

2015
Annual Report

SIB

 **SECURITY
INVESTMENT
BANK LTD.**

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VISION

Aiming for continued growth, we will further develop our strengths to seize new opportunities and maintain our steadfast commitment.

VISSION / MISSION

Innovation
Branding
Solution
Marketing
Analysis
Ideas
Success
Management

Mentor

MISSION

- ❑ *Meet the challenges of highly competitive market with our expertise, creativity and service.*
- ❑ *Develop & maintain strong client relationship.*
- ❑ *Continuously enhance our contributions towards industrial development of the country.*
- ❑ *Above all, in a tradition of prudent growth, our unwavering determination to strengthen long-term earnings and return on shareholders' equity will endure.*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)
Mr. Muhammad Mehboob
Mr. Sheikh Asim Rafiq (NIT Nominee)
Mr. Shaikh Abdullah
Mr. Muhammad Shoaib
Mr. Karim Muhammad Munir
Mr. Zafar .M. Sheikh

PRESIDENT & CHIEF EXECUTIVE

Mr. Muhammad Hanif Yousuf

AUDIT COMMITTEE

Mr. Shaikh Abdullah (Chairman)
Haji Jan Muhammad
Mr. Sheikh Asim Rafiq
Mr. Karim Muhammad Munir

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Zafar .M. Sheikh (Chairman)
Mr. Karim Muhammad Munir
Mr. Muhammad Hanif Yousuf

BUSINESS DEVELOPMENT COMMITTEE

Mr. Sheikh Asim Rafiq Nit Nominee (Chairman)
Mr. Muhammad Mehboob
Mr. Muhammad Shoaib
Mr. Karim Muhammad Munir
Mr. Zafar .M. Sheikh

CFO & COMPANY SECRETARY

Mr. Muhammad Amin Khatri

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountants

TAX ADVISORS

Grant Thoranton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners
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 Bank Pakistan Ltd.
MCB Bank Limited.
Summit Bank Limited.

REGISTERED OFFICE

Suite No. 4, 3rd Floor, Al-Baber Centre,
Main Markaz, F-8, Islamabad.
Tel : (051) 2818107-09
Fax: (051) 2818110
Website : www.sibl.com.pk

KARACHI OFFICE

502, 5th Floor, Madina City Mall,
Abdullah Haroon Road, Saddar Karachi.
Tel: (021) 35659750-54
Fax: (021) 35659755
E-mail : sibl@sibl.com.pk

NOTICE OF THE TWENTY FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of Security Investment Bank Limited (the Company) will be held at the Registered Office of the Company located at Suite Number 4, 3rd Floor, Al-Baber Centre, Main Markaz, F-8, Islamabad, on 25 April 2016 at 9:00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1) To confirm the minutes of the Twenty Fourth Annual General Meeting held on 21 April 2015.
- 2) To receive and adopt the audited financial statements of the Company for the year ended 31 December 2015 together with the directors' and auditors' reports thereon.
- 3) To appoint auditors and fix their remuneration for the year ending 31 December 2016. The retiring auditors M/s. Muniff Ziauddin & Co., Chartered Accountants retire and being eligible offers themselves for reappointment to act as the external auditors of the Company and fix their remuneration for the year ending 31 December 2016.

ANY OTHER BUSINESS

- 4) To consider any other business with the permission of the Chair.

BOOK CLOSURE

The share transfer book of the company will remain closed from 19 April 2016 to 25 April 2016 (both days inclusive). Transfer applications received in order at the office of the Share Registrar of the Company (i.e. C & K Management Associates (Private) Limited, room number 404, Trade Tower, Abdullah Haroon Road, Karachi) by the close of business on 18 April 2016 will be treated in time for determining the entitlement of members to attend the Annual General Meeting of the Company

By order of the board

Muhammad Amin Khatri
CFO and Company Secretary

Karachi:
21 March 2016

Notes:

- 1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the office of the share registrar of the company duly stamped and signed not less than **48** hours before the meeting. A member may not appoint more than one proxy.
- 2) Members are requested to promptly communicate to the Share Registrar of the Company any change in their addresses.
- 3) CDC account holders and sub-account holders are required to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan.
 - a) **For attending the meeting.**
 - i) In case of individuals, the account holder or sub-account holder shall bring his or her original CNIC or original passport alongwith Participant ID Number and the Account Number at the time of attending meeting.
 - ii) In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

b) For appointing proxies

- i) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his or her original CNIC or original passport at the time of meeting.
 - v) In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted to the company along with proxy form.
- 4) Pursuant to Section 150 of the Income Tax Ordinance, 2001 and Finance Act, 2015 withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders at 12.50% and 17.50% respectively. According to the Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. Members that hold shares with joint shareholders are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to our Share Registrar, Central Depository Company of Pakistan Limited in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal shares by principal shareholder and joint holder(s).

5) SUBMISSION OF COMPUTERISED NATIONAL IDENTITY CARD / NATIONAL TAX NUMBER

We would like to bring it to the notice of our valued shareholders that the Securities & Exchange Commission of Pakistan (SECP) vide Notification No. SRO 831(I)/2012 dated 05 July 2012 in supersession of earlier Notification No. SRO 779(I)/2011 dated 18 August 2011, has directed all the listed companies to issue dividend warrant(s) only crossed as "A/C Payee Only" in the name of registered shareholder or in the name of authorised person where a registered shareholder authorises the Company to pay dividend, on his behalf, to any other person. The dividend warrant(s) should also bear the Computerised National Identity Card Number (CNIC) of the registered shareholder or the authorised person, except in case of minor(s) and corporate shareholders.

In view of the above, it is requested that the Members, who have not yet submitted photocopy of their valid CNIC are requested to send the same at the earliest directly to the Company Share Registrar.

The Corporate Shareholders are requested to provide at the earliest their National Tax Number directly to the Company Share Registrar

6) DIVIDEND MANDATE OPTION

In compliance of the Circular No. 18 of 2012 dated 05 June 2012, we would like to inform our valued shareholders that Section 250 of the Companies Ordinance, 1984 allows the shareholders of a company to order the company to pay them cash dividend, if declared, through their respective banks.

In this regard, those shareholders who would like to avail the above facility are requested to provided following details directly the Share Registrar of the Company.

Name of Shareholder	
Folio Number / Participant ID and Account Number	
CNIC Number	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name	
Branch Address	
Cell Number of Shareholder, if any	
Landline Number of Shareholder, if any	

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of **Security Investment Bank Limited** (the "Company") are pleased to present the Twenty Fourth Annual Report along with the Audited Financial Statements and Auditor's Report thereon for the year ended 31 December 2015.

Economic Overview

Year 2015 has been very positive for our Country, in respect of its economic outlook compared to the past many years.

In March 2015, Moody's Investors Service raised Country's credit outlook rating from stable to positive, upgraded for the first time since 2006, based on extending external liquidity position, continued efforts towards fiscal consolidation and Government's steady progress in achieving structural reforms as per IMF program.

In May 2015, S&P followed Moody and upgraded Country's credit rating from stable to Positive. Improving finances, low inflation, economic reforms and lower energy prices contributed towards economic confidence. IMF has forecasted Pakistan's economic growth to 4.5% for fiscal year 2015-2017, which is quite positive as compared to previous year's forecasted growth of 3.6%. Country's fiscal deficit showed improvement at 5.3% as compared to 5.5% last year because of increased tax collection and expenditure management by the Government. Improvement in investor confidence was witnessed which led to an increase in total investment from Rs. 3,756 billion in 2014 to Rs. 4,140 billion during the outgoing year constituting 15% of GDP. FDI stood at US\$2 billion for the year compared to US\$1.87 billion during last year.

During the outgoing year State Bank of Pakistan eased its monetary policy rate from 10% in October 2014 to 6% in September 2015 due to decline in inflation rate to 4.8%, improvement in trade balance and balance of payment and improvement in foreign exchange reserves. However, despite improvement in foreign exchange reserves primarily due to disbursements received under IMF's extended fund facility, the Pak Rupee recorded a depreciation of about 4.2% during the year, owing to delays in review of IMF Program, political uncertainty and market speculation.

During the outgoing year the Pakistan Stock Exchange KSE 100 Index (Formerly Karachi Stock Exchange) remained ranged bound registering an increase of 2% to 32,816 points as of December 31, 2015.

Operational Performance

The key financial results achieved during the year are as under:

PROFIT AND LOSS ACCOUNT	2015	2014	Increase /	Increase /
	Rs.	Rs.	(decrease)	(decrease)
			Rs.	%
Income				
Return on financing and placements	37,905,964	28,170,171	9,735,793	35.00
Return on securities	3,980,916	44,514,684	(40,533,768)	(91.00)
Gain on sale of investments	59,215	102,479	(43,264)	(42.00)
Profit on deposit with banks	459,493	305,918	153,575	50.00
Other income	1,402,670	1,083,120	319,550	30.00
	43,808,258	74,176,372	(30,368,114)	(41.00)
Expenditure				
Finance cost	1,747,166	23,380,872	(21,633,706)	(93.00)
Administrative expenses	38,674,545	36,258,605	2,415,940	7.00
	40,421,711	59,639,477	(19,217,766)	(32.00)
Profit before taxation	3,386,547	14,536,895	(11,150,348)	(77.00)
Taxation	(2,539,016)	(2,331,291)	207,725	9.00
Profit for the year	847,531	12,205,604	(11,358,073)	(93.00)

The Company's profit after tax for the year ended December 31,2015 decreased to Rs. 0.847 million from Rs. 12.206 million (which included dividend income of Rs 21 million from the defunct wholly owned subsidiary i.e. SIBL Exchange Company (Private) Limited). Return on Financing and placement increased by 35% to Rs. 37.905 million from Rs. 28.170 million. Total Expenditures decreased from Rs. 59.639 million to Rs. 40.422 million.

