



1st Quarterly Report 2026



SECURITY
INVESTMENT
BANK LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Haji Jan Muhammad - Chairman
Mr. Muhammad Mehboob
Mrs. Zillay Huma Khan
Mr. Ghazzanfar Ahasan
Mr. Saleem Jessani
Mr. Syed Zafar Hasan Reza
Mr. Muhammad Bilal Chaudhry

PRESIDENT & CEO

Mr. Zafar M. Sheikh

AUDIT COMMITTEE

Syed Zafar Hasan Reza - Chairman
Mr. Saleem Jessani
Mr. Muhammad Mehboob
Mr. Muhammad Bilal Chaudhry

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Muhammad Bilal Chaudhry - Chairman
Mr. Zafar M. Sheikh
Mr. Muhammad Mehboob
Mr. Syed Zafar Hasan Reza

RISK MANAGEMENT COMMITTEE

Mr. Ghazzanfar Ahasan - Chairman
Mr. Muhammad Mehboob
Mr. Syed Zafar Hasan Reza
Mr. Zafar M. Sheikh

CHIEF FINANCIAL OFFICER

Mr. Shakeel Ahmed

SHARIAH ADVISOR

Mufti Ghaffar Ahmed

HEAD OF INTERNAL AUDIT

Mr. Muhammad Naveed Jamal, ACMA

AUDITORS

Muniff Ziauddin & Co.
Chartered Accountant

TAX ADVISORS

Grant Thornton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS

Mr. Muhammad Altaf
Advocate of the High Court

SHARE REGISTRAR

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

BANKERS

JS Bank Limited
United Bank Limited
Bank Makramah Limited

REGISTERED OFFICE

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

KARACHI OFFICE

Suit No.502, 5th Floor,
Madina City Mall
Abdullah Haroon Road,
Saddar, Karachi
Tel: (021) 35659753-54
Fax: (021) 35659755
E-mail: sibl@sibl.com.pk

DIRECTOR'S REPORT

The directors of **Security Investment Bank Limited** (the **Company**) are pleased to present the Financial Statements of the Company for the first quarter ended 31 March 2026.

Pakistan's Economic Overview

Overall, Pakistan's economic outlook is set to strengthen over the next two years, with steady recovery expected despite increasing inflationary and external risks. In the FY2026 Pakistan GDP growth is expecting at 3.5% while inflation is projected to rise to 6.4% driven largely by elevated global energy prices and ongoing geopolitical tensions, particularly the conflict in the Middle East

Pakistan imports nearly 80% of its oil, much of it from Gulf suppliers, due to the closure of Strait of Hormuz, shipping routes have been disrupted, leading to skyrocketing fuel prices, transportation costs, electricity generation, and industrial production are all affected. If the war drags on, Pakistan risks prolonged economic stagnation high energy costs will deter investment, while inflation erodes purchasing power.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth, financial stability and fiscal adjustments. The Committee keeping the view of overall economic situation and inflation remain the policy rate unchanged to 10.50% in its last meeting held on March 09, 2026. During the quarter under review, the Pakistan Stock Market (KSE100) registered drastic declined due to geopolitical tension and KSE 100 index posted at 145,843 points in March, 31 2026 compared to 174,473 points as of 31 December 2025.

Business Performance Review

The company recorded profit from its operation Rs. 4.095 million for the first quarter ended 31 March 2026 as compared to Rs. 15.065 million profit before tax of the corresponding period. Your Company's EPS was Rs. 0.069 as compared to Rs. 0.255 of the corresponding period.

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

On behalf of the Board

Haji Jan Muhammad
Chairman

Zafar M Sheikh
Chief Executive Officer

Karachi, 27 April 2026

ڈائریکٹرز کی رپورٹ

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے ڈائریکٹرز کو یہ خوشی ہے کہ وہ 31 مارچ 2026 کو ختم ہونے والی پہلی سہ ماہی کے مالیاتی بیانات پیش کر رہے ہیں۔

