Directors, the Chief Executive Officer was not in Pakistan as such these financial statements, as approved by the Board of Directors, have been signed by two directors along with Chief Financial Officer.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

MUHAMMD MEHBOOB
DIRECTOR

HAJI JAN MUHAMMAD
DIRECTOR/CHAIRMAN

**SECURITY INVESTMENT BANK LIMITED
CONDENSED INTERIM STATEMENT PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025**

	Six Months Ended		Quarter Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	----- Rupees -----			
Income				
Income on financing and placements	28,450,924	13,952,412	13,781,050	7,605,496
Return on securities	32,179,650	38,796,301	14,047,264	20,464,976
Gain on sale of shares	-	14,962,293	-	14,962,293
Profit on deposit with banks	275,706	1,180,514	206,423	888,538
Other income	257,216	728,970	55,948	357,271
	61,163,496	69,620,490	28,090,685	44,278,574
Expenditure				
Operating expenses	39,104,055	21,592,317	21,096,680	12,117,087
	22,059,441	48,028,173	6,994,005	32,161,487
Operating profit before tax				
Unrealized gain on remeasurement of investments classified as fair value through profit or loss	-	2,603,885	-	701,117
Profit before taxation	22,059,441	50,632,058	6,994,005	32,862,604
Taxation	(892,717)	(12,416,433)	(892,717)	(12,416,433)
Profit after tax	21,166,724	38,215,625	6,101,288	20,446,171
Earning per share - basic and diluted	0.358	0.655	0.103	0.350

The annexed notes form 1 to 20 an integral part of these condensed interim financial statements.

Statement under section 232 (1) of the Companies Act, 2017

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SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

MUHAMMD MEHBOOB
DIRECTOR

HAJI JAN MUHAMMAD
DIRECTOR/CHAIRMAN

**SECURITY INVESTMENT BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025**

	Six Months Ended		Quarter Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	Rupees			
Profit after tax	21,166,724	38,215,625	6,101,288	20,446,171
Other Comprehensive income for the period	-	-	-	-
Item that will not be reclassified to profit and loss:				
- Surplus on revaluation of property, plant and equipment	17,985,498	-	17,985,498	-
- Related deferred tax on surplus	(5,215,794)	-	(5,215,794)	-
	12,769,704		12,769,704	
Total comprehensive income for the period	33,936,427	38,215,625	18,870,991	20,446,171

The annexed notes form 1 to 20 an integral part of these condensed interim financial statements.

Statement under section 232 (1) of the Companies Act, 2017

At the time of the meeting of the Board of Directors, the Chief Executive Officer was not in Pakistan as such these financial statements, as approved by the Board of Directors, have been signed by two directors along with Chief Financial Officer.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

MUHAMMD MEHBOOB
DIRECTOR

HAJI JAN MUHAMMAD
DIRECTOR/CHAIRMAN

**SECURITY INVESTMENT BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025**

	Share Capital	Statutory reserve	Revaluation Surplus	Accumulated profit	Total
<i>Rupees</i>					
Balance as at January 01, 2024	514,335,580	207,232,485	-	66,219,450	787,787,515
Profit for the period	-	-	-	38,215,625	38,215,625
Other comprehensive loss	-	-	-	-	-
Bonus shares	69,435,349	(69,435,349)	-	38,215,625	38,215,625
Statutory reserves	-	7,643,125	-	(7,643,125)	-
Dividend paid	-	-	-	(25,716,779)	(25,716,779)
Balance as at June 30, 2024	583,770,929	145,440,261	-	71,075,171	800,286,361
Balance as at January 01, 2025	591,485,917	145,567,871	-	102,445,564	839,499,352
Profit for the period	-	-	-	21,166,724	21,166,724
Other comprehensive income	-	-	12,769,704	-	12,769,704
Total comprehensive income for the period	-	-	12,769,704	21,166,724	33,936,427
Transactions with the owner of the Bank contributions and distributions					
Dividend paid	-	-	-	(88,722,888)	(88,722,888)
Transfer to statutory reserves	-	4,233,345	-	(4,233,345)	-
Incremental depreciation relating to surplus on revaluation- net of tax	-	-	(24,519)	24,519	-
Balance as at June 30, 2025	591,485,917	149,801,216	12,745,184	30,680,574	784,712,891

The annexed notes form 1 to 20 an integral part of these condensed interim financial statements.