Corporate Governance

The Board of Directors of the Company (the "Board") regularly reviews the strategic direction, business plans and performance in the light of the Company's overall objectives. The Board is committed to maintain the high standards of good corporate governance. The Company is complying with the provisions set out by the SBP, SECP and the listing rules of the Stock Exchanges where it is listed.

As required under the Code of Corporate Governance, the Board would like to confirm that:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data of six years of the Company are as follows:

(Rupees in millions)						
Description / Year	2015	2014	2013	2012	2011	2010
Share capital	514	514	514	514	514	514
Shareholder's equity	519	517	506	503	500	498
Deposits	29	22	125	112	110	112
Borrowings	-	-	177	360	363	258
Short term financing	260	212	126	145	172	40
Investments	41	30	431	482	430	423
Operating profit / (loss)	3	15.0	5.0	1.9	0.7	3.4
Net profit / (loss)	1	12.0	3.4	2.8	2.6	9.8
Total assets	557	546	793	964	935	836
Dividend	-	-	-	-	-	-
Bonus	-	-	-	-	-	-

Value of Provident Fund Investment

As on 31 December 2015 based on the unaudited accounts, the value of investment of Provident Fund is Rs.12.10 million (2014 Rs 10.325 million).

Value of Gratuity Fund Investment

As on 31 December 2015 based on the unaudited accounts, the value of investment of Gratuity Fund is Rs.8.74 million (2014 Rs 3.5 million).

Pattern of Shareholding

The pattern of shareholding as at 31 December 2015 along with the disclosure required under the Code of Corporate Governance, 2012 is annexed to the report.

Directors' Attendance

During the year ended 31 December 2015, Six Board of Directors; four Audit Committee and one Human Resources and Remuneration Committee meetings were held. Attendance of each director is as follows:

Name	Board of Directors	Audit Committee	Human Resources and Remuneration Committee
Haji Jan Muhammad	5	3	Not applicable
Mr. Karim Muhammad Munir	6	2	1
Mr. Mohammad Shoaib	5	Not applicable	Not applicable
Mr. Muhammad Mahboob	5	Not applicable	Not applicable
Mr. Muhammad Taufique Motiwala		Resigned on March 18, 2015	
Mr. Shaikh Abdullah	6	4	Not applicable
Mr. Sheikh Asim Rafiq	5	4	Not applicable
Mr. Zafar M. Shaikh	3	Not applicable	1

Leave of absence was granted in case the Directors were not able to attend the meetings.

Trade / dealing in shares of the Company

During the year, the Directors, CEO, CFO, Company Secretary and Head of Internal Audit and their spouses and minor children did not carry out any transaction in the shares of the Company.

Statement of Code of Conduct

The Board of Directors has adopted the required statement of Conduct. All employees are aware of this code and are requested to observe rules of conduct of business and regulations.

Directors' Training Program

Details have been provided in Statement of Compliance.

Earnings per Share

Earning per share of the Company is Rs 0.016 for the year ended 31 December 2015 (2014 Rs 0.24).

Dividend

Due to low earnings and higher 'minimum capital requirements' no dividend is declared for the year ended 31 December 2015.

Credit Rating

JCR - VIS Credit Rating Company Limited has revised the long term rating of the Company from 'A-' (Single A Minus) to 'BBB+' (Triple B Plus) with stable outlook and has maintained the short term rating at 'A-2' (A-Two).

Outlook

Securities and Exchange Commission of Pakistan (SECP) has recently brought significant amendments in Non-Banking Finance Companies regulatory framework. As per the said amendments the sphere of activities of Investment Banks have been enlarged by allowing licence granted to an NBFC for investment finance services for undertaking leasing, housing finance services and discount services too. However, restriction of deposit raising has been placed subject to meeting some conditions including the Minimum Equity Requirement of Rs. 750 million only.

The Company is reviewing various business options and its future course of action keeping in view the amended NBFC Regulator Framework.

Auditors

The present auditors Muniff Ziauddin & Co., Chartered Accountants retire and being eligible offered themselves for reappointment. The Board endorsed the recommendation of the Audit Committee for the reappointment of Muniff Ziauddin & Co., Chartered Accountants for the year ending 31 December 2016.

Acknowledgement

We, the directors of SIBL, are grateful to the SECP, Stock Exchanges and other regulators for their cooperation and support. We do acknowledge and are thankful to our shareholders for their support and cooperation. We also acknowledge and are thankful for the untiring efforts of the management and staff.

On behalf of the Board

Haji Jan Muhammad
Chairman

Karachi:

Dated: 21 March 2016

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of company: **SECURITY INVESTMENT BANK LIMITED**

Year ended: **31 DECEMBER 2015**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19.23 (Appendix B) of the Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Name
Non-Executive Director	Haji Jan Muhammad
Non-Executive Director	Mr Muhammad Mehboob
Non-Executive Director	Mr Muhammad Shoaib
Independent Director	Mr Shaikh Abdullah
Independent Director (NIT Nominee)	Mr Sheikh Asim Rafiq
Independent Director	Mr Zafar M Sheikh
Independent Director	Mr Karim Muhammad Munir

The independent directors meet the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs, or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred during the year was filled up by the directors within 30 days thereof.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated in time.
9. As per requirement of Regulation no. 5.19.7 of the Rule Book of Pakistan Stock Exchange, every year a minimum of one director shall acquire directors training. Hence, two of our directors have completed their directors training course and one is exempt from director training program as per criteria prescribed in the said regulation.

10. No new appointments have been made during the year of Chief Financial Officer, Company Secretary and Head of Internal Audit.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises 4 members, all of whom are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises 3 members, of whom 2 are non-executive directors and the chairman of the committee is an independent director.
18. The Board has set-up an effective internal audit function/manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The related party transactions with details of pricing methods have been placed before the Audit Committee and approved by the Board of Directors.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi, 21 March 2016

MUHAMMAD HANIF YOUSUF
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Security Investment Bank Limited** (the Investment bank) for the year ended **December 31, 2015** to comply with the requirements of Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges (Pakistan Stock Exchange Limited with effect from January 11, 2016 where the Investment Bank is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Investment Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Investment Bank's compliance with the provisions of the Code and report if it does not and to highlight any non compliance with the requirements of the Code. A review is limited primarily to inquiries of the Investment Bank's personnel and review of various documents prepared by the Investment Bank to comply with the Code

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Investment Bank's corporate governance procedures and risks.

The Code requires the Investment Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Investment Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Investment Bank for the year ended December 31, 2015.

Muniff Ziauddin & Co.
Chartered Accountants

Karachi:

Dated: 21 March 2016

Engagement Partner: Sohail Saleem

FINANCIAL STATEMENTS
for the year ended December 31, 2015



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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **SECURITY INVESTMENT BANK LIMITED** ("the Investment Bank") as at December 31, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Investment Bank's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Investment Bank as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Investment Bank;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Investment Bank's affairs as at December 31, 2015 and of the profit, the comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

Without qualifying our opinion, we draw attention to note 38 to the accompanying financial statements which shows that the Investment Bank is not meeting the minimum capital requirement under Non-Banking Finance Companies and Notified Entities regulations 2008. However Securities and Exchange Commission of Pakistan has notified amendments in the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008 (vide SRO No. 1002(1)/2015 dated October 15, 2015 and SRO No. 1160(1)/2015 dated November 25, 2015), whereof one year time has been allowed for aligning existing NBFCs with Minimum Capital requirement.

Muniff Ziauddin & Co.
Chartered Accountants

Karachi:

Dated: 21 March 2016

Engagement Partner: Sohail Saleem

BALANCE SHEET

AS AT 31 DECEMBER 2015

		2015	2014
	<i>Note</i>	<i>-----Rupees-----</i>	
Assets			
Property, plant and equipment	5	11,568,874	1,061,796
Intangible assets	6	10,568,182	10,568,182
Long term investments	7	26,181,818	26,181,818
Murabaha financing	8	2,978,750	-
Deferred tax asset - net	9	20,254,890	23,049,304
Current assets			
Short term financing	10	260,283,600	212,300,000
Short term placements	11	40,000,000	73,500,000
Short term investments	12	40,730,401	29,562,484
Loans and advances	13	91357,122	89,925,920
Deposits, prepayments and other receivables	14	8,605,777	5,231,707
Accrued interest	15	32,537,054	19,931,945
Cash and bank balances	16	11,986,367	54,903,699
		485,500,321	485,355,755
		557,052,835	546,216,855
Share capital and liabilities			
Capital and reserves			
Authorized 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	17	514,335,580	514,335,580
Accumulated loss		(140,876,007)	(142,554,809)
Statutory reserves	18	145,712,633	145,543,127
		519,172,206	517,323,898
Deficit on revaluation of investments - net of tax	19	(94,581)	(787,223)
Current liabilities			
Short term deposits	20	29,112,373	21,777,653
Accrued and other liabilities	21	8,862,837	7,902,527
		37,975,210	29,680,180
Contingencies and commitments	22		
		557,052,835	546,216,855

The annexed notes 1 to 42 form an integral part of these financial statements.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	<i>Note</i>	<-----Rupees----->	
Income			
Return on financing and placements	23	37,905,964	28,170,171
Return on securities	24	3,980,916	44,514,684
Gain on sale of investments		59,215	102,479
Profit on deposit with financial institutions		459,493	305,918
Other income	25	1,402,670	1,083,120
		43,808,258	74,176,372
Expenditure			
Finance cost	26	1,747,166	23,380,872
Administrative expenses	27	38,674,545	36,258,605
		40,421,711	59,639,477
Profit before taxation		3,386,547	14,536,895
Taxation	28	(2,539,016)	(2,331,291)
Profit for the year		847,531	12,205,604
Earnings per share - basic and diluted	29	0.016	0.237