پاکستان کی معاشی صورتحال کا جائزہ

مجموعی طور پر پاکستان کی معاشی صورتحال آئندہ دو برسوں میں بہتر ہونے کی توقع ہے، جبکہ بڑھتی ہوئی افراط زر اور بیرونی خطرات کے باوجود بتدریج بحالی متوقع ہے۔ مالی سال 2026 میں پاکستان کی جی ڈی پی نمو 3.5 فیصد رہنے کی توقع ہے، جبکہ افراط زر بڑھ کر 6.4 فیصد تک پہنچنے کا امکان ہے، جس کی بڑی وجہ عالمی توانائی کی بلند قیمتیں اور جاری جغرافیائی سیاسی کشیدگی، خصوصاً مشرق وسطیٰ میں تنازع ہے۔

پاکستان اپنی تیل کی ضروریات کا تقریباً 80 فیصد درآمد کرتا ہے، جس کا بڑا حصہ خلیجی ممالک سے حاصل کیا جاتا ہے۔ آبنائے ہرمز کی بندش کے باعث شپنگ راستے متاثر ہوئے ہیں، جس کے نتیجے میں ایندھن کی قیمتوں میں غیر معمولی اضافہ ہوا ہے۔ اس کے ساتھ ساتھ ٹرانسپورٹ کے اخراجات، بجلی کی پیداوار اور صنعتی سرگرمیاں بھی متاثر ہوئی ہیں۔ اگر جنگ طویل ہوتی ہے تو پاکستان کو طویل معاشی جمود کا سامنا کرنا پڑ سکتا ہے، کیونکہ توانائی کی بلند لاگت سرمایہ کاری کی حوصلہ شکنی کرے گی جبکہ افراط زر قوت خرید کو کمزور کرے گی۔

اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی نے معاشی ترقی، مالیاتی استحکام اور مالیاتی ایڈجسٹمنٹ کی حمایت کے لیے اپنی پالیسی کا بارہا جائزہ لیا۔ کمیٹی نے مجموعی معاشی صورتحال اور افراط زر کو مد نظر رکھتے ہوئے 09 مارچ 2026 کو ہونے والے اپنے آخری اجلاس میں پالیسی ریٹ 10.50 فیصد پر برقرار رکھا۔ زیر جائزہ سہ ماہی کے دوران پاکستان اسٹاک مارکیٹ (کے ایس ای 100) میں جغرافیائی سیاسی کشیدگی کے باعث نمایاں کمی دیکھنے میں آئی، اور کے ایس ای 100 انڈیکس 31 مارچ 2026 کو 145,843 پوائنٹس پر بند ہوا، جبکہ 31 دسمبر 2025 کو 174,473 پوائنٹس تھا۔

کاروباری کارکردگی کا جائزہ

کمپنی نے 31 مارچ 2026 کو ختم ہونے والی پہلی سہ ماہی میں اپنی سرگرمیوں سے 4.095 بلین روپے منافع حاصل کیا، جبکہ گزشتہ سال اسی مدت میں قبل از ٹیکس منافع 15.065 بلین روپے تھا۔ کمپنی کی فی حصص آمدنی (EPS) 0.069 روپے رہی، جبکہ گزشتہ سال اسی مدت میں یہ 0.255 روپے تھی۔

بورڈ پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مسلسل قیمتی تعاون، معاونت اور رہنمائی پر ان کا شکریہ ادا کرتا ہے۔ بورڈ انتظامیہ اور عملے کی انتھک محنت کو بھی سراہتا ہے۔