Statement under section 232 (1) of the Companies Act, 2017

At the time of the meeting of the Board of Directors, the Chief Executive Officer was not in Pakistan as such these financial statements, as approved by the Board of Directors, have been signed by two directors along with Chief Financial Officer.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

MUHAMMD MEHBOOB
DIRECTOR

HAJI JAN MUHAMMAD
DIRECTOR/CHAIRMAN

SECURITY INVESTMENT BANK LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	June 2025	June 2024
Rupees		
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before taxation	22,059,441	48,028,173
Adjustments for non-cash and other items		
Depreciation - owned asset	1,184,930	866,952
Depreciation - ijarah asset	12,802,757	653,102
Amortization	-	30,000
Gain on disposal of shares	-	(14,962,293)
Unrealized gain on remeasurement of investments	-	(2,603,885)
Gain on sale of fixed assets	(42,190)	-
	<u>13,945,497</u>	<u>(16,016,124)</u>
Cash flows from operating activities before working capital changes	36,004,938	32,012,049
(Increase) / Decrease in operating assets		
Deposits, prepayment and other receivables	(654,606)	4,244,210
Ijarah Receivable	(565,644)	-
Loan and advances - net	449,407	24,513
Profit receivable	3,845,271	(19,826,537)
	<u>3,074,428</u>	<u>(15,557,814)</u>
(Decrease) / Increase in operating liabilities		
Accrued and other liabilities	21,868,122	(2,502,678)
	<u>21,868,122</u>	<u>(2,502,678)</u>
Net changes in operating assets and liabilities	24,942,550	(18,060,492)
Income tax paid	(89,433)	(3,550,550)
Net cash generated from operating activities	60,858,055	10,401,007
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,640,546)	145,350
Sales proceed against sales of fixed assets	41,295	194,700
Purchase of ijarah assets	(19,291,000)	(38,549,000)
Investment in Government securities - net	18,770,199	(41,900,000)
Security Deposit	5,100,000	-
Sale proceeds of quoted shares - net	-	98,761,878
Advance against property	23,333,331	13,333,333
Long term deposits	538,172	-
Net cash (used in)/generated from investing activities	23,851,451	31,986,261
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash generated from financing activities		
Dividend paid	(59,560,589)	(6,683,575)
Short term financing	45,000,000	(6,710,751)
Deferred income from financing	(5,665,712)	-
Long term financing - net	(31,077,114)	16,183,489
	<u>(51,303,415)</u>	<u>2,789,163</u>
Net increase in cash and cash equivalents	33,406,091	45,176,431
Cash and cash equivalents at the beginning of the period	12,967,805	3,282,919
Cash and cash equivalents at the end of the period	46,373,896	48,459,350

The annexed notes form 1 to 20 an integral part of these condensed interim financial statements.

Statement under section 232 (1) of the Companies Act, 2017

At the time of the meeting of the Board of Directors, the Chief Executive Officer was not in Pakistan as such these financial statements, as approved by the Board of Directors, have been signed by two directors along with Chief Financial Officer.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

MUHAMMD MEHBOOB
DIRECTOR

HAJI JAN MUHAMMAD
DIRECTOR/CHAIRMAN

SECURITY INVESTMENT BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

Security Investment Bank Limited (the Bank) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was incorporated in Pakistan on 23 May 1991 and started its commercial operation on 31 December 1991. Its shares are quoted on Pakistan Stock Exchange. The registered office of SIBL is situated at Office No.15, 3rd Floor, Al Rehmat Mall, Sector G-11, Markaz, Islamabad.