The annexed notes 1 to 42 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	<-----Rupees----->	
Profit for the year	847,531	12,205,604
Other comprehensive Income		
Items that will not be subsequently reclassified to profit and loss		
Remeasurement of defined benefit plans	1,471,731	(2,079,360)
Deferred tax	(470,954)	686,189
Remeasurement of defined benefit plans - net of tax	1,000,777	(1,393,171)
Total comprehensive income - net of tax	<u>1,848,308</u>	<u>10,812,433</u>

The annexed notes 1 to 42 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	<-----Rupees----->	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,386,547	14,536,895
Adjustment for non cash and other items		
Depreciation	1,294,690	395,178
Gain on disposal of shares	(59,215)	(102,479)
Loss on disposal of fixed assets	(38,727)	(18,998)
(Loss)/Gain on sale of government securities	(10,507)	15,707,227
Provision for gratuity	1,285,957	883,977
	<u>2,472,198</u>	<u>16,864,905</u>
Cash flows from operating activities before working capital changes	5,858,745	31,401,800
(Increase)in operating assets		
(Increase) in financing and placements	(47,983,600)	(86,800,000)
(Increase) in loans and advances	(906,813)	(431,453)
(Increase) / Decrease in deposits and prepayments	(3,188,296)	273,121
(Increase) in accrued interest	(12,605,109)	(6,173,499)
	<u>(64,683,818)</u>	<u>(93,131,831)</u>
Increase / (decrease) in operating liabilities		
Increase / (Decrease) in deposits	7,334,720	(102,836,564)
Decrease in borrowings	-	(176,766,009)
Increase / (Decrease) in accrued and other liabilities	3,923,647	(2,414,757)
	<u>11,258,367</u>	<u>(282,017,330)</u>
Net change in operating assets and liabilities	(53,425,451)	(375,149,161)
Income tax paid	(1,386,968)	(4,862,747)
Gratuity paid	(2,963,337)	(1,649,026)
Dividend paid	-	-
	<u>(4,350,305)</u>	<u>(6,511,773)</u>
Net cash used in operating activities	(51,917,011)	(350,259,134)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	125,000	19,001
Purchase of fixed assets	(11,888,041)	(249,046)
Disposal proceeds from wholly owned subsidiary	-	100,000,000
Sale of investments-shares	(9,955,108)	2,275,704
Purchase of securities	196,577	367,997,245
Net cash used in investing activities	(21,521,572)	470,042,904
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Financing	(2,978,750)	-
Net (decrease) / increase in cash and cash equivalents	(76,417,333)	119,783,770
Cash and cash equivalents at the beginning of the year	128,403,699	8,619,929
Cash and cash equivalents at the end of the year	51,986,367	128,403,699

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The annexed notes 1 to 42 form an integral part of these financial statements.

MUHAMMAD HANIF YOUSUF
CHIEF EXECUTIVE

HAJI JAN MUHAMMAD
CHAIRMAN

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share Capital (Note 17)	Statutory Reserve (Note 18)	Accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 January 2014	514,335,580	143,380,640	(151,204,755)	506,511,465
Total comprehensive income for the year			10,812,433	10,812,433
Statutory reserve	-	2,162,487	(2,162,487)	-
Balance as at 31 December 2014	514,335,580	145,543,127	(142,554,809)	517,323,898
Total comprehensive income for the year	-	-	1,848,308	1,848,308
Appropriation :				
Statutory reserve	-	169,506	(169,506)	-
Balance as at 31 December 2015	514,335,580	145,712,633	(140,876,007)	519,172,206

The annexed notes 1 to 42 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. LEGAL STATUS AND OPERATION

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Investment Bank was incorporated in Pakistan on May 23, 1991 and started its commercial operation on December 31, 1991. Its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges (Pakistan Stock Exchange Limited with effect from January 11, 2016). 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 1002 (I) /2015 dated 15 October 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated 25 November 2015 (previously this was covered under SRO 585(1)/87 dated 13 July 1987, issued by the Ministry of Finance).

JCR - VIS Credit Rating Company Limited has revised medium to long-term rating of SIBL from 'A-' (**Single A minus**) to BBB+ (Triple B Plus) with stable outlook and maintained the short-term rating at 'A-2' (**A Two**).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved International Accounting Standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003, Non-Banking Finance Companies and Notified Entities Regulations 2008 and the directives issued by the SECP. Approved accounting standards comprise of such International Accounting Standards/International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984, NBFC Rules or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The SECP has deferred the applicability of International Accounting Standards, IAS-39, 'Financial Instruments: Recognition and measurement' through Circular No. 19 dated August 13, 2003 to NBFCs providing investment finance services, discounting services and housing finance services. The SECP has also deferred the applicability of International Financial Reporting Standard, IFRS-7, 'Financial Instruments: Disclosures' through Circular No. 411(I)/2008 dated April 28, 2008 to NBFCs providing investment finance services, discounting services and housing finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Investment bank and rounded to the nearest Rupee.

2.3 Accounting standards or an interpretations not yet effective

The following standards, amendments and interpretation of approved accounting standards are applicable in Pakistan from the dates mentioned below against the respective standard or amendment:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

		<u>Effective date (annual periods beginning on or after</u>
IFRS 9	Financial Instruments: Classification and Measurement	January 1, 2018
IFRS 10	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures –	January 1, 2016
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its	January 1, 2016
IFRS 11	Joint Arrangements-Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 1, 2016
IFRS 14	Revenue from contracts with customers	January 1, 2016
IFRS 15	Revenue from contracts with customers	January 1, 2017
IAS 1	Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 1, 2016
IAS 16	Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization	January 1, 2016
IAS 27	Separate Financial Statements–Equity Method in Separate Financial Statements (Amendment)	January 1, 2016

Improvements to Accounting Standards Issued by the IASB

IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal	January 1, 2016
IFRS 7	Financial Instruments: Disclosures - Servicing	January 1, 2016
FRS 7	Financial Instruments: Disclosures - Applicability of the off-setting disclosures to condensed interim	January 1, 2016
IAS 19	Employee Benefits - Discount rate: regional market issue	January 1, 2016
IAS 34	Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'	January 1, 2016

The above standards, amendments and interpretation are not expected to have significant impact on the SIBL'S Financial statements other than certain increased disclosures.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, underlying assumptions and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

"In the process of applying the Investment Bank's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- (a) determining the residual values and useful lives of property and equipment (Note 5)
- (b) classification of investments (Note 7 and 12)
- (c) recognition of taxation and deferred tax (Note 9 and 28) and
- (d) accounting for post employment benefits (Note 32)"

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for held for trading and available for sale investments and gratuity which are stated at fair value. In these financial statements, except for the amount reflected in cash flow statements, all the transactions have been accounted for on accrual basis.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment

property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged to profit and loss account applying the straight line method in accordance with the rate specified in note 5 to these financial statements, whereby the cost of an asset is written off over its estimated useful life. Full month's depreciation is charged on additions during the month in which asset is acquired, while no depreciation is charged in the month of disposal.

Minor renewals or replacements, maintenance, repairs and profit or loss on disposal of fixed assets are included in current year's income. Major renewals and repairs are capitalized.

Fully depreciated assets are being kept at token value of Rs. 1/- each.

4.2 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

4.2.1 Trading rights and membership card

These are stated at cost less impairments, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

4.3 Impairment

The carrying amount of the Investment Bank's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.4 Investments

Held-to-maturity

Investment with fixed maturity where management has both the intent and ability to hold to maturity, are classified as held-to-maturity.

Available-for-sale

Investments intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes to interest rates, exchange rates or equity prices are classified as available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Held-for-trading

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held-for-trading.

All Investments are initially recorded at cost, being the fair value of the consideration given.

Subsequent to initial recognition, investments available for sale and investments held for trading for which active market exists, are measured at market value using rates quoted on stock exchange quotes and broker's quotations, in accordance with the requirements of circulars issued by State Bank of Pakistan. In case of available for sale investments, any difference between the carrying value and the revalued amount is taken to surplus/ (deficit) on revaluation of investments account, until realized on disposal. At the time of disposal the respective surplus or deficit is transferred to income currently. Amortization cost is charged to profit and loss account.

Investments held till maturity are stated at amortized cost using the effective interest rate method less impairment, if any. The amortization for the period has been charged to the profit and loss account.

4.5 Securities under repurchase / reverse repurchase agreement

Transactions of repurchase / resale of government securities, term finance certificates and shares are entered into at contracted rates for specified period of time and are accounted for as follows:

Repurchase agreements

The securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investments. Amounts received under these agreements are included in borrowings from institutions. The difference between sale and repurchase price is treated as mark-up on borrowings from institutions and accrued as expense over the life of the repo agreement.

Reverse repurchase agreements

The securities purchased with a corresponding commitment to resell at a specified future date (reverse repo) are not recognized in the balance sheet. Amounts paid under these obligations are included in placements. The difference between purchase and resale price is accrued as income over the life of the reverse repo agreement.

4.6 Trade date and settlement date accounting

All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the asset is delivered to or by Security Investment Bank Limited. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

Islamic financing and related assets

Murabaha

In Murabaha transactions, the Investment Bank purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

4.7 Staff retirement benefits

4.7.1 Defined contribution plan

The Investment Bank operates an approved Provident Fund Scheme for all its permanent employees. Equal monthly contributions are made, both by the Investment Bank and the employee, to the fund @10% of basic salary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

4.7.2 Defined benefit plan

The Investment Bank operates an approved funded gratuity scheme covering all permanent employees who have completed the qualifying period under the scheme. The scheme is administered by the trustees and contributions therein are made in accordance with the actuarial recommendations using the Projected Unit Credit Method. The results of current valuation are summarized in Note 32.

All actuarial gains and losses are recognised in 'other comprehensive income' as they occur.

4.8 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Investment Bank has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.9 Financial instruments

All financial assets and financial liabilities are recognized at the time when Investment Bank becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Investment Bank loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to income currently.

4.10 Classification of deposits and financing

Deposits and financing are classified as long and short term considering the remaining period at the balance sheet date.

4.11 Cash and cash equivalents

Cash and Cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with Investment banks in current and deposit account and short term clean placement.