بورڈ کی جانب سے

ظفر ایم شیخ
چیف ایگزیکٹو آفیسر

حاجی جان محمد
چیرمین

کراچی، 27 اپریل 2026

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MAR 2026

		2026 (Un-Audited)	2025 (Audited)
Note	-----	Rupees	-----
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	148,583,718	149,073,342
Investment property	7	26,137,593	26,137,593
Ijarah assets - under financing arrangements	6	43,564,329	47,960,509
Intangible assets	8	2,621,336	2,628,335
Deferred tax asset		3,704,697	3,704,697
Long term financing	9	47,372,782	24,905,893
Long term loans and advances	11	6,793,133	5,330,709
Diminishing musharaka financing	10	10,569,312	5,711,673
		289,346,900	265,452,751
CURRENT ASSETS			
Current portion of long term financing	9	25,270,147	30,732,760
Short term investments	12	498,153,774	515,730,039
Current portion of loan and advances	11	1,777,846	2,391,891
Current portion of diminishing musharaka financing	10	3,758,328	2,023,327
Deposits, prepayments and other receivables		20,244,537	21,277,845
Ijarah rentals receivable		978,762	2,774,557
Accrued interest		18,569,314	15,522,052
Advance income tax	13	27,489,970	25,058,669
Cash and bank balances	14	33,604,925	30,586,603
		629,847,603	646,097,743
TOTAL ASSETS		919,194,503	911,550,493
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
100,000,000 (2024: 100,000,000) Ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital		591,485,917	591,485,917
Statutory reserves		149,569,891	149,569,891
Surplus on revaluation of property		12,598,068	12,598,068
Unappropriated profit		33,997,475	29,902,392
		787,651,351	783,556,268
NON-CURRENT LIABILITIES			
Security deposits against Ijarah		12,885,170	14,304,434
Deferred income from financing		15,017,830	6,192,991
		27,903,000	20,497,425
CURRENT LIABILITIES			
Current portion of security deposit against Ijarah		-	570,000
Unclaimed dividend		28,852,079	28,852,079
Advance against property		73,333,326	69,999,993
Accrued and other liabilities		1,454,747	1,167,210
Current portion of deferred income from financing		-	6,907,518
		103,640,152	107,496,800
TOTAL EQUITY AND LIABILITIES		919,194,503	911,550,493
CONTINGENCIES AND COMMITMENTS			

The annexed notes from 1 to 18 form an integral part of these financial statements.

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2026

	Mar 31 2026	Mar 31 2025
Rupees		
Income		
Income on financing and placements	6,410,879	14,669,872
Return on securities	13,161,041	18,132,386
Profit on deposit with banks	66,105	69,283
Other income	1,310,658	201,268
	20,948,683	33,072,809
Expenditure		
Operating expenses	16,853,600	18,007,375
	16,853,600	18,007,375
Operating profit	4,095,083	15,065,434
Profit before taxation	4,095,083	15,065,434
Taxation		
Current	-	-
Deferred	-	-
	-	-
Net Profit after tax	4,095,083	15,065,434
Earning per share - basic and diluted	0.069	0.255

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2026**

	<u>Three months ended Mar</u>	
	<u>2026</u>	<u>2025</u>
	<u>----- Rupees -----</u>	
Net profit after tax	4,095,083	15,065,434
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>4,095,083</u>	<u>15,065,434</u>

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 31 MARCH 2026

	Share capital	Statutory reserve	Unappropriat ed loss/profit	Surplus on revaluation of property	Total
	----- Rupees -----				
Balance as at 01 January 2025	591,485,917	145,567,871	102,440,755	-	839,494,543
Total comprehensive loss for the period	-	-	15,065,434	-	15,065,434
Appropriations:					
Statutory reserves	-	-	-		-
Balance as at 31 Mar 2025	591,485,917	145,567,871	117,506,189	-	854,559,977
Total comprehensive income for the year	-	-	20,010,101	12,769,704	32,779,805
Appropriations:					
Statutory reserves	-	4,002,020	(4,002,020)	-	-
Profit distribution for the year ended Dec 31, 2025	-	-	(88,722,888)	-	(88,722,888)
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	171,636	(171,636)	-
Balance as at 31 December 2025	591,485,917	149,569,891	29,902,392	12,598,068	783,556,268
Profit for the period	-	-	4,095,083		4,095,083
other comprehensive income	-	-	-		-
Statutory reserves	-	-	-		-
Balance as at 31 Mar 2026	591,485,917	149,569,891	33,997,475	12,598,068	787,651,351