The Company is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1002 (I) /2015 dated October 15, 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated November 25, 2015 (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance). The license is valid until May 29, 2028.

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

During the current reporting period, the company continued the process of converting SIBL into a Shariah-compliant entity, following the submission of its application to the regulator. The conversion plan, which was submitted previously, remains under review by the regulator. As per the plan, SIBL is expected to complete the conversion process within two years, effective from September 1, 2023.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations)
- Directives issued by SECP

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

The condensed interim financial statements do not include all the information and disclosures required for full annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Bank as at and for the year ended Decemeber 31, 2024

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

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

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

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

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

3 MATERIAL ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

The judgements and estimates made by management in the preparation of these condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended December 31, 2024, except for the following:

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

The Bank’s financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2024.

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
Note	----- Rupees -----	-----
4 PROPERTY, PLANT AND EQUIPMENTS - (OWNED)		
Book value at the beginning of the period / year	154,224,814	155,531,709
Addition - at cost	4,640,546	454,650
Revaluation Surplus	17,985,498	
Disposal		
Cost	(41,295)	(194,700)
Accumulated Depreciation	41,294	194,694
	(1)	(6)
Depreciation charged	(1,184,930)	(1,761,539)
Book value at the end of the period / year	175,665,927	154,224,814

June 30, **December 31,**
2025 **2024**
(Un-audited) **(Audited)**

Note ----- Rupees -----

5 PROPERTY, PLANT AND EQUIPMENTS - (IJARAH)

Book value at the beginning of the period	51,728,480	2,770,833
Addition - at cost	19,291,000	61,399,000
Deletion - net	-	-
Depreciation charged	(12,802,757)	(12,441,353)
Book value at the end of the period / year	58,216,723	51,728,480

6 INTANGIBLES

PMEX card	2,500,000	2,500,000
	2,500,000	2,500,000

7 LONG TERM FINANCING

**Secured and considered good
Murahaba Finance**

- Murahaba finance	95,187,792	85,457,036
- Deferred Murahaba income	-	(21,346,358)
Murahaba receiveable	95,187,792	64,110,678
Less: Current maturity	(62,155,626)	(22,541,960)
	33,032,166	41,568,718

7.1 These represent financing of vehicle on murahaba basis against hypothecation of vehicles for a period of 3 years to 5 years, carrying mark up 1 Year KIBOR + 2.5% to 3% per annum (2024: 1 Year KIBOR+2.5% to 5%).

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

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

"Mar 31, **Dec 31,**
2025" **2024**
(Un-audited) **(Audited)**

Note ----- Rupees -----

8 LONG TERM LOANS AND ADVANCES

Advances-secured

- Staff Advance	4,959,527	6,295,828
- Against expenses	1,154,888	267,994
- Against office premises	2,500,000	2,500,000
	8,614,415	9,063,822
Less: Current portion	(6,231,055)	(2,789,190)
	2,383,360	6,274,632

8.1 This includes interest free loan to CEO amounting to Rs. 6.5 million (2024: Rs.6.5 million) for a period of 5 years.

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

9 SHORT TERM FINANCING - Secured and considered good

Murahaba finance	-	45,000,000
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10 SHORT TERM INVESTMENTS
Measured at amortized cost

Government Securities - T Bill	471,866,846	490,637,045
Sukkuks	-	-

Measured at fair value through profit or loss

Quoted shares	10.1	13,447,265	13,447,265
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<u>485,314,111</u>	<u>504,084,310</u>
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10.1 This includes 46,871 MCB shares which were originally acquired against the settlement of a liability. The legal title to these shares has not yet been transferred in the name of the company, as the share transfer process remains ongoing. Moreover, the related dividend on these shares is not yet being recognized in the financial statements.