4.12 Provisions

Provisions are recognized when the Investment Bank has legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

4.13 Revenue

Income on financing, placement, government securities, profit on deposits and term finance certificates are generally recognized on time proportion basis taking into account the principal / net investment outstanding and applicable rates of profit / return thereon. Income on discounted commercial papers is recognized on a time proportion basis over the life of instruments. Where recovery is considered doubtful, income is recognized on receipts basis.

Dividends on equity investments are recognized as income when the right to receive payment is established.

Income from capital gains is recognized on earned basis.

Fee, commission, liquidated damages etc. are recorded on earned basis except which is spread over the time proportion.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

4.14 Finance cost

Finance cost includes return on deposits and borrowings which are recognized on a time proportionate basis taking into account the relevant issue date and final maturity date.

4.15 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax rebates and credits, if any, or at 1% of turnover whichever is higher.

Deferred

Deferred tax is accounted for using the liability method on all temporary differences at the balance sheet date between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, if any, to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the balance sheet date.

Deferred tax on surplus / (deficit) on revaluation of investments is charged or credited directly to the same account.

4.16 Related party transactions

The Investment Bank enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

4.17 Provision for doubtful debts on financing

Provision is made against doubtful receivable in pursuance of Securities & Exchange Commission of Pakistan's NBFC and Notified Entities Regulations 2008.

4.18 Dividend distributions and appropriations

Dividend distributions and appropriations other than statutory appropriations are recorded in the period in which they are approved.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

5 Property, plant and equipment

PARTICULARS	Cost				Rate	Depreciation			Written down value as at December 31, 2015	
	As at January 01, 2015	Additions	(Deletions)	As at December 31, 2015		As at January 01, 2015	Charge for the year	(Adjustment)		As at December 31, 2015
Computer and equipments	4,847,406	1,189,880	(3,420,258)	2,617,028	20%	478,614	(3,420,213)	1,322,438	1,294,590	
Furniture and fixtures	3,146,836	8,139,607	(3,028,976)	8,257,467	10%	491,079	(2,984,471)	574,109	7,683,358	
Generator	886,321	116,415	(420,000)	582,736	10%	734,764	(419,999)	369,158	213,578	
Sign board	245,784	-	(208,068)	37,716	10%	194,678	(167,212)	31,238	6,478	
Telephone system	177,496	216,639	(141,496)	252,639	10%	166,553	(140,630)	45,607	207,032	
Vehicles	2,283,831	2,225,500	-	4,509,331	20%	2,098,345	247,148	2,345,493	2,163,838	
2015	11,587,674	11,888,041	(7,218,798)	16,256,917		10,525,878	(7,132,525)	4,688,043	11,568,874	

PARTICULARS	Cost				Rate	Depreciation			Written down value as at December 31, 2014	
	As at January 01, 2014	Additions	(Deletions)	As at December 31, 2014		As at January 01, 2014	Charge for the year	(Adjustment)		As at December 31, 2014
Computer and equipments	4,644,340	203,066	-	4,847,406	20%	3,993,906	270,131	4,264,037	583,369	
Furniture and fixtures	3,146,836	-	-	3,146,836	10%	3,046,297	21,204	3,067,501	79,335	
Generator	886,321	-	-	886,321	10%	688,132	46,632	734,764	151,557	
Sign board	245,784	-	-	245,784	10%	184,999	9,679	194,678	51,106	
Telephone system	177,496	-	-	177,496	10%	162,853	3,700	166,553	10,943	
Vehicles	3,295,131	45,980	(1,057,280)	2,283,831	20%	3,111,790	43,832	2,098,345	185,486	
2014	12,395,908	249,046	(1,057,280)	11,587,674		11,187,977	395,178	(1,057,277)	10,525,878	

5.1 Cost and accumulated depreciation as at the end of the year include Rs. 2,076,050/- (2014 : Rs. 9,102,405/-) in respect of fully depreciated assets still in use.

5.2 Schedule of disposal of fixed assets

Particulars	Cost	Accumulated depreciation	Written down value	Sale Proceeds	Gain / (Loss)	Sold to	Mode of disposal
Generator	420,000	419,999	1	5,000	4,999	Mr. Abdullah	Negotiation
Signboard	208,068	167,212	40,856	7,500	(33,356)	Mr. Sajjad	Negotiation
Telephone Systems	141,496	140,630	866	9,000	8,134	Mr. Zeeshan	Negotiation
Computers	3,420,258	3,420,213	45	67,500	67,455	Mr. Junaid	Negotiation
Furniture & Fixture	3,028,976	2,984,471	44,505	36,000	(8,505)	Mr. Muhammad	Negotiation
	7,218,798	7,132,525	86,273	125,000	38,727		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 ←-----Rupees-----→	2014
6 Intangible assets			
Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	6.1	9,818,182	9,818,182
Corporate membership of the Pakistan Mercantile Exchange Limited		<u>750,000</u>	<u>750,000</u>
		<u>10,568,182</u>	<u>10,568,182</u>
6.1	These represent Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of PSX after completion of the demutualisation process. The TREC have been recorded at 9.8 million. For details, refer to note 7.1.		
7 Long term investments			
Investment - at fair value through other Comprehensive income			
Pakistan Stock Exchange Limited - Available For Sale	7.1	<u>26,181,818</u>	<u>26,181,818</u>
		<u>26,181,818</u>	<u>26,181,818</u>
7.1	Pursuant to demutualization of the Pakistan Stock Exchange Limited (PSX), the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and TREC from the PSX against its membership card which was carried at Rs. 36 million in the books of the Company.		
	The above arrangement has resulted in allocation of 4,007,383 shares at Rs. 10 each with a total face value of Rs. 40 million and TREC to the Company by the PSX. Out of total shares issued by the PSX, the Company has actually received 40% equity shares i.e. 1,602,953 shares. The remaining 60% shares have been transferred to CDC sub-account in the Company's name under the PSX's participant IDs with the CDC which will remain blocked until these are divested/sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company.		
	The Institute of Chartered Accountants of Pakistan in its technical guide dated May 29, 2013, concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost/carrying value of the membership card between the two distinct assets on a reasonable basis.		
	The above mentioned face value (Rs.40 million) of the shares issued by the PSX to its members including the Investment Bank has been determined on the basis of the fair valuation of the underlying assets and liabilities of the PSX in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. In other words, shares worth Rs. 40 million received by the Company represent its share in the fair value of the net assets of the PSX. Under the current circumstances, where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.		
	Further recently, the PSX has introduced a minimum capital regime for the brokers, and for this purpose has valued TREC at Rs.15 million as per the decision of the Board of Directors of the PSX. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investor's interest. In the absence of an active market for TREC, this assigned value of Rs. 15 million has been considered as the closest estimate.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Therefore, based on the above estimates of fair values of PSX shares (Rs. 40 million) and TREC (Rs. 15 million), the Company has allocated its carrying value of the membership card in the ratio of 0.73 to shares and 0.27 to TREC. Consequently, the investments have been recognized at Rs. 26.18 million and TREC at Rs. 9.8 million.

		2015	2014
	Note	<-----Rupees----->	
8 Murabaha financing			
<i>Related Parties- Secured and considered</i>			
Associated Companies - Murabaha finance		5,625,689	-
Less- Deferred Murabaha income		(1,263,339)	-
Murabaha receivable	8.1	4,362,350	
Less: Current maturity		(1,383,600)	-
		2,978,750	-
8.1	These represent financing of vehicle on morabaha basis against hypothecation of vehicles for a period of 3 years with carrying mark up @ 16% per anum.		
9 Deferred tax asset - net			
Deferred tax assets arising in respect of:			
Deficit on revaluation of securities		(318,519)	328,504
Remeasurement of defined benefit plans - O.C.I component		284,122	755,076
Accelerated depreciation		(453,107)	(26,046)
Tax losses		20,742,394	21,991,770
		20,254,890	23,049,304
9.1 Movement in deferred tax asset			
Opening balance		23,049,304	32,389,507
Provision /(Reversal) during the year		(2,794,414)	(9,340,203)
Closing balance		20,254,890	23,049,304
9.2	The Investment Bank has an aggregate amount of Rs. 64.820 million (2014: Rs. 66.642 million) in respect of unabsorbed tax losses as at December 31, 2015 on which the management has recognized deferred tax asset of Rs. 20.742 million (2014: Rs. 21.992 million). The management of the Investment Bank believes that based on the projections of future taxable profit it would be able to realize these tax losses in the future.		
10 Short term financing - secured and considered good			
Associated companies	10.1	258,900,000	212,300,000
Current maturity under Morabaha Finance		1,383,600	-
		260,283,600	212,300,000
10.1	These are secured by hypothecation or a charge on assets of customers, Pledge of certificate of deposits and Pledge of Listed Shares. The mark-up rates are 12% per annum to 16% per annum (2014: 16% per annum).		
11 Short term placements - considered good			
Placement with financial Institution-unsecured	11.1	40,000,000	73,500,000
11.1	This represents clean placement with financial institution on short term basis upto January 04, 2016 carrying markup @ 6.75% (2014 : 9.45%) per annum.		
12 Short term investments			
Available for sale			
Pakistan Investment Bonds	12.1	20,248,821	18,287,802
Term Finance Certificates	12.1	5,836,219	6,066,100
Quoted Shares	12.1	14,645,361	5,208,581
		40,730,401	29,562,483

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12.1 Securities given as collateral under repurchase agreements.

Note	2015			2014			
	Held by SIBL	Repo	Total	Held by SIBL	Repo	Total	
..... Rupees							
Pakistan Investment Bonds	12.1.1	20,248,821	-	20,248,821	18,287,802	-	18,287,802
Term Finance Certificates	12.1.2	5,836,219	-	5,836,219	6,066,100	-	6,066,100
Quoted Shares	12.1.3	14,645,361	-	14,645,361	5,208,581	-	5,208,581

12.1.1 This represents investment in 20 years bonds issued by the Government of Pakistan having face value of Rs.19,000,000/- (2014: Rs. 19,000,000/-) with income receivable semi annually. Carrying markup at rate (coupon rate) of 10% (2014: 10%) per annum.