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

UNCONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2026

	Three months ended Mar 31	
	2026	2025
	←----- Rupees -----→	
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before taxation	4,095,083	15,065,434
Adjustments for non-cash and other items		
Depreciation on fixed assets	583,624	604,727
Depreciation on Ijarah assets	2,322,018	6,168,432
Gain on disposal of fixed assets	-	(46,999)
	2,905,642	6,726,160
Cash flows from operating activities before working capital changes	7,000,725	21,791,594
(Increase) / Decrease in operating assets		
Short term financing	32,890,163	9,420,708
Current portion of long term financing	22,888,813	(25,617,000)
Deposits, prepayment and other receivables	(16,329,902)	133,014
Accrued interest	8,604,547	(3,485,350)
	48,053,621	(19,548,628)
Increase / (Decrease) in operating liabilities		
Accrued and other liabilities	326,181	(410,908)
Advance against property	(23,333,331)	16,666,665
Net change in operating assets and liabilities	(23,007,150)	(3,292,871)
Income tax paid	-	(28,482)
Net cash used in operating activities	32,047,196	18,470,241
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in fixed assets	(94,000)	(3,058,705)
Addition in ijarah assets	-	(9,450,000)
Loans and advances -net	933,508	(440,665)
Long term financing	(22,979,642)	6,606,266
Security deposit - net	2,620,489	2,835,000
Deferred income from financing - net	7,600,881	1,269,638
Sale proceeds on disposal of fixed assets	-	47,000
Investment / sale of investment in securities	7,646,244	(2,138,293)
Net cash generated from investing activities	(4,272,520)	(4,329,759)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(21,278,035)	-
Net cash generated from financing activities	(21,278,035)	-
Net Increase in cash and cash equivalents	6,496,641	14,140,482
Cash and cash equivalents at the beginning of the period	27,108,284	12,967,802
Cash and cash equivalents at the end of the period	33,604,925	27,108,284

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2026

1 STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was incorporated in Pakistan on May 23, 1991 and started its commercial operations on December 31, 1991. Its shares are listed on Pakistan Stock Exchange. During the year, the company changed its registered office from Office no. 1, 1st floor, Junaid plaza, I-10 Markaz, Islamabad to office No. 15, 3rd Floor, Al-Rehmat Mall, Plot # 34, Sector G-11 Markaz, Islamabad.

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

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

During the current reporting period, the company continued the process of converting SIBL into a Shariah-compliant entity, following the submission of its application to the regulator. The conversion plan, which was submitted previously, remains under review by the regulator. As per the plan, SIBL is expected to complete the conversion process within two years, effective from September 1, 2023. Further, management submitted an application granting extension of one year effective from September 01, 2025 to complete the conversion process.

2 BASIS OF PRESENTATION

This unconsolidated condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017.

Where the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) , Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of Non-Banking Finance Companies (Establishment and

Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations), directives issued by the Securities and Exchange Commission of Pakistan (SECP), and provisions of and directives issued under the Companies Act, 2017 shall prevail.

This unconsolidated condensed interim financial information do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2025. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017 and Listing Regulations of Pakistan Stock Exchange.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparation of the financial statements for the year ended 31 December 2025.

4 ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2025.

	Mar 31, 2026 (Un-audited)	Dec 31, 2025 (Audited)
<----- Rupees ----->		

5 PROPERTY, PLANT AND EQUIPMENT (OWNED)

Book value at the beginning of the period / year	175,210,935	154,224,814
Addition - at cost	94,000	5,342,728
Revaluation of property		17,985,498
Investment Property	(26,137,593)	(26,137,593)
Disposal		
Cost	-	4,259,635
Accumulated Depreciation	-	(4,259,630)
	(583,624)	(2,342,100)
	148,583,718	149,073,342

6 PROPERTY, PLANT AND EQUIPMENT (IJARAH)

Book value at the beginning of the period / year	47,960,509	51,728,480
Addition - at cost	-	25,586,000
Disposal		
Cost		
Accumulated Depreciation	2,850,000	4,350,000
	(775,838)	(1,009,375)
Depreciation charged	2,074,162	3,340,625
	(2,322,018)	(26,013,346)
	43,564,329	47,960,509

Mar 31, 2026
(Un-audited) Dec 31, 2025
(Audited)

<----- Rupees ----->

7 Investment Property

Building	26,137,593	26,137,593
	<u>26,137,593</u>	<u>26,137,593</u>

7.1 The movement in this account is as follows:

Opening balance	-	-
Addition / transfer from fixed asset	26,137,593	26,137,593
Net fair value gain on revaluation shown in statement of profit or loss	-	-
Carrying amount as at December 31	26,137,593	26,137,593

7.2 This represents office suite 502 and 504, 5th floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi held by the company to earn rental income. The properties were transferred at their fair value which became their deemed cost for subsequent accounting under the fair value model. Forced sale value of the investment property assessed at Rs. 20,952,280.