June 30, 2025	December 31, 2024
(Un-audited)	(Audited)

Note	-----	Rupees	-----
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11 TAX REFUND DUE FROM GOVERNMENT

Advance tax	298,402,011	56,075,091
Add tax deducted/(Paid)		1,917,030
Less: Accumulated provisions for taxation	(272,680,312)	(23,960,175)
	<u>25,721,699</u>	<u>34,031,946</u>

12 CASH AND BANK BALANCES

With State Bank of Pakistan in current account	13,538	13,358
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With other banks in

- Current accounts	36,587,593	7,430,159
- Deposit accounts	9,688,816	5,508,750

	46,276,409	12,938,909
Cash in hand	83,949	15,538

<u>46,373,896</u>	<u>12,967,805</u>
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13 ADVANCE AGAINST PROPERTY

Advance against property	56,666,661	33,333,330
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This amount represents arrangement made through sales agreement dated January 11, 2024 wherein both the parties i.e Security Investment Bank Limited and ARY Laguna (Pvt) Limited. Both the parties agreed to sale/purchase a commercial plot situated at 49-C, Bader Commercial, Street 12, Phase V, DHA Karachi at the sale consideration of Rs. Rs.120 million to be paid in 36 equal monthly installment. Security Investment Bank Limited has agreed to execute the deed of conveyance in favor of ARY Laguna (Pvt) Limited only upon full and final and complete payment of the purchase price.

14 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitment as disclosed in note 27 to the annual audited financial statements of the Bank for the year ended December 31, 2024

15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Company revalued, its buildings to replace the carrying amounts of these asset with their market value/ depreciated market value

Date of Valuation	Name of Valuer	Surplus Arisen	Force sale Value
24/May/25	Arif Evaluators	17,985,498	36,059,424
		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		Note ----- Rupees -----	
Revaluation Surplus - opening		-	-
Surplus on revaluation arisen during the year		17,985,498	-
Less: Incremental depreciation on revalued assets for the year		(34,534)	-
		17,950,964	
Revaluation Surplus - Closing			
Less: related deferred tax of:		-	-
- balance as at July 01			-
- surplus arisen during the year		(5,215,794)	-
- incremental depreciation for the year			-
Incremental depreciation transferred to equity -Net		10,015	-
Realized on disposal of revalued fixed assets		-	-
		(5,205,779)	-
		12,745,184	

15.1 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017

16 TRANSACTION WITH RELATED PARTIES

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

Name of the related party	Nature of transactions	Relationship	(Un-audited)	
			June 30, 2025 Rupees	June 30, 2024 Rupees
ARY Services (Private) Limited	Office rent payable	Associated Company	-	377,520
ARY Laguna (Private) Limited	Advance against property	Associated Company	23,333,328	13,333,333
	Balance as at the period ended		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
ARY IQ Precious Metals (Private) Limited	Accrued and other liabilities	Associated Company	23,535	23,535
ARY Laguna (Private) Limited	Advance against property	Associated Company	56,666,661	33,333,333
<u>Morabaha & Other Finance</u>				
New Delite Company Limited		Associated Company	22,995,897	47,593,734
Madina Electronics		Associated Company	24,615,290	28,711,719
Stallion Deliveries (Pvt) Limited		Associated Company	922,854	1,166,724
Maryam Goods Transport (Pvt) Limited		Associated Company	12,206,013	13,089,726

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

Fair value hierarchy;

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

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

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

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

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

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Quoted shares	13,447,265	-	-	13,447,265
	13,447,265	-	-	13,447,265
	December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Quoted shares	13,447,265	-	-	13,447,265
	13,447,265	-	-	13,447,265

18 CORRESPONDING FIGURES

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

19 DATE OF AUTHORIZATION

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

20 GENERAL

Figures have been rounded off to the nearest rupee.

Statement under section 232 (1) of the Companies Act, 2017

At the time of the meeting of the Board of Directors, the Chief Executive Officer was not in Pakistan as such these financial statements, as approved by the Board of Directors, have been signed by two directors along with Chief Financial Officer.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

MUHAMMD MEHBOOB
DIRECTOR

HAJI JAN MUHAMMAD
DIRECTOR/CHAIRMAN



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