12.1.2 Particulars of listed Term Finance Certificates (TFC) :

Issuer of TFC	No. of Certificates		2015		2014		
	2015	2014	Cost	Market Value	Cost	Market value	
..... Rupees							
Telecard Limited	12.1.2.1	5,000	5,000	7,781,625	5,836,219	7,937,875	6,066,100

12.1.2.1 Terms of redemption of listed TFCs are as follows:

Particulars	Certificates denomination	Profit rate per annum	Profit payment	Redemption terms
Telecard Limited	5,000	3.75% over 6 months KIBOR.	Semi-annually	Originally Eight years from May 2005.
Valuation of certificates				Rescheduled upto May 27, 2015.
Initial Value of	5,000			Now it is
Redemption upto December 31, 2015	3,444			restructured to be redeemable over the period of 5 years with 2 years grace period carrying mark up @ 3 months KIBOR + 0%
Balance as at December 31, 2015	1,556			

12.1.2.2 Telecard has restructured its TFCs redemption schedule on December 30, 2011 relating to the default of payment of redemption due on May 27, 2011, without any consequences or delay penalties after the approval obtained by the Company from the TFC holders upon Company's request. The said restructuring has resulted in lower current maturity. As a result, the last redemption date has been extended to May 27, 2015, instead of the revised final redemption date of November 27, 2013. The redemption period has again been rescheduled to be redeemable over the period of 5 year with 2 year grace period carrying markup @ 3 months kibar +0%.

The TFCs are secured against a first specific charge over the fixed assets of the company, aggregating to Rs. 800 million and specific charge over the intangible assets (frequency spectrum) procured from the PTA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12.1.3 Quoted Shares

All shares / units have face value of Rs. 10/- each unless identified otherwise.

2015		2014		2015		2014	
No. of ordinary shares, certificates / units		Cost	Market Value	Cost	Market Value	Rupees	
Equity Investment Instruments							
4,500	4,500	PICIC Growth Fund	64,170	101,385	64,170	110,925	
500,257	-	NIT Islamic Unit Trust	5,000,000	4,932,534	-	-	
Financial Services							
42,370	42,370	Saudi Pak Leasing Company Limited	59,742	73,300	59,742	105,925	
32,001	32,001	Arif Habib Limited	1,319,190	2,120,706	1,319,190	1,792,056	
1,644	1,644	First National Equities Limited	21,684	5,294	21,684	4,028	
2,724	2,270	Jahangir Siddiqui & Company Limited	72,799	57,041	68,259	33,006	
Banks							
35,000	35,000	Askari Bank Limited	629,453	760,900	629,453	807,578	
3,825	3,825	Bank Alfalah Limited	52,670	110,237	52,670	133,416	
31,625	31,625	National Bank of Pakistan	1,189,797	1,709,015	1,189,797	2,196,673	
6,500	-	Habib Bank Limited	1,302,330	1,300,780	-	-	
Fertilizer							
10,000	-	Fatima Fertilizer Company Limited	485,884	447,300	-	-	
6,000	-	Fauji Fertilizer Company Limited	711,322	707,880	-	-	
Oil and Gas Companies							
10,000	-	Oil and Gas Development Co. Ltd	1,352,835	1,173,400	-	-	
1,000	-	Pakistan Refinery Limited	48,555	45,210	-	-	
Cables and Electric Goods							
2,000	-	Pakistan Electron Limited	143,515	125,080	-	-	
Pharmaceuticals							
500	-	Akzonoble Limited	117,012	108,475	-	-	
Fixed Line Telecommunication							
10,000	-	Pakistan Telecommunication Limited	186,069	164,900	-	-	
Textile Composite							
2,500	-	Gul Ahmed Textile Mills Limited	125,408	90,600	-	-	
Power Generation and Distribution							
75,000	-	K Electric	536,854	558,000	-	-	
Miscellaneous							
7,500	7,500	Pace Pakistan Limited	43,875	53,325	43,875	24,975	
784,946	160,735		13,463,163	14,645,361	3,448,840	5,208,582	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12.1.4 Unquoted Shares	<i>Note</i>	2015 ←-----Rupees----->	2014
All shares/ units have face value of Rs. 10/- each unless identified otherwise.			
2015	2014	2015	2014
No. of ordinary shares, certificates /units		Cost Market Value	Cost Market Value
	 Rupees	
	Modarabas / Mutual funds		
500	500 Long Term Venture Modaraba	225	-
	Sugar & Allied Industries		
100	100 Hamza Sugar	8,000	-
600	600	8,225	-
13 Loans and advances			
Advances - considered good			
For expenses		2,030,639	1,123,826
For office premises		2,500,000	2,500,000
Advance income tax less payments and provision for tax		86,826,483	86,302,094
		91,357,122	89,925,920
14 Deposits, prepayments and other receivables			
Security deposits		1,582,503	1,346,868
PMEX exposure limits	<i>14.1</i>	1,212,927	1,095,327
PSX exposure limits		1,254,809	750,000
Prepayments		880,383	1,115,557
Other receivables - considered good		3,675,155	923,955
		8,605,777	5,231,707
14.1	This represents interest bearing security deposits of Rs. 701,000 (2014: 701,000) which carries markup at the rate of 6% to 6.50 % (2014: 6% to 6.5%).		
15 Accrued interest			
Income receivable	<i>15.1</i>	32,536,542	19,830,940
Accrued profit on PLS deposits		512	101,005
		32,537,054	19,931,945
15.1 Income receivable			
Considered good			
Not due	<i>15.1.1</i>	32,536,542	19,830,940
15.1.1	This represents income on financing and government securities not matured / due on December 31, 2015.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 ←-----Rupees-----→	2014
16 Cash and bank balances			
With State Bank of Pakistan in			
- Current account		160,874	121,359
With other banks in			
- Current accounts		9,018,514	2,530,969
- Deposit accounts	16.1	2,787,667	52,250,741
		11,806,181	54,781,710
Cash in hand		19,312	630
		11,986,367	54,903,699

16.1 Rate of return on these deposits accounts range from 5% to 5.50% per annum (2014 : 6% to 7.5% per annum).

17 Issued, subscribed and paid-up capital

Number of shares			
2015	2014		
23,552,000	23,552,000	Ordinary shares of Rs. 10/- each fully paid in cash	235,520,000 235,520,000
27,881,558	27,881,558	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	278,815,580 278,815,580
51,433,558	51,433,558		514,335,580 514,335,580

18 Statutory reserves

Capital reserves			
Statutory reserves	18.1	145,712,633	145,543,127

18.1 This reserve is created @ 20% of profit for the year from ordinary activities after taxation in compliance with Regulation No.16 of Part I of Chapter II of SECP's NBFCs and Notified Entities Regulations 2008.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
19	Deficit on revaluation of investments - net of tax		
		<i>Note</i> <-----Rupees----->	
	Government securities	995,372	(995,467)
	Term Finance Certificates	<u>(1,945,406)</u>	<u>(1,871,775)</u>
		(950,034)	(2,867,242)
	Related deferred tax asset	<u>(318,519)</u>	328,504
		(1,268,553)	(2,538,738)
	Quoted shares	<u>1,173,972</u>	1,751,515
		<u>(94,581)</u>	<u>(787,224)</u>
20	Short term deposits		
	From individuals	8,519,543	8,032,608
	From related parties		
	Associated undertaking	12,168,912	6,255,883
	Others	<u>8,423,918</u>	7,489,162
		<u>29,112,373</u>	<u>21,777,653</u>
		<i>20.1</i>	
20.1	This represents Certificate of Deposits with maturity ranging from one month to twelve months. The expected rate of return on these deposits range from 7.50% to 12% per annum (2014: 8% to 10% per annum) payable monthly, quarterly, semi annually or on maturity.		
21	Accrued and other liabilities		
	Accrued expenses		
	Return on deposits from		
	- individuals	486,703	619,638
	- related party	588,575	42,125
		1,075,278	661,763
	Other liabilities		
	Unclaimed dividend	2,094,583	2,094,583
	Others		
	- related party	4,242,183	1,500,000
	- others	1,450,793	682,844
		5,692,976	2,182,844
	Payable to employees gratuity fund	-	2,963,337
		<u>8,862,837</u>	<u>7,902,527</u>
		<i>32.3</i>	
22	Contingencies and commitments		
	22.1 Contingencies		
	Guarantees issued on behalf of customer:		
	- Associated undertaking	25,520,900	15,226,100
	- Others	<u>50,000,000</u>	<u>50,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Note</i>	2015	2014
		<-----Rupees----->	
22.2 Commitments			
There were no commitment as at the balance sheet date.		-	-
23 Return on financing and placements			
Financing			
Demand finance		34,878,932	27,609,008
Morahaba financing		238,980	-
Placements			
With financial Institution			
Unsecured		2,543,961	561,163
Secured		244,091	-
		37,905,964	28,170,171
24 Return on securities			
Return on government securities		2,128,267	37,929,945
Gain/ (Loss) on sale of government securities		10,507	(15,707,227)
Dividend income		1,842,142	22,291,966
		3,980,916	44,514,684
25 Other income			
Gain/ (Loss) on sale of fixed assets		38,727	18,998
Commission		679,647	440,460
Miscellaneous		684,296	623,662
		1,402,670	1,083,120
26 Finance cost			
Return on certificate of deposits		1,747,166	2,176,905
Return on borrowings under repurchase agreement (Repo)		-	21,203,967
		1,747,166	23,380,872
27 Administrative expenses			
Salaries, wages and other benefits		20,030,250	19,183,099
Contribution to provident fund	32.7	875,230	788,780
Gratuity scheme expense	32.4	1,285,957	883,977
Rent, rates and taxes		2,441,166	3,602,207
Telephone, telex and fax		906,623	671,382
Electricity, water and gas		1,039,106	1,395,145
Printing, postage and stationery		727,432	699,003
Insurance		793,370	565,795