Mar 31, 2026
(Un-audited) Dec 31, 2025
(Audited)

<----- Rupees ----->

8 Intangibles

PMEX Card	2,500,000	2,500,000
Website Development	121,336	128,335
	<u>2,621,336</u>	<u>2,628,335</u>

9 Long term financing

Secured and considered good

- Murabha Finance	87,660,759	66,400,040
- Deferred Murabha Income	(15,017,830)	(10,761,387)
Murahaba receiveable	72,642,929	55,638,653
Less: Current portion of long term financing	(25,270,147)	(30,732,760)
	<u>47,372,782</u>	<u>24,905,893</u>

10 Diminishing Musharaka Financing

Secured and considered good

Diminishing Musharaka financing	14,327,640	7,735,000
Less: Current portion of diminishing musharaka financing	(3,758,328)	(2,023,327)
	<u>10,569,312</u>	<u>5,711,673</u>

11 Long term loans and advances

Advances-secured	5,054,788	4,594,287
Staff	1,016,191	628,313
Against expenses for office premises	2,500,000	2,500,000
	8,570,979	7,722,600
Less: Current portion of loan and advances	(1,777,846)	(2,391,891)
	<u>6,793,133</u>	<u>5,330,709</u>

Mar 31, 2026
(Un-audited) Dec 31, 2025
(Audited)

<----- Rupees ----->

12 Short term investment

Held to Maturity

Market Treasury Bills	498,153,774	515,730,039
	<u>498,153,774</u>	<u>515,730,039</u>

13 Advance Income Tax

Opening Balance	25,058,669	34,031,997
Add: tax deducted / paid during the year	2,431,301	5,121,119
Less: Provision for taxation	-	(14,094,447)
	<u>27,489,970</u>	<u>25,058,669</u>

14 Cash and bank balances

With State Bank of Pakistan in current account	13,538	13,538
With other banks in		
Current accounts	28,712,564	28,712,564
Deposit accounts	4,778,023	1,760,487
	<u>33,490,587</u>	<u>30,473,051</u>
Cash in hand	100,800	100,014
	<u>33,604,925</u>	<u>30,586,603</u>

15 IFRS 9 FINANCIAL INSTRUMENTS ECL MODEL

A. Forward-looking ECL Reserve Estimate- General Approach

31-Mar-26

<----- Rupees ----->

Stage 1	Gross outstanding amount	ECL provision
	PKR	PKR
Murabaha and other finance	86,970,569	2,481
Diminishing Musharaka Financing	4,461,425	93,967

Stage 2	Gross outstanding amount	ECL in PKR
Nil	Nil	Nil

Stage 3	Gross outstanding amount	ECL in PKR
Nil	Nil	Nil

Methodological Overview

The ERP system calculates the ECL at an instrument level using the standard parameter-driven approach:

ECL = PD x LGD x EAD x Discount Factor

Where:

EAD (Exposure at Default): The gross carrying amount at the time of default

PD (Probability of Default): The likelihood of a borrower defaulting, assessed over a 12-month period (Stage 1) or lifetime

LGD (Loss Given Default): The percentage of exposure expected to be lost in the event of default, adjusted for collateral values

PD has been calculated using Z score method for the following scenarios: Base case, up case and down case

LGD has been calculated based on management assumptions whereby growth is applied to the collateral values, followed by the application of appropriate haircuts. The adjusted collateral value is then compared against the loan-to-value (LTV) ratio. Accordingly, the Loss Given Default is determined on the basis that 70% of the exposure will be recovered, inclusive of a curing rate of 25%.

B. Rental receivables -Simplified Approach

Stage 1	Gross outstanding amount	ECL provision
	PKR	PKR
Ijarah rentals receivable	978,762	7,439

A. Forward-looking ECL Reserve Estimate- General Approach

31-Dec-25

<----- Rupees ----->

Stage 1	Gross outstanding amount	ECL provision
	PKR	PKR
Murabaha and other finance	55,638,653	17,429
Diminishing Musharaka Financing	7,735,000	8,750

Stage 2	Gross outstanding amount	ECL provision
Nil	Nil	Nil

Stage 3	Gross outstanding amount	ECL provision
Nil	Nil	Nil

Methodological Overview

The ERP system calculates the ECL at an instrument level using the standard parameter-driven approach:

$$ECL = PD \times LGD \times EAD \times \text{Discount Factor}$$

Where:

EAD (Exposure at Default): The gross carrying amount at the time of default.