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Fees and membership		2,725,067	1,952,906
Brokerage and commission		70,273	107,323
Central Depository Company charges		347,316	264,450
Auditors' remuneration	27.1	374,990	354,100
Legal and professional fees		2,057,330	1,940,584
Vehicle running and maintenance		1,049,796	1,382,511
Repairs and maintenance		623,404	377,554
Advertisement		615,083	792,305
Travelling and entertainment		979,307	570,617
Depreciation	5	1,294,690	395,178
Bank charges		47,634	24,135
Old age benefit		109,462	100,400
Books, periodicals & newspapers		46,494	53,051
Other expenses		234,565	154,103
		38,674,545	36,258,605
27.1 Auditors' remuneration			
Statutory audit fee		357,390	339,300
Out of pocket expenses		17,600	14,800
		374,990	354,100
28 Taxation			
Current			
- for the year	28.1	(862,579)	(3,015,006)
Deferred			
- opening balance		(21,965,724)	(21,282,009)
- closing balance		20,289,287	21,965,724
		(1,676,437)	683,715
		(2,539,016)	(2,331,291)

28.1 The provision for taxation for the current year has been made by applying rates applicable to companies on income not covered under fixed / final tax regime; and applying respective rates applicable to income covered under fixed / final tax regime

Assessment of tax years 1995-96 to 2001-02, tax years 2003, 2005, 2006 and 2007 have been finalised and rectification applications have been filed on rectifiable issues in respect of above mentioned tax years, which are pending for disposal.

The declared results for tax year 2008 were modified under section 122(1) of the Income Tax Ordinance, 2001 and demand of Rs. 68 million was raised by the department, against which SIB has preferred appeal before the Commissioner of the Inland Revenue (Appeals II) which was decided against SIB. Then SIB contested the aforesaid order before Appellate Tribunal Inland Revenue (the "ATIR") which was decided against SIB.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

A Reference Application was filed before the Honourable High Court, Islamabad in August 2015, which is pending. SIB also filed Miscellaneous Application before the learned ATIR in respect of its order. The Application was decided in favour of SIB and substantial relief was allowed to SIB.

No additional provision has been made against this demand as the management is confident that reference application will be decided in favour of the SIB.

The return filed for the tax year 2011 was selected for audit under section 177 of the Ordinance. Information document request was served under section 176 of the Ordinance which was dully responded. However, no further information has been taken by the tax authorities.

Assessment in respect of tax year 2012 was amended vide assessment order dated February 28, 2014 under section 221/113 of the Ordinance. The order of Deputy Commissioner Inland Revenue was contested before CIR(A) who remanded back the case to DCIR for further verification. No further notice in this regard has been received by the SIBL.

The declared results for the tax year 2009 to 2010 and 2014 to 2015 are deemed to be assessed in terms of Section 120(1)(b) of Income Tax Ordinance 2001.

	2015	2014
	<-----Rupees----->	
28.2 Relationship between tax expense and accounting profit		
Profit for the year from ordinary activities before taxation	<u>3,386,547</u>	<u>-</u>
Tax at the applicable rate of 32%	1,083,695	-
Tax effect of admissible/inadmissible expenses in determining taxable income-net	407,332	-
Tax effect of dividend income taxed treated as separate block of income	(589,485)	-
Tax effect of commission income taxed treated as separate block of income	(217,487)	-
Tax effect of capital gains show separately	(22,311)	-
Tax effect on gain / (loss) on sale of assets	(77,181)	-
Tax payable in respect of receipt/income covered under FTR	<u>278,016</u>	<u>-</u>
Tax charge	<u>862,579</u>	<u>-</u>

28.3 The numerical reconciliation between tax expense and accounting profit has not been presented related to prior year in these financial statements due to applicability of minimum tax under section 113 of the Income Tax Ordinance 2001

29 Earnings per share- basic and diluted

29.1 Basic

Profit after tax	<u>847,531</u>	12,205,604
Weighted average number of ordinary shares	<u>51,433,558</u>	<u>51,433,558</u>
Earnings per share	<u>0.016</u>	<u>0.237</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

29.2 Diluted

No figure for diluted earnings per share has been presented as Security Investment Bank Limited has not issued any instrument that would have an impact on its earnings exercised.

	2015	2014
	<-----Rupees----->	
30 Cash and Cash Equivalents		
Cash and bank balances	11,986,367	54,903,699
Short term placement	40,000,000	73,500,000
	<u>51,986,367</u>	<u>128,403,699</u>
31 Staff strength		
Number of employees at end of the year	<u>26</u>	<u>25</u>
Average number of employees during the year	<u>26</u>	<u>25</u>

32 Defined benefit plan

32.1 General description

Gratuity is a final salary benefit. The scheme provides for terminal benefits for all permanent employees who complete qualifying period of service with Security Investment Bank Limited (SIBL) at varying percentages of last drawn salary. The percentage depends on the number of service years with SIBL. The gratuity plan is invested through an exempt approved trust fund. The fund's trustees are responsible for administration and investment of the fund. The Company appoints all the trustees.

Annual provision is based on actuarial valuation, which was carried out as at December 31, 2015 using the Projected Unit Credit Method.

32.2 Principal actuarial assumptions

Following principal actuarial assumptions were used for the valuation.

Estimated rate of increase in salary of the employees	<u>7.75%</u>	<u>9.00%</u>
Discount rate	<u>9.75%</u>	<u>11.00%</u>
Return on plan assets	<u>11.50%</u>	<u>11.50%</u>

Mortality was assumed to be 70% of the EFI(61-66) Table.

Impact on Obligation of Change in Assumptions

	1% Increase	1% Decrease
Discount rate	<u>(1,014,987)</u>	<u>1,189,823</u>
Salary increases	<u>1,201,690</u>	<u>(1,041,274)</u>

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different sets of assumptions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	<i>Note</i>	<-----Rupees----->	
32.3 Net liability (Assets)			
Beginning of the year		2,963,337	1,649,026
Cost for the year		(185,774)	2,963,337
Contributions paid		<u>(2,963,337)</u>	<u>(1,649,026)</u>
End of the year		<u>(185,774)</u>	<u>2,963,337</u>
Reconciliation			
Obligation	32.3.1	9,981,933	9,785,697
Plan assets	32.3.2	<u>(10,167,707)</u>	<u>(6,822,360)</u>
Net liability (assets)		<u>(185,774)</u>	<u>2,963,337</u>
The net asset of 185,774 is less than the next year's recommended contribution. Therefore, the asset ceiling does not apply			
32.3.1 Change in Obligation			
Present value of obligation at beginning of the year		9,785,697	6,345,926
Current service cost		959,990	669,604
Interest cost		1,076,427	824,970
Remeasurement loss (gain) due to:			
Changes in demographic assumptions		-	-
Changes in financial assumptions		-	1,028,560
Experience		(822,014)	916,637
Benefits paid		<u>(1,018,167)</u>	<u>-</u>
Present value of obligation at the end of the year		<u>9,981,933</u>	<u>9,785,697</u>
32.3.2 Change in Plan assets			
Fair value of plan assets at beginning of the year		6,822,360	4,696,900
Interest income		750,460	610,597
Remeasurement gain (loss) due to:			
Investment return		649,717	(134,163)
Contributions		2,963,337	1,649,026
Benefits paid		<u>(1,018,167)</u>	<u>-</u>
Fair value of plan assets at the end of the year		<u>10,167,707</u>	<u>6,822,360</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	<-----Rupees----->	
32.4 DB cost		
Current service cost	959,990	669,604
Net interest cost	325,967	214,373
Chargeable in P&L	1,285,957	883,977
Remeasurement due to:		
Changes in demographic assumptions	-	0
Changes in financial assumptions	-	1,028,560
Experience on obligation	(822,014)	916,637
Investment return	(649,717)	134,163
Chargeable in OCI	(1,471,731)	2,079,360
Total DB cost	(185,774)	2,963,337

32.5 Payments

The Investment bank contributes to the gratuity fund (on the advice of the fund's actuary) the amount of the net liability at the beginning of the year.

Projected Payments	Rupees
Contributions 2016	612,517
Benefits:	
2016	1,370,399
2017	206,590
2018	171,481
2019	175,966
2020	194,195
2021-25	4,562,531

Plan duration has decreased from 13.2 years on December 31, 2014 to 12.3 years on December 31, 2015.

32.6 Based on actuarial advice the Investment Bank intends to charge an amount of approximately Rs.1.286 million (2014: Rs.0.884 million) in the financial statements for the year ending December 31, 2015.

32.7 Defined contribution plan

An amount of Rs.0.875 million (2014: Rs.0.789 million) has been charged during the year in respect of contributory provident fund maintained by the Investment Bank.

32.8 Disclosure relating to provident fund

The Investment Bank operates a recognized Provident Fund (the Fund) for its permanent employees

	2015	2014	2015	2014
	<----Percentage----->		<-----Rupees----->	
(i) Size of Fund			15,918,234	12,407,322
(ii) Cost of investments made			11,412,284	11,078,115
(iii) Percentage of investments made			71.69	89.29
(iv) Fair value of investments in government securities			11,380,600	10,324,867
Break up of the investments is as follows:				
Bank balance	15.15	16.75	2,412,284	2,078,115
Government securities	56.54	72.54	9,000,000	9,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

33 Remuneration of chief executive and directors

	Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	-----Rupees-----					
Director's meeting fees	-	-	875,000	710,000	-	-
Managerial remuneration	2,754,387	2,996,000	-	-	8,772,000	7,908,000
Bonus	-	374,500	-	-	731,000	731,000
Medical expenses	142,020	281,269	-	-	714,169	653,000
Provident fund	-	-	-	-	567,600	516,600
Other benefits	423,243	950,476	-	-	-	-
	3,319,650	4,602,245	875,000	710,000	10,784,769	9,808,600
Number of persons	1	1	7	7	7	7

In addition to above the Investment Bank provides free use of Investment Bank maintained cars to its Chief Executive and other Senior Executives.

34 Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Investment Bank has diversified its funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily cashable marketable securities. The maturity profile is monitored on regular basis at Assets and Liabilities Committee to ensure that adequate liquidity is maintained. The table below summarizes the maturity profile of the Investment Bank's assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

35 Maturities of assets and liabilities

	2015			
	Total	Within One Year	Over one year to five years	Over five years
-----Rupees-----				
Assets				
Tangible fixed assets	11,568,874	-	-	11,568,874
Intangible assets	10,568,182	-	-	10,568,182
Long term Investment	26,181,818	-	-	26,181,818
Long term financing	2,978,750	1,383,600	1,595,150	-
Deferred tax asset	20,254,890	20,254,890	-	-
Short term financing	260,283,600	260,283,600	-	-
Short term placement	40,000,000	-	-	-
Short term investments	40,730,401	40,730,401	-	-
Loans and advances	91,357,122	91,357,122	-	-
Deposits, prepayments and other receivables	8,605,777	8,605,777	-	-
Accrued interest	32,537,054	32,537,054	-	-
Cash and bank balances	11,986,367	11,986,367	-	-
	557,052,835	467,138,811	1,595,150	48,318,874
Liabilities				
Borrowings	-	-	-	-
Short term deposits	29,112,373	29,112,373	-	-
Accrued expenses and other liabilities	8,862,837	8,862,837	-	-
	37,975,210	37,975,210	-	-
Net assets	519,077,625	429,163,601	1,595,150	48,318,874
Represented by:				
Share capital	514,335,580			
Accumulated loss	(140,876,007)			
Statutory reserves	145,712,633			
Deficit on revaluation of investments - net of tax	(94,581)			
	519,077,625			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2014			
	Total	Within One Year	Over one year to five years	Over five years
-----Rupees-----				
Assets				
Tangible fixed assets	1,061,796	-	-	1,061,796
Intangible assets	10,568,182	-	-	10,568,182
Long Term Investment	26,181,818	-	-	26,181,818
Deferred tax asset	23,049,304	23,049,304	-	-
Short Term Placements	73,500,000	73,500,000	-	-
Short term financing	212,300,000	212,300,000	-	-
Short term investments	29,562,484	29,562,484	-	-
Loans and advances	89,925,920	89,925,920	-	-
Deposits, prepayments and other receivables	5,231,707	5,231,707	-	-
Accrued Interest	19,931,945	19,931,945	-	-
Cash and bank balances	54,903,699	54,903,699	-	-
	546,216,855	508,405,059	-	37,811,796
Liabilities				
Borrowings	-	-	-	-
Short term deposits	21,777,653	21,777,653	-	-
Accrued expenses and other liabilities	7,902,527	7,902,527	-	-
	29,680,180	29,680,180	-	-
Net assets	516,536,675	478,724,879	-	37,811,796
Represented by:				
Share capital	514,335,580			
Accumulated loss	(142,554,809)			
Statutory reserves	145,543,127			
Deficit on revaluation of investments - net of tax	(787,223)			
	516,536,675			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

36 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Investment Bank attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties, and continually assessing the credit worthiness of counter-parties.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of a Investment Bank's performance to developments affecting a particular industry.

The Investment Bank follows two sets of guidelines. Firstly, it has its own operating policies duly approved by the Board of Directors. Secondly, it adheres to the regulations issued by the SECP and SBP. The operating policies define the extent of fund and non-fund based exposures with reference to a particular sector or group.

The Investment Bank seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentration of risks with individuals or groups of customers in specific locations or business. It also obtains security when appropriate. Details of Industry / sector analysis of finance portfolio is given below:

36.1	Finance	2015		2014	
		Rupees	%	Rupees	%
	Cables and electric goods	263,262,350	100.00	212,300,000	100.00
		263,262,350	100.00	212,300,000	100.00

36.2 Geographical Segment

These financial statements represent operations of the Investment Bank in Pakistan only.

37 Market risk

The Investment Bank's activities expose it to a variety of market risks (in addition to liquidity and credit risks). Market risk with respect to the Investment Bank's activities include interest rate risk, currency risk and other price risk.

37.1 Interest rate risk

Interest rate risk arises from the possibility when changes in interest rate affect the value of financial instruments. The Investment Bank is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or reprice in a given period. The Investment Bank manages this risk by matching the repricing of assets and liabilities.

The Investment Bank's exposure to interest rate risk on its financial assets and financial liabilities are summarized as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

31 December 2015					
Description	Exposed to Interest Rate/ Yield Risk				Not Exposed to Interest Rate/ Yield Risk
	Total	Within one year	More than one year and up to five years	Above five years	
Financial assets					
Long term investment	26,181,818	-	-	-	26,181,818
Long term financing	2,978,750	1,383,600	1,595,150	-	
Short term financing	260,283,600	260,283,600	-	-	-
Short term placements	40,000,000	40,000,000	-	-	
Investment in TFCs	5,836,219	5,836,219	-	-	-
Short term investments in Quoted Shares	14,645,361	-	-	-	14,645,361
Short term investments in Unquoted Shares	-	-	-	-	-
Investment in Government Bonds	20,248,821	20,248,821	-	-	-
Loans and advances	2,500,000	-	-	-	2,500,000
Deposits and other receivables	7,725,394	-	-	-	7,725,394
Accrued interest	32,537,054	-	-	-	32,537,054
Balances with banks and cash in hand	11,986,367	2,787,667	-	-	9,198,700
Total	424,923,384	330,539,907	1,595,150	-	92,788,327
Financial liabilities					
Deposits	29,112,373	29,112,373	-	-	-
Borrowings	-	-	-	-	-
Profit accrued on deposits and borrowings	1,075,278	-	-	-	1,075,278
Accrued and other liabilities	7,787,559	-	-	-	7,787,559
Total	37,975,210	29,112,373	-	-	8,862,837
Total interest rate sensitivity gap		301,427,534	1,595,150	-	83,925,490
Cumulative interest rate sensitivity gap		301,427,534	303,022,684	303,022,684	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Description	31 December 2014				
	Exposed to Interest Rate/ Yield Risk				
	Total	Within one year	More than one year and up to five years	Above five years	Not Exposed to Interest Rate/ Yield Risk
Financial assets					
Long term Investment	26,181,818	-	-	-	26,181,818
Short term financing	212,300,000	212,300,000	-	-	-
Short term placement	73,500,000	73,500,000	-	-	-
Short term investments in TFC's	6,066,100	6,066,100	-	-	-
Short term investments in Quoted Shares	5,208,582	-	-	-	5,208,582
Short term investments in Unquoted Shares	-	-	-	-	-
Loans and advances	2,500,000	-	-	-	2,500,000
Deposits and other receivables	4,116,150	-	-	-	4,116,150
Accrued interest	19,931,945	-	-	-	19,931,945
Balance with bank and cash in hand	54,903,699	52,250,741	-	-	2,652,958
Total	404,708,294	344,116,841	-	-	60,591,453
Financial liabilities					
Deposit	21,777,653	21,777,653	-	-	-
Borrowings	-	-	-	-	-
Profit accrued on deposits and borrowings	661,763	-	-	-	661,763
Accrued and other liabilities	4,277,427	-	-	-	4,277,427
Total	26,716,843	21,777,653	-	-	4,939,190
Total interest rate sensitivity gap		322,339,188	-	19,283,269	55,652,263
Cumulative interest rate sensitivity gap		322,339,188	322,339,188	341,622,457	

Mark-up rates are mentioned in the respective notes to these financial statements.

37.2 Equity price risk

The Investment Bank's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Investment Bank manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the bank's senior management on a regular basis. The Investment Bank's Board of Directors reviews and approves all equity investment decisions.

37.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Investment Bank is not exposed to currency risk arising from currency exposure as it is not involved in foreign currency transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

38 Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Investment Bank defines as net operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Investment Bank is exposed to externally imposed capital requirements.

Recently the Securities and Exchange Commission of Pakistan has notified amendments in the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008 (vide SRO No. 1002(I)/ 2015 dated October 15, 2015 and SRO No. 1160(I)/2015 dated November 25, 2015), thereby Securities and Exchange Commission of Pakistan has allowed one year time for aligning existing NBFCs with Minimum Capital requirement of Rs.750 million. The management of the Investment Bank is confident of either getting extension for meeting the capital requirement, in case, it is unable to get extension the sponsors are committed to inject the required capital to meet its minimum capital requirements within the time frame allowed under the said regulations.

39 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The carrying value of financial assets and financial liabilities approximate their fair values as reflected in the financial statements.

40 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 shareholders and their close family members, key management personnel and retirement benefit funds. The Investment 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 year, other than Director's remuneration given under note 33 to the financial statements, are as follows;

	2015	2014
	<-----Rupees----->	
Financing		
Balance as at year end		
- Associated undertakings	260,283,600	212,300,000
- Others	-	-
Return on financing		
Transactions during the year		
- Associated undertakings	34,878,932	27,609,008
- Others	-	-
Short term deposits		
Balance as at year end		
- Associated undertakings	12,168,912	6,255,883
- Others	8,423,918	7,489,162

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	<-----Rupees----->	
Return on deposits		
Transactions during the year		
- Subsidiary	-	763,396
- Associated undertakings	1,249,482	644,665
- Others	108,573	398,387
Rent, Rates and Taxes		
Transactions during the year		
- Associated undertakings	822,150	-
Guarantee issued		
Balance as at year end		
- Associated undertakings	25,520,900	15,226,100
- Others	50,000,000	50,000,000
Other transactions during the year		
Contribution to staff provident fund	875,230	788,780
Contribution to staff gratuity fund	1,285,957	1,649,026
Commission income	179,640	118,714
Dividend income	-	21,000,000

41 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors on **21 March, 2016**

42 Figures

42.1 Figures have been rounded off to the nearest rupee.

42.2 Comparative information has been re-classified or re-arranged, wherever necessary, for the purpose of better presentation.