PD (Probability of Default): The likelihood of a borrower defaulting, assessed over a 12-month period (Stage 1) or lifetime LGD (Loss Given Default): The percentage of exposure expected to be lost in the event of default, adjusted for collateral values.

PD has been calculated using Z score method for the following scenarios : Base case , Up case and Down case

LGD has been calculated based on management assumptions whereby growth is applied to the collateral values, followed by the application of appropriate haircuts. The adjusted collateral value is then compared against the loan-to-value (LTV) ratio. Accordingly, the Loss Given Default is determined on the basis that 70% of the exposure will be recovered, inclusive of a curing rate of 25%.

B. Rental receivables -Simplified Approach

Stage 1	Gross outstanding amount	ECL provision
	PKR	PKR
Ijarah rentals receivable	2,774,557	21,087

16 BALANCES AND 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 Company has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method and are in the normal course of business at contracted rates and terms determined in accordance with market rates. Transactions with related parties during the year, other than Director's remuneration, are as follows:

Transactions During the period

Nature of Transaction	Nature of Relationship	Basis of Relationship	2026 Quarter Rupees	2025 Audited Rupees
OTHER LIABILITIES & PROVISIONS				
- ARY Laguna (Pvt) Limited	Associated Company	Common Director	3,333,333	36,666,663
Income on Financing - Ijara Rentals				
Related Parties				
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	247,755	993,374
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	507,945	2,031,780
- New Delite Company (Pvt) Limited	Associated Company	Common Director	-	22,027,225
			755,700	25,052,379
Others				
			2,559,690	9,580,086
			3,315,390	34,632,465
Income on Financing - Under Islamic Mode				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	96,126	4,127,407
- Madina Electronics	Associated Company	Common Director	847,485	4,361,675
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	34,352	267,685
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	669,831	2,979,361
			1,647,794	11,736,128
Others				
			1,447,695	4,564,120
			3,095,489	16,300,248
Misc. Income				
Related Parties				
ARY Laguna (Pvt) Limited	Associated Company	Common Director	319,248	837,638
ARY Communication Ltd	Associated Company	Common Director	644,025	322,997
Shakeel Ahmed	Chief Financial Officer	CFO	39,185	72,602
Personal loan				
Zafar M. Sheikh				
- Loan paid during the period	Chief Executive	Directorship	1,200,000	1,800,000
- Loan received during the period			624,999	3,699,994
Shakeel Ahmed				
- Loan paid during the period			200,000	1,500,000
- Loan received during the period	Chief Financial Officer	CFO	210,680	1,309,836

Balances as at the period end

Nature of Balances	Nature of Relationship	Basis of Relationship	2026 Quarter Rupees	2025 Audited Rupees
Murabaha and other finance				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	1,479,168	1,745,244
- Madina Electronics	Associated Undertaking	Common Director	18,568,941	20,146,841
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	741,684	1,019,352
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	10,849,644	11,209,387
			31,639,437	34,120,824
Others				
			55,331,132	29,252,820
			86,970,569	63,373,653
Accrued profit				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	236,462	302,381
- Madina Electronics	Associated Undertaking	Common Director	2,420,114	2,996,644
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	225,268	259,620
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	4,944,381	5,394,588
			7,826,225	8,953,233
Others				
			10,743,089	6,568,819
			18,569,314	15,522,052
Ijarah rental receivable				
Related Parties				
- New Delite Company Limited	Associated Company	Common Director	-	2,022,475
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	169,315	-
Others				
			809,447	752,082
			978,762	2,774,557
Other Receivable				
ARY Communication Ltd	Associated Company	Common Director	214,675	644,025
Haji Jan Mohammad	Associated Company	Common Director	17,781,920	17,781,920
Personal loan				
Zafar M. Sheikh	Chief Executive	Directorship	3,608,361	3,033,360
Shakeel Ahmed	Chief Financial Officer	CFO	1,312,147	1,322,827
OTHER LIABILITIES & PROVISIONS				
Advance against property				
- ARY Laguna (Pvt) Limited	Associated Company	Common Director	73,333,326	69,999,993

17 Date of authorisation

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on 27-April-2026

18 General

Figures have been rounded off to the nearest rupee.

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director



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