PATTERN OF SHAREHOLDING

AS AT 31 DECEMBER 2015

Number of shareholders	Shareholding		Total number of shares held	Percentage %
	From	To		
811	1	100	30,491	0.06%
517	101	500	128,283	0.25%
231	501	1000	184,748	0.36%
510	1001	5000	897,790	1.75%
65	5001	10000	471,196	0.92%
22	10001	15000	281,213	0.55%
15	15001	20000	271,731	0.53%
11	20001	25000	255,950	0.50%
6	25001	30000	165,889	0.32%
2	30001	35000	67,622	0.13%
2	35001	40000	73,969	0.14%
3	40001	45000	125,834	0.24%
3	45001	50000	136,092	0.26%
4	50001	55000	210,227	0.41%
1	55001	65000	55,400	0.11%
1	65001	75000	68,575	0.13%
1	75001	85000	79,627	0.15%
1	85001	90000	88,002	0.17%
1	90001	95000	92,423	0.18%
2	95001	130000	200,000	0.39%
1	130001	135000	134,500	0.26%
1	135001	160000	139,200	0.27%
4	160001	205000	649,920	1.26%
1	205001	230000	208,236	0.40%
2	230001	375000	466,758	0.91%
1	375001	460000	375,463	0.73%
1	460001	490000	464,500	0.90%
1	490001	585000	495,000	0.96%
1	585001	595000	585,572	1.14%
1	595001	705000	597,000	1.16%
1	705001	915000	706,977	1.37%
1	915001	925000	917,841	1.78%
1	925001	1085000	926,234	1.80%
1	1085001	1110000	1,089,900	2.12%
1	1110001	1160000	1,114,392	2.17%
1	1160001	1175000	1,160,703	2.26%
1	1175001	1570000	1,178,581	2.29%
1	1570001	1825000	1,573,550	3.06%
1	1825001	2225000	1,825,050	3.55%
2	2225001	2230000	4,453,120	8.66%
1	2230001	2260000	2,232,482	4.34%
1	2260001	2370000	2,262,698	4.40%
1	2370001	2795000	2,371,947	4.61%
1	2795001	2920000	2,796,114	5.44%
1	2920001	3650000	2,923,849	5.68%
1	3650001	4945000	3,650,100	7.10%
1	4945001	7300000	4,948,609	9.62%
1	7300001	7305000	7,300,200	14.19%
2,242			51,433,558	

Categories of shareholders	Number of shareholder	Shares held	Shares held %
Individuals	2,195	43,943,557	85.44%
Investment companies	5	3,229	0.01%
Insurance companies	3	374,736	0.73%
Joint stock companies	30	3,202,358	6.23%
Financial institutions	3	2,599	0.01%
Modaraba companies	1	889	0.00%
Mututal fund	1	3,425,647	6.66%
Others	4	480,543	0.93%
	2,242	51,433,558	

DETAILS OF PATTERN OF SHAREHOLDING AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

Categories of shareholders	Shares held
Individual	13,289,085
Investment companies except ICP	1,524
Public / Private Sector Companies and Corporations	3,682,901
Directors, Chief Executive Officer and their spouse and minor children	
Haji Jan Muhammad	1,221
Karim Muhammad Munir	500
Mohammad Shoaib	1,111
Muhammad Mehboob	2,760
Shaikh Abdullah	1,000
Zafar .M. Sheikh	2,000
Sheikh Asim Rafiq (NIT) National Bank of Pakistan, Trustee Department	3,425,647
Investment Corporation of Pakistan	1,705
Associated companies, undertakings and related parties	
Fouzia Bano	1,825,050
Maryiam Bai	1,178,581
Muhammad Hanif	2,226,560
Muhammad Iqbal	2,923,849
Shahnaz Javed	3,650,100
Yasmin Bano	2,226,560
Zarina Iqbal	2,796,114
Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds except National Bank of Pakistan, Trustee Department	378,224
Shareholders holding ten percent or more voting interest	
Amina Bano	7,300,200
HAR	6,518,866
Grand Total	51,433,558

Dividend Mandate

Dear Shareholder,

Dividend Mandate: (Optional)

Security Investment Bank Limited wishes to inform its Shareholders that under the Law (Section 250 of the Companies Ordinance, 1984) they are entitled (if they so opt) to receive their cash dividend directly in their designated bank accounts instead of receiving it through dividend warrants. This will not only be convenient but will also save considerable time as funds will be credited directly into the bank account.

Shareholders either desiring to exercise this option or wanting to update the Bank Mandate information already provided should submit the following information to Security Investment Bank Limited Share Registrar at the address noted herein:

S.No	Shareholder/Member Details	
1	Shareholder Name	
2	Father's/ Husband's Name	
3	Folio Number	
4	Name of Bank and Branch	
5	Title of Bank Account	
6	Bank Account Number	
7	Cell Number	
8	Telephone Number (if any)	
9	CNIC Number (attach copy)	
10	NTN (in case of corporate entity, attach copy)	
11	Passport No. (in case of foreign shareholder)	

Signature of Member/Shareholder

Please note that this dividend mandate is OPTIONAL and NOT COMPULSORY, in case you do not wish your dividend to be directly credited into your bank account then the same shall be paid to you through the dividend warrants.

CNIC Submission (Mandatory):

Pursuant to the directives of the Securities and Exchange Commission of Pakistan, CNIC number is mandatorily required to be mentioned on dividend warrants, you are therefore requested to submit a copy of your valid CNIC. In case of non-receipt of the copy of valid CNIC, Security Investment Bank Limited (the Company) would be unable to comply with SRO 831(1)/2012 dated 5 July 2012 of SECP and therefore may be constrained under Section 251(2) (a) of the Companies Ordinance, 1984 to withhold dispatch of dividend warrants of such shareholders in future.

Security Investment Bank Limited Share Registrar

C & K Management Associates (Pvt) Limited
404, Trade Tower, Near Hotel Metropolitan, Karachi.

***Note:** The Shareholders who hold shares in Central Depository Company are requested to submit the duly filled in Dividend Mandate Form to their Participants/Investor Account Services.

Yours faithfully,
Muhammad Amin Khatri
CFO & Company Secretary
Security Investment Bank Limited

FORM OF PROXY TWENTY FIFTH ANNUAL GENERAL MEETING

I/We
of
a member / members of SECURITY INVESTMENT BANK LIMITED and holding
ordinary shares, as per Register Folio/CDC A/c or sub account no.
do hereby appoint
of
to vote for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on 25th April 2016 and at any adjournment thereof.

As Witness my/our hand this day of2016.

Folio No. _____

REVENUE STAMP RS. 5/-

Witness:

1. Name _____
CNIC No. _____

SIGNATURE OF MEMBER(S)

2. Name _____
CNIC No. _____

IMPORTANT:

- 1 A member entitled to attend Twenty Fifth Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him.
- 2 The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation its common seal (if any) should be affixed on the instrument.
- 3 The proxies shall be deposited at the Share registrar's office of the Company not less than 48 hours before the time of the meeting.
- 4 For CDC Account Holders / Corporate Entities
In addition to the above the following requirements have to be met.
 - (i) Copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (ii) The proxy shall produce his original CNIC or original passport at the time of meeting.
 - (iii) in case of a corporate entity, the Board of Director's resolution / power of attorney with specimen signature.

8

پراکسی فارم پچیسواں سالانہ عمومی اجلاس

میں/ہم _____ کا/کے بحیثیت ممبر (ز) سیکورٹی انویسٹمنٹ بینک لمیٹڈ اور
حامل _____ عام حصص برطانیق فولیو نمبر / CDC A/C / CDC Sub A/C نمبر _____ مقرر کرتا کرتے
ہیں۔ محترم / محترمہ _____ آف _____ کو اپنے/ہمارے ایما پر کمپنی کے 25 اپریل 2016 بروز پیر کو ہونے
والے 25 واں سالانہ عمومی اجلاس میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور نمائندہ (پراکسی)۔

بطور گواہ آج بتاریخ _____ میرے/ہمارے دستخط ہوئے۔

پانچ روپے کے رسیدی ٹکٹ پر دستخط

فولیو نمبر _____

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت
ہونا لازمی ہے۔

گواہ:

۱۔ نام: _____

_____ :CNIC

۲۔ نام: _____

_____ :CNIC

اہم نکات:

- 1۔ کوئی ممبر جو کہ سالانہ عمومی اجلاس میں شرکت کرنے کا مجاز ہے وہ اپنے بدلے شرکت اور حق رائے دہی کے لیے پراکسی نامزد کر سکتا ہے۔
- 2۔ پراکسی انسٹرومینٹ ممبر سے یا بااختیار اٹارنی سے دستخط شدہ ہونا لازمی ہے، اگر ممبر کوئی کمپنی یا کارپوریشن ہے تو اسکی Common Seal پراکسی انسٹرومینٹ پر ہونا لازمی ہے۔
- 3۔ ہر لحاظ سے مکمل اور دستخط شدہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرازی آفس میں موصول ہو جانا چاہیے۔
- 4۔ CDC اکاؤنٹ رکھنے والے/کارپوریٹ ادارے۔
مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔
(۱) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی نقول بھی دی جائیں۔
(۲) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
(۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔

Islamabad Office:

GPO Box No. 2967, Suite No. 4th, 3rd Floor, Al-Babar Centre, Main Markaz F-8, Islamabad.
Tel: (051) 2818107-09, Fax: (051) 2818110

Karachi Office:

502, 5th Floor, Madina City Mall, Abdullah Haroon Road, Saddar Karachi.
Tel: (021) 35659750-54, Fax: (021) 35659755